

# **East Greenbush Community Library**

**Financial Statements  
Year Ended December 31, 2023**



**BRYANS & GRAMUGLIA**  
CPAs, LLC

**East Greenbush Community Library  
December 31, 2023**

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## **Independent Auditors' Report**

To the Board of Trustees of  
East Greenbush Community Library

### ***Opinion***

We have audited the accompanying financial statements of East Greenbush Community Library (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2023, the related statement of support, revenues, expenses, and other changes in net assets – modified cash basis, and the statement of functional expenses – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of East Greenbush Community Library as of December 31, 2023, its support, revenues, expenses, and other changes in net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Greenbush Community Library and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis of Accounting***

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of East Greenbush Community Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about East Greenbush Community Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Summarized Comparative Information***

We have previously audited East Greenbush Community Library's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements which it has been derived.

***Bryans & Gramuglia CPAs, LLC***

Albany, New York

February 21, 2024

**East Greenbush Community Library**  
**Statement of Assets, Liabilities and Net Assets - Modified Cash Basis**  
**December 31, 2023**  
(With Comparative Totals as of December 31, 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 1,502,785	\$ -	\$ 1,502,785	\$ 1,330,880
Cash and cash equivalents - restricted	-	14,902	14,902	24,734
Total Current Assets	<u>1,502,785</u>	<u>14,902</u>	<u>1,517,687</u>	<u>1,355,614</u>
<b>Property, Plant and Equipment</b>				
Buildings	3,993,736	-	3,993,736	3,986,596
Land and improvements	892,661	-	892,661	892,661
Equipment, furniture and fixtures	708,461	-	708,461	676,591
Total	<u>5,594,858</u>	<u>-</u>	<u>5,594,858</u>	<u>5,555,848</u>
Less accumulated depreciation	<u>3,377,419</u>	<u>-</u>	<u>3,377,419</u>	<u>3,286,607</u>
Net Property, Plant and Equipment	<u>2,217,439</u>	<u>-</u>	<u>2,217,439</u>	<u>2,269,241</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,720,224</u>	<u>\$ 14,902</u>	<u>\$ 3,735,126</u>	<u>\$ 3,624,855</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accrued expenses	<u>\$ 65,387</u>	<u>\$ -</u>	<u>\$ 65,387</u>	<u>\$ 19,169</u>
<b>Net Assets</b>				
Without donor restrictions	3,654,837	-	3,654,837	3,580,952
With donor restrictions	-	14,902	14,902	24,734
Total Net Assets	<u>3,654,837</u>	<u>14,902</u>	<u>3,669,739</u>	<u>3,605,686</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,720,224</u>	<u>\$ 14,902</u>	<u>\$ 3,735,126</u>	<u>\$ 3,624,855</u>

**East Greenbush Community Library**  
**Statement of Support, Revenues, Expenses, and Other**  
**Changes in Net Assets - Modified Cash Basis**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for the Year Ended December 31, 2022)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
<b>Support and Revenues</b>				
Program services and fees	\$ 21,774	\$ -	\$ 21,774	\$ 29,499
Tax revenue	2,216,657	-	2,216,657	2,092,525
Grants and contributions	1,989	19,780	21,769	34,479
Interest income	4,320	-	4,320	754
Miscellaneous income	1,599	-	1,599	-
Net assets released from restrictions	29,612	(29,612)	-	-
Total Support and Revenue	<u>2,275,951</u>	<u>(9,832)</u>	<u>2,266,119</u>	<u>2,157,257</u>
<b>Expenses</b>				
Library	2,009,011	-	2,009,011	1,855,999
Management and general	189,523	-	189,523	182,570
Fundraising	3,532	-	3,532	3,396
Total Expenses	<u>2,202,066</u>	<u>-</u>	<u>2,202,066</u>	<u>2,041,965</u>
<b>Change in Net Assets</b>	73,885	(9,832)	64,053	115,292
Net Assets, Beginning of Year	<u>3,580,952</u>	<u>24,734</u>	<u>3,605,686</u>	<u>3,490,394</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,654,837</u>	<u>\$ 14,902</u>	<u>\$ 3,669,739</u>	<u>\$ 3,605,686</u>

**East Greenbush Community Library**  
**Statement of Functional Expenses - Modified Cash Basis**  
**For the Year Ended December 31, 2023**  
**(With Comparative Totals for the Year Ended December 31, 2022)**

	<u>Library</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2023 Total</u>	<u>2022 Total</u>
<b>Functional Expenses</b>					
Salaries and related fringe benefits	\$ 1,333,855	\$ 153,505	\$ 2,981	\$ 1,490,341	\$ 1,447,026
Staff development/travel	5,104	587	11	5,702	2,847
Books and materials	162,166	-	-	162,166	156,544
Program and planning	23,206	-	-	23,206	20,513
Technology and communications	66,926	7,702	150	74,778	57,415
Capital expenditures	12,762	1,469	28	14,259	-
Facilities and maintenance	100,221	11,534	224	111,979	123,574
Insurance	28,521	3,282	64	31,867	35,323
Professional services	118,490	6,421	-	124,911	48,651
Elections	-	1,224	-	1,224	1,035
Office supplies, marketing, printing and postage	33,007	3,799	74	36,880	30,350
Depreciation	124,753	-	-	124,753	118,687
Total Functional Expenses	<u>\$ 2,009,011</u>	<u>\$ 189,523</u>	<u>\$ 3,532</u>	<u>\$ 2,202,066</u>	<u>\$ 2,041,965</u>



**East Greenbush Community Library**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

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**1. NATURE OF OPERATIONS**

East Greenbush Community Library (the Library) was created by the enactment of a public library district by the laws of the State of New York. The Library is exempt from federal and state income tax filings. The Library was granted an absolute charter by the Regents of the State of New York on October 21, 1988 to provide public library and literacy services to the residents of the Town of East Greenbush and surrounding communities. The Library administration prepares a proposed budget for approval by the Board of Trustees and the voters of the Library approved the proposed appropriation budget for the years ended December 31, 2023 and 2022.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies used to prepare the accompanying financial statements follows:

***Basis of Accounting***

The financial statements of the Library have been prepared on the modified cash basis of accounting. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred. That basis differs from generally accepted accounting principles primarily because the Library has not recognized receivables and payables (except in certain circumstances such as accrued excise tax payable, accrued federal income tax on unrelated/related business income, liabilities arising from the receipt of borrowed cash, short-term accounts payable and employee payroll withholdings as allowed by accounting standards) and their related effects on the change in net assets. Accordingly, the financial statements are not intended to present the financial position and results of operations in accordance with generally accepted accounting principles.

***Cash and Cash Equivalents***

For purposes of the statement of assets, liabilities, and net assets – modified cash basis, the Library considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

***Property, Plant and Equipment and Depreciation***

The Library capitalizes individual property, plant and equipment items greater than \$5,000. Lesser amounts are expensed. Property, plant and equipment purchased using the Library's funds are stated at acquisition cost less accumulated depreciation. Donated assets are recorded at fair market value at the date of donation less accumulated depreciation.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Property, Plant and Equipment and Depreciation***

Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

	<u>Years</u>
Land improvements	5 - 15
Buildings	15 - 39
Equipment	5
Furniture, fixtures and finishes	7
Software & licenses	3

Depreciation expense was \$124,753 and \$118,687 for the years ended December 31, 2023 and 2022, respectively.

Maintenance and repairs are charged to operations when incurred; betterments and renewals are capitalized. When property, plant and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

***Impairment of Long-Lived Assets***

The Library reviews long-lived assets, including property, plant and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recovered. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of the asset. The Library has determined that no impairment existed at December 31, 2023 and 2022.

***Net Assets Without Donor Restrictions***

Net assets without donor restrictions represent resources over which the Board of Trustees has discretionary control. The resources can be used to carry out the operations of the Library in accordance with their by-laws.

***Net Assets With Donor Restrictions***

Net assets with donor restrictions consist of contributions and grants restricted for specific purposes.

Net assets with donor restrictions are assets subject to donor-imposed stipulations that will be met by the fulfillment of the purpose restriction or the passage of time. All donor-restricted support is reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenues, expenses, and other changes in net assets – modified cash basis as net assets released from program restrictions.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Net Assets With Donor Restrictions***

Net assets with donor restrictions may represent assets that have been donated to the Library with the donor stipulation that the principal remains intact and that only the income generated be used for the benefit of the Library. The Library does not have any of these indefinite net assets with donor restrictions as of December 31, 2023 and 2022.

***Recognition of Revenue***

Unconditional contributions and grants received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor or grantor restrictions.

The Library reports donor restricted contributions as unrestricted support whenever the restrictions are met in the same year the contributions are received.

Revenue from fundraising activities is recorded when received.

Revenue from tax levy's are recognized as revenue when the payments are received from the Town.

Interest and dividends are recognized when received.

Performance obligations for all of the Library activities are provided and consumed at a point in time, not over time, and therefore these types of revenues allocated to performance obligations are not left unsatisfied or partially unsatisfied at the end of the reporting period.

***Contributions***

The Library reports gifts of property, plant and equipment as without donor restrictions support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Library reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

***Donated Services***

The Library receives a significant amount of donated services from unpaid volunteers who assist with services provided by the Library. These services are not accounted for in the financial statements.

**East Greenbush Community Library**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Advertising*

The Library expenses advertising costs in the year they are paid. Advertising expense was \$16,492 and \$16,537 for the years ended December 31, 2023 and 2022, respectively.

*Inexhaustible Collections and Books*

Because the value of existing inexhaustible collections, including research books, and books used in the circulating library are not readily determinable, the Library’s policy is not to capitalize them. Purchases of new collections and books are charged to expense when paid, and fees for lost or damaged items are recorded as book replacement revenue when received. The approximate collection and book expense for the years ended December 31, 2023 and 2022 was \$162,166 and \$156,544, respectively, which is included in books and materials within the statements of functional expenses – modified cash basis.

*Functional Allocation of Expenses*

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services. These expenses include salaries, fringe benefits, depreciation, and other occupancy related costs. Salaries, and related fringe benefits are allocated based on estimated time spent in the various programs. Depreciation and occupancy related costs are either directly charged or allocated based on estimated square footage and/or time spent.

*Estimates*

The preparation of financial statements in conformity with the modified basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Library’s financial assets as of the statement of assets, liabilities and net assets – modified cash basis date, reduced by the amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of assets, liabilities and net assets – modified cash basis date for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end	\$ 1,517,687	\$ 1,355,614
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions	14,902	24,734
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,502,785	\$ 1,330,880

**East Greenbush Community Library**  
**Notes to Financial Statements**  
**December 31, 2023 and 2022**

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**3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Library generally maintains and keeps available all financial assets to meet their operating expenses as they become due. The Library also had \$2,699 and \$6,000 of credit card financing available at December 31, 2023 and 2022 to meet cash flow needs.

**4. AVAILABLE CREDIT**

The Library had \$9,000 and \$6,000 of credit card financing available with Bank of America to meet its operating needs as of December 31, 2023 and 2022. The interest rate on the advances varies and these advances are unsecured. There was \$6,301 and \$0-outstanding at December 31, 2023 and 2022, respectively.

**5. PENSION PLAN**

Employees of the Library are eligible to participate in the New York State & Local Employee Retirement System (NYSLERS), a defined benefit plan.

NYSLERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute, and benefits to employees. The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSLERS, Office of the State Comptroller, 110 State Street, and Albany, New York 12244.

The Systems are noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% to 3.5% of their salary. With the exception of NYSLERS tier V and VI employees, employees in the system more than 10 years are no longer required to contribute. In addition, employee contribution rates under NYSLERS tier VI vary based on a sliding salary scale. For NYSLERS, the comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing contributions required to be made by employers to the pension accumulation fund.

**5. PENSION PLAN**

The pension expense of the Library is based upon contribution rates (determined by the plan) applied to salaries of participating employees. Pension expense for the years ended December 31, 2023 and 2022 was \$153,627 and \$126,891, respectively.

**6. COMMITMENTS AND CONTINGENCIES**

The Library has received grants that may be subject to audit by the grantors. Such audits may result in disallowances and a request for a return of funds, and changes, if any, are recognized in the year known. Based on prior history, the Library administration believes that disallowances, if any, would be immaterial.

**7. CONCENTRATIONS**

*Tax Revenue*

The Library received \$2,216,657 and \$2,092,525, respectively, a substantial portion of its revenue, from local government sources including the Town of East Greenbush, Town of Rensselaer, and the Town of Schodack for the years ended December 31, 2023 and 2022. These amounts are contractually determined and are generated via local government property tax levies.

*Credit Risk*

The Library maintains its cash balances in financial institutions located in New York that management believes to be of high credit quality. Accounts at these institutions are generally insured by the Federal Deposit Insurance Corporation (FDIC) for each institution. At times, during the years ended December 31, 2023 and 2022, the Library may have had cash deposits in excess of amounts insured by the FDIC. The Library has not experienced any losses in such accounts and do not believe they are exposed to any significant credit risk on cash and cash equivalents.

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions of \$14,902 and \$24,734 as of December 31, 2023 and 2022, respectively, represent restricted cash that will become available for use after the expiration of certain donor-imposed restrictions.

**9. EVALUATION OF SUBSEQUENT EVENTS**

The Library has evaluated subsequent events through February 21, 2024, the date which the financial statements were available to be issued.