



## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AT THE CONCLUSION OF THE AUDIT

Mayor and Village Trustees  
Village of Trumansburg  
Trumansburg, New York

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Trumansburg (the Village) for the year ended May 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 17, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village are described in Note 1 to the financial statements. There were no changes in the Village's accounting policies during 2020. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Government-wide financial statements were compensated absences, accumulated depreciation, proportionate share of net pension liabilities, and deferred inflows and outflows of resources related to pensions.

Management's estimates of compensated absences, accumulated depreciation, pension liabilities, and deferrals are based on various assumptions. Management's estimate of compensated absences is based on accrued vacation hours and employee wage rates. Management's estimate of accumulated depreciation is based on the historical cost and useful lives of capital assets. Management's estimates of the Village's pension liabilities, deferred outflows, and deferred inflows of resources related to pensions are based on its proportionate share of the New York State and Local Retirement System actuarially determined calculations. We evaluated the key factors and assumptions used to develop the compensated absences, accumulated depreciation, pension liabilities, and deferral estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures were:

The disclosures of capital assets, short and long-term debt, and pension obligations, the details of which are presented in Notes 5, 6, 7, and 9.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The schedule below summarizes corrected misstatements of the financial statements. The following items detected as a result of audit procedures and were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

**Corrected**

During the audit, we completed the following significant closing entries as part of the year-end accrual process:

- Deferral of \$76,165 of Fire and EMS payments from the Town of Ulysses.
- Recognition of \$30,394 water rents receivable, along with a reduction of \$2,100 due from other governments, and related revenues to adjust water rent and levy receivable balances to actual as of May 31, 2020.
- Recognition of \$90,788 net ambulance receivables and related revenues to adjust EMS receivable balances to actual as of May 31, 2020.

***Disagreements With Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated April 6, 2021.

***Management Consultations With Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the Management's Discussion and Analysis, budgetary comparison information, the Schedules of the Village's Contributions - NYSLRS Pension Plans, and Schedules of the Village's Proportionate Share of the Net Pension Liability, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

This information is intended solely for the use of the Village Trustees and management of the Village of Trumansburg and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
April 6, 2021