

**Julia L. Butterfield Memorial Library**

**Financial Statements**

**December 31, 2021**

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY**

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**DECEMBER 31, 2021**

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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

### Opinion

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, 2021, and the related statements of activities and cash flows 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 financial position of the Julia L. Butterfield Memorial Library as of December 31, 2021, 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.

### 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 the Julia L. Butterfield Memorial 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.

### Responsibilities of Management 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 and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Julia L. Butterfield Memorial Library's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibility 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 auditor's 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 the Julia L. Butterfield Memorial 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 the Julia L. Butterfield Memorial 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.



Bender & Associates, CPA's  
Certified Public Accountants

Mount Kisco, New York  
July 7, 2023

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021**

	<b>2021</b>
<b>Assets</b>	
Cash	\$ 47,260
Prepaid Expenses	2,365
Investments	364,362
Land, Buildings, and Equipment at Cost, Less Accumulated Depreciation of \$1,172,087	397,334
Collection of Artwork (Note 1)	
	<b>\$ 811,321</b>
 <b>Liabilities</b>	
Payroll Taxes Payable	3,921
Accrued Expenses Payable	5,000
<b>Total Liabilities</b>	<b>8,921</b>
 <b>Net Assets</b>	
Without Donor Restrictions	777,105
With Donor Restrictions	25,295
<b>Total Net Assets</b>	<b>802,400</b>
<b>Total Liabilities And Net Assets</b>	<b>\$ 811,321</b>

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	2021 Total
<b>Revenues, Gains and Other Support</b>			
Town of Philipstown	\$ 276,000	\$	\$ 276,000
Haldane Central SD	73,150		73,150
Putnam County	59,222		59,222
Fundraising	14,230	313	14,543
Dividends and Interest	3,758		3,758
Miscellaneous Grants	2,044	1,531	3,575
Other	8,892		8,892
Friends	4,953		4,953
Donations	5,307		5,307
Fines	728		728
<b>Total Revenues, Gains and Other Support</b>	448,284	1,844	450,128
<b>Expenses</b>			
Program Services	393,409		393,409
Supporting Services			
Management and General	43,712		43,712
Fundraising and Grant	1,993	650	2,643
<b>Total Expenses</b>	439,114	650	439,764
<b>Change in Net Assets from operations</b>	9,170	1,194	10,364
Long-term Investment Gain/(Loss)	16,136		16,136
<b>Change in Net Assets</b>	25,306	1,194	26,500
<b>Net Assets at Beginning of Year</b>	749,286	26,614	775,900
Satisfaction of Program Restrictions	2,513	(2,513)	-
<b>Net Assets at End of Year</b>	\$ 777,105	\$ 25,295	\$ 802,400

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2021**

	<b>2021</b>
<b>Cash Flows from Operating Activities</b>	
Increase (decrease) in net assets	\$ 26,500
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	27,678
Increase (decrease) in operating liabilities	
Prepaid Expenses	(2,365)
Payables and accrued expenses	1,572
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>53,385</b>
<b>Cash Flows from Investing Activities</b>	
Net investment activity	(15,298)
Payments for capital improvements and computer equipment	(19,450)
<b>Net Cash Provided (Used) By Investing Activities</b>	<b>(34,748)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	18,637
<b>Beginning Cash and Cash Equivalents</b>	28,623
<b>Ending Cash and Cash Equivalents</b>	\$ 47,260

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**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 62% of the Library's support for the year ended December 31, 2021, came from the Town of Philipstown.

Basis of Accounting

The Library prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

As required by the "Financial Statements of Not-For-Profit Organizations" topic of FASB Accounting Standards Codification, The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions* are the remaining net assets of the Organization that are used to carry out the Organization's mission and are not subject to donor-imposed restrictions.

*Net Assets with Donor Restrictions* represent those resources the use of which has been restricted by donors to specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions". The Organization had \$25,295 in donor restricted net assets as of December 31, 2021.

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.



**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

Contributed Services

During the year ended December 31, 2021, 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 includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

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 contributions without donor restrictions 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 nor 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.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

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.

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**

The Library's investments are overseen by the Investments Committee of the Board of Trustees. The Library invests in various investment vehicles, which expose the Library to a variety of risks, including interest rate, market and credit risks. Due to the level of risk associated with certain investment vehicles, it is reasonably possible that changes in the value of investments could occur in the near term in amounts that could materially affect the amounts reported in these financial statements.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

The Library's investments are reported at their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs supported by little or no market activity which are significant to the fair value of the assets or liabilities.

Fair value measurements for investments reported at fair value on a recurring basis at December 31, 2021, were determined based on:

Certificates of deposit	Present value techniques using current market rates for certificates of similar remaining maturities
Marketable equity Securities	Closing quoted price in the relevant stock exchange on the last trading day of the fiscal year

At December 31, 2021, the Julia L. Butterfield Memorial Library held \$364,362 of investments at fair value, as follows:

	Cost	Fair Value	Cumulative Unrealized Appreciation (Depreciation)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Stocks, options & EFT's	\$ 197,413	\$ 224,525	\$ 27,112
Fixed income securities	50,048	50,955	907
Preferreds/fixed rate cap securities	60,165	63,587	3,422
Annuity	13,910	10,032	(3,878)
Certificate of deposit	15,054	15,263	209
<b>Total</b>	<u>\$ 336,590</u>	<u>\$ 364,362</u>	<u>\$ 27,772</u>

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

The following schedule summarizes the investment return and its classification in the statement of activities of the year ended December 31, 2021:

	Unrestricted	Restricted	Total
Dividends and interest income	\$ 3,758	\$ -	\$ 3,758
<b>Total Investment Return</b>	<b>\$ 3,758</b>	<b>\$ -</b>	<b>\$ 3,758</b>

**Note 3 – Liquidity and Availability of Resources**

	<u>2021</u>
Financial assets, at year end	\$ 411,622
Restricted by donor with time or purpose restrictions	(25,295)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 386,327</u>

The Library has \$411,622 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. Included in these financial assets are \$25,295 which 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, 2021 consists of the following:

	<u>2021</u>
Land, building and improvements	\$ 1,291,651
Book inventory	149,000
Other equipment	78,659
Computer equipment	62,789
Automated equipment	15,000
	\$ 1,597,099
Less accumulated depreciation	\$ (1,199,765)
	<u>\$ 397,334</u>

Expenditures for maintenance and repairs are charged to expenses as incurred. Significant renovations which extend the useful life of the asset are capitalized. For the year ended December 31, 2021 depreciation expense was \$ 27,678.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021**

**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.

**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 July 7, 2023, the date which the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused organization disruption through mandated and voluntary closings. The Library has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its staff which include social distancing and working from home. While the disruption is currently expected to be temporary, there is considerable uncertainty. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the potential recurring spread of the outbreak, impact on the Organization's patrons, employees, and vendors all of which are uncertain. At this point, the extent to which COVID-19 has impacted the financial condition of the Organization or results of operations has not been significant and, based on its experience to date, it expects this to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue operations in the best and safest way possible without jeopardizing the health of its staff.