

Julia L. Butterfield Memorial Library

Financial Statements

December 31, 2018

JULIA L. BUTTERFIELD MEMORIAL LIBRARY

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BENDER & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL PLANNERS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Julia L. Butterfield Memorial Library

We have audited the accompanying financial statements of the Julia L. Butterfield Memorial Library (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the year 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 accounting principles generally accepted in the United States of America; this includes 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 audit. We conducted our audit 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 financial position of the Julia L. Butterfield Memorial Library as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Bender & Associates, CPA's". The signature is written in a cursive, flowing style.

Bender & Associates, CPA's
Certified Public Accountants

Mount Kisco, New York
September 6, 2019

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018**

	2018
Assets	
Cash	\$ 158,823
Investments	379,433
Land, Buildings, and Equipment at Cost, Less Accumulated Depreciation of \$1,139,230	181,881
Collection of Artwork (Note 1)	
	\$ 720,137
Total Assets	
 Liabilities	
Payroll Taxes Payable	564
Accrued Expenses Payable	5,000
	5,564
Total Liabilities	
 Net Assets	
Without Donor Restrictions	635,348
With Donor Restrictions	79,225
	714,573
Total Net Assets	
Total Liabilities And Net Assets	\$ 720,137

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	2018 Total
Revenues, Gains and Other Support			
Town of Philipstown	\$ 276,000	\$	\$ 276,000
NYS Construction Grant		93,519	93,519
Haldane Central SD	73,150		73,150
Fundraising	11,287	27,225	38,512
Putnam County	30,242		30,242
Dividends and Interest	11,069	302	11,371
Miscellaneous Grants	4,776	2,000	6,776
Friends	3,045		3,045
Donations	2,566		2,566
Fines	844		844
Total Revenues, Gains and Other Support	412,979	123,046	536,025
Expenses			
Program Services	437,656		437,656
Supporting Services			
Management and General	48,628		48,628
Fundraising and Grant	3,551		3,551
Total Expenses	489,835	-	489,835
Change in Net Assets from operations	(76,856)	123,046	46,190
Long-term Investment Gain/(Loss)	(21,635)		(21,635)
Change in Net Assets	(98,491)	123,046	24,555
Net Assets at Beginning of Year	659,824	30,194	690,018
Satisfaction of Program Restrictions	74,015	(74,015)	-
Net Assets at End of Year	\$ 635,348	\$ 79,225	\$ 714,573

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018**

	2018
Cash Flows from Operating Activities	
Increase (decrease) in net assets	\$ 24,555
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	36,437
Increase (decrease) in operating liabilities	
Payroll taxes payable	(175)
Net Cash Provided (Used) By Operating Activities	60,817
Cash Flows from Investing Activities	
Net investment activity	34,699
Payments for capital improvements and computer equipment	(44,185)
Net Cash Provided (Used) By Investing Activities	(9,486)
Net Increase (Decrease) in Cash and Cash Equivalents	51,331
Beginning Cash and Cash Equivalents	107,492
Ending Cash and Cash Equivalents	\$ 158,823

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Julia L. Butterfield Memorial Library provides Library services to the Town of Philipstown, New York. The Library is supported primarily through taxes collected by the Town of Philipstown. Approximately 52% of the Library's support for the year ended December 31, 2018, came from the Town of Philipstown.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Julia L. Butterfield Memorial Library that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed Services

During the year ended December 31, 2018, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Julia L. Butterfield Memorial Library, but these services do not meet the criteria for recognition as contributed services.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

Property and Equipment

It is the Library's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Library reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method.

Collection of Artwork

The Library has a collection of art work presented for public exhibition and education that is being preserved for future generations. The proceeds from sales of any pieces of the collection are added to net assets without donor restrictions. The collection is not capitalized or depreciated as part of capital assets.

Financial Statement Presentation

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities*. ASU 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The Library is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions, and net assets without donor restrictions.

Contributions

Under ASU 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities*, contributions received are recorded as net assets with or without donor restrictions depending on the existence or nature of any donor restrictions.

Income Taxes

The Library is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Julia L. Butterfield Memorial Library considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are realized.

Note 2 – Investments

At December 31, 2018, the Julia L. Butterfield Memorial Library held \$379,433 of investments at fair value, as follows:

	Cost	Fair Value	Cumulative Unrealized Appreciation (Depreciation)
	<u> </u>	<u> </u>	<u> </u>
Stocks, options & EFT's	\$ 254,269	\$ 246,530	\$ (7,739)
Fixed income securities	50,193	48,518	(1,675)
Preferreds/fixed rate cap securities	55,277	55,421	144
Annuity	13,910	13,910	-
Certificate of deposit	15,054	15,054	-
Total	<u>\$ 388,703</u>	<u>\$ 379,433</u>	<u>\$ (9,270)</u>

The following schedule summarizes the investment return and its classification in the statement of activities of the year ended December 31, 2018:

	Unrestricted	Restricted	Total
	<u> </u>	<u> </u>	<u> </u>
Dividends and interest income	\$ 11,069	\$ 302	\$ 11,371
Net realized and unrealized gains (losses)	(21,635)		(21,635)
Total Investment Return	<u>\$ (10,566)</u>	<u>\$ 302</u>	<u>\$ (10,264)</u>

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

Note 3 – Liquidity and Availability of Resources

	<u>2018</u>
Financial assets, at year end	\$ 291,726
Restricted by donor with time or purpose restrictions	<u>(79,225)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 212,501</u>

The Library has \$291,726 of financial assets available as of the statement of financial position date to meet the needs for general expenditures consisting of cash, cash equivalents, and short term investments. \$79,225 of these financial assets are subject to donor restrictions or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position.

Note 4 – Property and Equipment

Property and equipment at December 31, 2018 consists of the following:

	<u>2018</u>
Land, building and improvements	\$ 1,021,065
Book inventory	149,000
Other equipment	72,710
Computer equipment	51,557
Automated equipment	15,000
Construction in progress	<u>11,779</u>
	\$ 1,321,111
Less accumulated depreciation	<u>\$ (1,139,230)</u>
	<u>\$ 181,881</u>

Note 5 – Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of support and revenue, expenses, capital additions, and changes in fund balances. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

Note 6 – Commitments

The Library receives a substantial amount of its support from federal, state and local governments. A reduction in the level of this support, if this were to occur, may have an effect on the library's programs and activities.

Note 7 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through September 6, 2019, the date which the financial statements were available to be issued.