

JULIA L. BUTTERFIELD MEMORIAL LIBRARY

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**Julia L. Butterfield Memorial Library**

**Financial Statements**

**December 31, 2016**



## INDEPENDENT AUDITOR'S REPORT

### Opinion

To the Board of Trustees of the *Julia L. Butterfield Memorial Library* as of *December 31, 2016*, and  
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, 2016, 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

JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016

2016

Assets

Cash

\$1,000

Gifts of Records - Restricted

14,000

Accounts

2,000

**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, 2016, 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.

Bender & Associates, CPAs  
Certified Public Accountants

Mount Kisco, New York  
August 15, 2017

Net Assets

\$17,000

Accumulated

21,000

Permanently Restricted

204,000

Total Net Assets

\$242,000

Total Liabilities and Net Assets

\$242,000

JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016

	<u>2016</u>
<b>Assets</b>	
Cash	45,504
Certificate of Deposit – Restricted	15,035
Prepaid expenses	6,831
Annuity – Restricted	16,366
Investments	439,513
Land, buildings, and equipment at cost, less accumulated depreciation of \$1,070,548	146,850
Collection of Artwork (Note 1)	
<b>Total Assets</b>	<u>670,099</u>
<b>Liabilities</b>	
Payroll Taxes Payable	107
Accrued Expenses Payable	<u>5,600</u>
<b>Total Liabilities</b>	5,707
<b>Net Assets</b>	
Unrestricted	632,991
Permanently Restricted	<u>31,401</u>
<b>Total Net Assets</b>	<u>664,392</u>
<b>Total Liabilities And Net Assets</b>	<u>670,099</u>

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total
<b>Revenues, Gains and Other Support</b>				
Town of Philipstown	\$ 276,000	\$	\$	\$ 276,000
Haldane Central SD	73,150			73,150
Putnam County	31,492			31,492
Dividends and Interest	9,257		347	9,604
Miscellaneous Grants	7,555			7,555
Fundraising	2,805			2,805
Donations	2,210			2,210
Fines	1,055			1,055
Friends		8,881		8,881
<b>Total Revenues, Gains and Other Support</b>	<u>403,524</u>	<u>8,881</u>	<u>347</u>	<u>412,752</u>
<b>Expenses</b>				
Program Services	360,127			360,127
Supporting Services				
Management and General	36,052			36,052
Fundraising	4,147			4,147
<b>Total Expenses</b>	<u>400,326</u>	<u>-</u>	<u>-</u>	<u>400,326</u>
<b>Change in Net Assets from operations</b>	3,198	8,881	347	12,426
Long-term investment gain(loss)	6,570			6,570
<b>Change in Net Assets</b>	9,768	8,881	347	18,996
<b>Net Assets at Beginning of Year</b>	531,875	57,324	58,197	645,396
Fund reclassifications	91,348	(86,205)	(25,143)	-
<b>Net Assets at End of Year</b>	<u>\$ 632,991</u>	<u>\$ -</u>	<u>\$ 31,401</u>	<u>\$ 684,392</u>

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2016**

<b>Cash Flows from Operating Activities</b>		<b>2016</b>
Increase (decrease) in net assets	\$	18,996
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		29,633
(Increase) decrease in operating assets		
Prepaid expenses		572
Increase (decrease) in operating liabilities		
Accounts Payable		30
<b>Net Cash Provided (Used) By Operating Activities</b>		<b>49,231</b>
<b>Cash Flows from Investing Activities</b>		
Net Investment Activity		(64,560)
Payments for Capital Improvements and Computer Equipment		(10,990)
<b>Net Cash Provided (Used) By Investing Activities</b>		<b>(75,550)</b>
<b>Cash Flows from Financing Activities</b>		
<b>Net Cash Provided (Used) By Financing Activities</b>		<b>0</b>
		<b>0</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>(26,319)</b>
<b>Beginning Cash and Cash Equivalents</b>		<b>86,858</b>
<b>Ending Cash and Cash Equivalents</b>	<b>\$</b>	<b>60,539</b>

See accompanying notes and accountant's report

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

**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 69% of the Library's support for the year ended December 31, 2016, 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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services

During the year ended December 31, 2016, 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, 2016

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 temporarily restricted net assets to unrestricted net assets 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 unrestricted assets. The collection is not capitalized or depreciated as part of capital assets.

Financial Statement Presentation

The Library is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Contributions

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets 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.



**JULIA L. BUTTERFIELD MEMORIAL LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016**

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 unrestricted net assets 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, 2016, the Julia L. Butterfield Memorial Library held \$439,513 of securities at fair value, as follows:

	Cost	Fair Value	Cumulative Unrealized Appreciation (Depreciation)
Cash & Sweeps Balances	\$ 126,235	\$ 126,235	\$
Stocks, Options & EFT's:	238,522	240,371	1,849
Fixed Income Securities	20,975	21,180	205
Preferreds/fixed rate cap securities	51,482	51,727	245
<b>Total</b>	<u>\$ 437,214</u>	<u>\$ 439,513</u>	<u>\$ 2,299</u>

The following schedule summarizes the investment return and its classification in the statement of activities of the year ended December 31, 2016:

	Unrestricted	Restricted	Total
Dividends and Interest Income	\$ 9,257	347	\$ 9,604
Net realized and unrealized gains (losses):	6,570		6,570
<b>Total Investment Return</b>	<u>\$ 15,827</u>	<u>347</u>	<u>\$ 16,174</u>

**JULIA L. BUTTERFIELD MEMORIAL LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

**Note 3 – Property and Equipment**

Property and equipment at December 31, 2016 consists of the following:

	<u>2016</u>
Land, Building and Equipment	\$ 939,907
Computer Equipment	40,781
Book inventory	149,000
Automated Equipment	15,000
Other Equipment	72,710
	<u>\$ 1,217,398</u>
Less accumulated depreciation	<u>\$ (1,070,548)</u>
	<u>\$ 146,850</u>

**Note 4 – 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 5 – 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 6 – Evaluation of Subsequent Events**

The Organization has evaluated subsequent events through August 15, 2017, the date which the financial statements were available to be issued.

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#### 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. These 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 involved exercise of 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 these risk assessments, the auditor considers internal control relevant to the audit, not the 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. Additionally, we exercised professional judgment in evaluating the appropriateness of accounting estimates used 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.

Chartered Accountants