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**To the Board of Trustees
Boulder Public Library District
Boulder, Colorado**

We have audited the financial statements of Boulder Public Library District for the year ended December 31, 2023. Professional standards require that we provide you with the following information related to our audit.

Qualitative Aspects of Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Boulder Public Library District are described in the Notes to the Financial Statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 estimate affecting the financial statements were:

- Estimating the useful lives for depreciation on capital assets.
- Estimating the discount rate and term extension for the subscription lease liability and leased asset.

Difficulties Encountered in Performing the Audit

We encountered no 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 trivial, and communicate them to the appropriate level of management. No misstatements were noted.

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Disagreements with Management

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

Management Representations

As is required in an audit engagement we have requested certain representations from management that are included in the management representation letter.

Other Recommendations

In the course of our audit, we noted the following opportunities to improve internal control and day-to-day business practices.

Library Point of Sale System

Currently cash receipts for various sale items such as book sales and café sales are recorded through a cash register that only produces a tape and does not have reporting capabilities from a point-of-sale system. Although the overall cash collection is not material to the District, a point-of-sale system would strengthen controls over cash collections, which are inherently higher risk for misappropriation of assets.

Other Matters

Tax Credits

On June 14, 2023, the inflation Reduction Act was modified to allow local governments to receive tax credit refunds even though they are not required to pay income taxes. Under the new elective pay rules a government may qualify for a refund for one of the following activities:

- Clean Vehicle Credits. If your government purchased a plug-in electric vehicle that draws significant propulsion from an electric motor, you may be eligible for a maximum credit of \$7,500 for qualified vehicles with gross vehicle weight of under 14,000 pounds and \$40,000 for all other vehicles. This includes passenger vehicles, buses, and ambulances.
- Charging infrastructure. If your government expended funds for charging infrastructure on your property, you may qualify for a refundable tax credit.
- Solar, geothermal or wind generation projects that have been completed in 2023 or are going to be completed by year end. This can include solar panels on government owned buildings.

There are several steps required if the District qualifies and we can assist with the application.

This report is intended solely for the information and use of the Board of Trustees, management, and others within the organization and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

McMahan and Associates, L.L.C.
Avon, Colorado