

EAST GREENBUSH COMMUNITY LIBRARY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

EAST GREENBUSH COMMUNITY LIBRARY  
TABLE OF CONTENTS  
DECEMBER 31, 2017 AND 2016

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1-2
Statements of Assets, Liabilities and Net Assets- Modified Accrual Basis	A	3-4
Statements of Support, Revenue and Expenses- Modified Accrual Basis	B	5
Notes to Financial Statements		6-9
Supplemental Schedule of Functional Expenses- Modified Accrual Basis For the Year Ended December 31, 2017		10
Supplemental Schedule of Functional Expenses- Modified Accrual Basis For the Year Ended December 31, 2016		11

Marie E. Stark, C.P.A.  
mstark@wsbcpas.net

Bryan T. Basila, C.P.A.  
basila@wsbcpas.net



**STARK & BASILA**  
Certified Public Accountants, P.C.

132 Mohawk Street  
PO Box 260  
Cohoes, New York  
12047

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
East Greenbush Community Library

We have audited the accompanying financial statements of East Greenbush Community Library (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets-modified accrual basis as of December 31, 2017 and 2016, and the related statements of support, revenue and expenses-modified accrual basis for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified accrual basis of accounting as described in Note 1; this includes determining that the modified accrual 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 Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets-modified accrual basis of East Greenbush Community Library as of December 31, 2017 and 2016, and its support, revenue and expenses for the years then ended in accordance with the modified accrual basis of accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual 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 that matter.

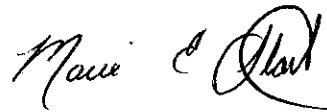
## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of functional expenses-modified accrual basis on pages 10 and 11 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material aspects in relation to the financial statements as a whole.

Very truly yours,

STARK & BASILA

Certified Public Accountants, P.C.

A handwritten signature in black ink, appearing to read "Marie E. Stark", written in a cursive style.

Marie E. Stark, CPA

Cohoes, New York

Dated: February 14, 2018

EAST GREENBUSH COMMUNITY LIBRARY  
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED ACCRUAL BASIS  
DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 929,929	\$ 802,650
TOTAL CURRENT ASSETS	929,929	802,650
<u>PROPERTY AND EQUIPMENT</u>		
Building	3,808,931	3,786,552
Land and improvements	895,904	890,884
Furniture	541,740	541,740
Equipment	160,549	127,659
Software and other	23,643	19,305
Total	5,430,767	5,366,140
Less accumulated depreciation	(2,788,841)	(2,655,646)
TOTAL PROPERTY AND EQUIPMENT	2,641,926	2,710,494
<u>TOTAL ASSETS</u>	\$ 3,571,855	\$ 3,513,144

See independent auditor's audit report and notes to financial statements.

EAST GREENBUSH COMMUNITY LIBRARY  
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED ACCRUAL BASIS  
DECEMBER 31, 2017 AND 2016

<u>LIABILITIES AND NET ASSETS</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ -	\$ 15,662
Serial Bonds-Current	250,000	240,000
TOTAL CURRENT LIABILITIES	250,000	255,662
 <u>LONG-TERM DEBT</u>		
Serial Bonds	545,000	795,000
TOTAL LONGTERM DEBT	545,000	795,000
TOTAL LIABILITIES	795,000	1,050,662
 <u>NET ASSETS - UNRESTRICTED</u>	 2,776,855	 2,462,482
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 \$ 3,571,855	 \$ 3,513,144

See independent auditor's audit report and notes to financial statements.

EAST GREENBUSH COMMUNITY LIBRARY  
STATEMENTS OF SUPPORT, REVENUE AND EXPENSES - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

	<u>December 31, 2016</u>	<u>December 31, 2016</u>
<u>SUPPORT AND REVENUE</u>		
Direct Public Support		
Contributions	\$ 78,038	\$ 70,446
Grants	28,660	39,982
Total Direct Public Support	<u>106,698</u>	<u>110,428</u>
Revenue from Governments		
Library district tax levy	1,600,517	1,561,480
Town of Schodack contract	272,415	272,415
Total Revenue from Governments	<u>1,872,932</u>	<u>1,833,895</u>
Other Revenue		
Interest income	531	503
Fees for services	47,067	50,558
Book replacements	4,662	5,267
Total Other Revenue	<u>52,260</u>	<u>56,328</u>
 TOTAL SUPPORT AND REVENUE	 <u>\$ 2,031,890</u>	 <u>\$ 2,000,651</u>
 <u>EXPENSES</u>		
Program Services (Library Services)	\$ 1,421,012	\$ 1,450,963
Support Services	296,505	307,696
 TOTAL EXPENSES	 <u>1,717,517</u>	 <u>1,758,659</u>
 CHANGE IN NET ASSETS	 314,373	 241,992
NET ASSETS - BEGINNING OF YEAR	<u>2,462,482</u>	<u>2,220,490</u>
NET ASSETS - END OF YEAR	<u>\$ 2,776,855</u>	<u>\$ 2,462,482</u>

See independent auditor's audit report and notes to financial statements.

EAST GREENBUSH COMMUNITY LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 taxes. 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 following is a summary of significant accounting policies of the Library.

Basis of Presentation

The financial statements have been prepared on the modified accrual basis of accounting. Revenues, and all related assets, are generally recognized when received rather than when earned. Expenses are accrued when the obligation is incurred. In addition, long-term assets have been capitalized and long-term debts have been recognized.

Cash and Cash Equivalents

Cash and cash equivalents are defined as demand deposits, certificates of deposit and money market accounts in banks.

Property and Equipment

Property and equipment purchases are recorded at cost. The Library follows the practice of capitalizing all expenditures for land, buildings, and equipment in excess of \$2,500. Assets acquired by gift and bequests are recorded at fair market value established at the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation for the year ended December 31, 2017 and 2016 totaled \$133,196 and \$146,600, respectively.

Maintenance and Repairs

Expenditures for maintenance and repairs are charged to expense as incurred.

Support and Revenue

All support and revenue is considered to be available for unrestricted use unless specifically restricted by the donor or grantor.

See independent auditor's report.



EAST GREENBUSH COMMUNITY LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Inexhaustible Collections and Books

Because the value of the 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 as incurred and fees for lost or damaged items are recorded as book replacement revenue when received. The approximate collection and book expense for the year ended December 31, 2017 and 2016 totaled \$131,799 and \$138,190, respectively.

Functional Allocation of Expenses

Salaries and related employee expenses are allocated to program and support service functions based on actual or estimated time employees spent on each function. The remaining expenses are specifically allocated whenever practical, or are allocated based on salaries or space utilization.

Use of Estimates

The preparation of financial statements in conformity with the modified accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Uncertain Tax Positions

The Library's management has evaluated tax positions taken by the organization and has determined that they have not taken an uncertain tax position that more than likely would not be sustained upon examination by the IRS. The Library's management has analyzed the tax positions taken by the organization and have concluded that as of December 31, 2017, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. There are currently no audits for any tax period in progress. The Library's management believes it is no longer subject to income tax examinations for years prior to 2014.

**NOTE 2—LONG-TERM DEBT**

The Town of East Greenbush issued long-term Series 2002A Bonds during 2002. The Series 2002A Bonds are scheduled to mature in varying amounts from \$170,000 to \$280,000 through the year 2020. The bonds bear interest at variable rates ranging from 4.5% to 5% during the life of the bonds. The balance of the bonds as of December 31, 2017 and 2016 is \$795,000 and \$1,035,000, respectively.

See independent auditor's report.

EAST GREENBUSH COMMUNITY LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**NOTE 2—LONG-TERM DEBT - continued**

Principal maturities of long-term debt at December 31, 2017 are as follows:

2018	\$ 250,000
2019	265,000
2020	<u>280,000</u>
Total principal maturities	\$ <u>795,000</u>

Principal maturities of long-term debt at December 31, 2016 are as follows:

2017	\$ 240,000
2018	250,000
2019	265,000
2020	<u>280,000</u>
Total principal maturities	\$ <u>1,035,000</u>

**NOTE 3—PENSION PLAN**

Employees of the Library are eligible to participate in the New York State Employees' Retirement System (NYSERS), a defined contribution plan.

NYSERS 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 NYSERS, 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 ERS 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 ERS tier VI vary based on a sliding salary scale. For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund.

See independent auditor's report.

EAST GREENBUSH COMMUNITY LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

**NOTE 3—PENSION PLAN - continued**

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 year ended December 31, 2017 and 2016 was \$131,095 and \$169,119, respectively.

Beginning in 2011 the Board of Trustees has elected to pay the Library's share of the NYSERS contributions upon the due date of the bill, instead of the when the bill is received. Since the NYSEER contribution rate is determined after the Library's budget has been approved, the Trustees believes that this change will provide them a better basis on which to budget revenues to match this expense.

**NOTE 4—CONCENTRATION OF CREDIT RISK**

The Library received \$1,872,932 and \$1,833,985, a substantial portion of its revenue, from local government sources including the Town of East Greenbush and the Town of Schodack for the years ended December 31, 2017 and 2016, respectively. These amounts are contractually determined and are generated via local government property tax levies.

**NOTE 5—SUBSEQUENT EVENTS**

The Library's management has evaluated subsequent events through February 14, 2018, which is the date these financial statements were available to be issued.

See independent auditor's report.

EAST GREENBUSH COMMUNITY LIBRARY  
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>EXPENSES</u>	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Salaries and related expenses	\$ 942,533	\$ 232,774	\$ 1,175,307
Books and other library supplies	136,019	122	136,141
Friends reference books	22,259	-	22,259
Facilities and maintenance	94,077	7,621	101,698
Insurance	23,069	-	23,069
Telephone and postage	2,801	-	2,801
Newsletter and public relations	-	-	-
Professional fees	-	41,493	41,493
Travel	-	2,907	2,907
Other	33,196	-	33,196
Total Expenses before Interest and Depreciation	<u>\$ 1,253,954</u>	<u>\$ 284,917</u>	<u>\$ 1,538,871</u>
Other Expenses			
Interest Expense	\$ 45,450	\$ -	\$ 45,450
Depreciation	121,608	11,588	133,196
Total Other Expenses	<u>\$ 167,058</u>	<u>\$ 11,588</u>	<u>\$ 178,646</u>
 TOTAL EXPENSES	 <u>\$ 1,421,012</u>	 <u>\$ 296,505</u>	 <u>\$ 1,717,517</u>

See independent auditor's audit report and notes to financial statements.

EAST GREENBUSH COMMUNITY LIBRARY  
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES - MODIFIED ACCRUAL BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>EXPENSES</u>	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Salaries and related expenses	\$ 914,118	\$ 252,424	\$ 1,166,542
Books and other library supplies	163,014	715	163,729
Friends reference books	18,510	-	18,510
Facilities and maintenance	102,113	8,944	111,057
Insurance	23,172	-	23,172
Telephone and postage	8,574	167	8,741
Newsletter and public relations	-	13,133	13,133
Professional fees	-	15,234	15,234
Travel	-	4,325	4,325
Other	31,003	-	31,003
Total Expenses before Interest and Depreciation	<u>\$ 1,260,504</u>	<u>\$ 294,942</u>	<u>\$ 1,555,446</u>
Other Expenses			
Interest Expense	\$ 56,613	\$ -	\$ 56,613
Depreciation	133,846	12,754	146,600
Total Other Expenses	<u>\$ 190,459</u>	<u>\$ 12,754</u>	<u>\$ 203,213</u>
 TOTAL EXPENSES	 <u>\$ 1,450,963</u>	 <u>\$ 307,696</u>	 <u>\$ 1,758,659</u>

See accompanying notes and independent accountant's audit report.