

Julia L. Butterfield Memorial Library

Financial Statements

December 31, 2022

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

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, 2022, 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, 2022, 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 the 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, CPAs
Certified Public Accountants

Mount Kisco, New York
January 31, 2024

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

	2022
Assets	
Cash	\$ 143,562
Investments	216,773
Land, Buildings, and Equipment at Cost, Less Accumulated Depreciation of \$1,240,990	523,061
Collection of Artwork (Note 1)	
	\$ 883,396
 Liabilities and net assets	
Payroll Taxes Payable	261
Accrued Expenses Payable	16,041
	16,302
 Net Assets	
Without Donor Restrictions	843,134
With Donor Restrictions	23,960
	867,094
Total Net Assets	867,094
Total Liabilities And Net Assets	\$ 883,396

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Total</u>
Revenues, Gains and Other Support			
Town of Philipstown	\$ 276,000	\$	\$ 276,000
Haldane Central SD	73,150		73,150
Putnam County	56,522		56,522
Fundraising	17,352	550	17,902
Dividends and Interest	6,649	12	6,661
Miscellaneous Grants	77,460	4,922	82,382
Other	11,427		11,427
Friends	2,015		2,015
Donations	5,127		5,127
Fines	619		619
Long-term Investment Gain/(Loss)	<u>1,751</u>		<u>1,751</u>
Total Revenues, Gains and Other Support	528,072	5,484	533,556
Expenses			
Program Services	337,646	2,617	340,263
Supporting Services			
Management and General	81,648		81,648
Fundraising and Grant	<u>1,860</u>		<u>1,860</u>
Total Expenses	<u>421,154</u>	<u>2,617</u>	<u>423,771</u>
Change in Net Assets from Operations	106,918	2,868	109,785
Net Assets released from Restrictions	<u>4,202</u>	<u>(4,202)</u>	<u>-</u>
Change in Net Assets	111,120	(1,335)	109,785
Net Assets at Beginning of Year	777,105	25,295	802,400
Change in Unrealized Gain(Loss) on Investments	(45,091)		(45,091)
Net Assets at End of Year	<u>\$ 843,134</u>	<u>\$ 23,960</u>	<u>\$ 867,094</u>

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022**

	2022
Cash Flows from Operating Activities	
Increase (decrease) in net assets	\$ 109,785
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	41,225
Decrease in operating assets:	
Prepaid Expenses	2,365
Increase(decrease) in operating liabilities:	
Payroll Taxes Payables	(3,660)
Accrued Expenses	11,041
Net Cash Provided by Operating Activities	160,756
Cash Flows from Investing Activities	
Net investment activity	102,498
Payments for capital improvements and computer equipment	(166,952)
Net Cash Used in Investing Activities	(64,454)
Net Increase (Decrease) in Cash and Cash Equivalents	96,302
Beginning Cash and Cash Equivalents	47,260
Ending Cash and Cash Equivalents	\$ 143,562

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

Julia L. Butterfield Memorial Library which was formed in 1927 in the State of New York 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, 2022, 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 with donor restrictions and net assets without donor 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 \$23,960 in donor restricted net assets as of December 31, 2022.

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.

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, 2022**

Note 1 – Nature of Activities and Significant Accounting Policies (continued)

Contributed Services

During the year ended December 31, 2022, the value of contributed services meeting the requirements that contributed services be recognized only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation 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.

Use of 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.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

Note 1 – Nature of Activities and Significant Accounting Policies (continued)

Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. However, if the donor stipulations are satisfied in the period the gift is received, the gifts are reported as revenue and net assets without donor restrictions. When a donor-stipulated time restriction or purpose restriction on a gift received in a prior fiscal year is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from 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. The Organization maintains its cash on deposit with a financial institution in the United States of America which at times, may exceed federally insured limits. However, the Julia L. Butterfield Memorial Library has not experienced losses on deposited cash.

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.

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, 2022**

Note 2 – Investments continued)

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, 2022, 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, 2022, the Julia L. Butterfield Memorial Library held \$216,773 of investments at fair value, as follows:

Financial Asset	Level 1	Level 2	Level 3	Total
Stocks, options & EFT's	\$ 152,959			\$ 152,959
Preferreds/fixed rate cap securities	55,128			55,128
Annuity	8,686			8,686
Total	\$ 216,773	\$ -	\$ -	\$ 216,773

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

Note 2 – Investments (continued)

The following schedule summarizes the investment return and its classification in the statement of activities of the year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Dividends and interest income	\$ 6,649	\$ 12	\$ 6,661
Realized Gain(Loss) on investments	1,751	-	1,751
Total Investment Return	<u>\$ 8,400</u>	<u>\$ 12</u>	<u>\$ 8,412</u>

Note 3 – Liquidity and Availability of Resources

Liquidity and financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31, 2022:

Total Financial assets, at year end	\$ 360,335
Restricted by donor with time or purpose restrictions	<u>(23,960)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 336,375</u>

The Library has \$360,335 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 \$23,960 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. They are all available along with additional revenues and support collected to meet future financial needs during the next fiscal year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

Note 4 – Property and Equipment

Property and equipment at December 31, 2022 consists of the following:

Land, building and improvements	\$ 1,449,010
Book inventory	149,000
Other equipment	85,947
Computer equipment	65,094
Automated equipment	15,000
	<hr/>
	\$ 1,764,051
Less accumulated depreciation	\$ (1,240,990)
	<hr/>
	\$ 523,061

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, 2022 depreciation expense was \$ 41,225.

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 functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note 6 – Contingencies

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 and transactions for potential recognition and disclosure through January 31, 2024, the date which the financial statements were available to be issued.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

Note 7 – Evaluation of Subsequent Events (continued)

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.

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

SCHEDULE OF FUNCTIONAL EXPENSES

	Program Service Expenses	Supporting Services		Total Functional Expenses
		Management and General Expenses	Fundraising Expenses	
Salaries	217,342	24,149		241,491
Payroll taxes	18,846	2,094		20,940
Payroll benefits	2,225	247		2,473
Library Operations	43,838	7,487	1,860	53,185
Materials	23,136	2,571		25,707
Building Operations	19,795	2,199		21,994
Programs	3,346	372		3,717
Technology	11,735	1,304		13,038
Depreciation		41,225		41,225
TOTAL EXPENSES	340,262	81,648	1,860	423,771