

**CRANDALL PUBLIC LIBRARY
GLENS FALLS, NEW YORK**

FINANCIAL STATEMENTS

DECEMBER 31, 2015

C O N T E N T S

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Crandall Public Library
Glens Falls, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crandall Public Library (the "Library") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Crandall Public Library as of December 31, 2015, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 3 to the financial statements, in 2015, the Library adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 - 6 and 27 - 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information on page 31 as described in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2016, on our consideration of Crandall Public Library's internal control over financial reporting and on our tests of it compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crandall Public Library's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
March 15, 2016

CRANDALL PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015

This discussion and analysis is intended to be an easily readable analysis of the Crandall Public Library's financial activities during the calendar year ended December 31, 2015. This information is presented in conjunction with the audited financial statements which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2015:

- Total revenues decreased by \$292,884 or 6.7% from \$4,387,604 for the year ended December 31, 2014 to \$4,094,720 for the year ended December 31, 2015.
- The General Fund revenues totaled \$4,069,768 while General Fund expenditures were \$3,299,456 for the year ended December 31, 2015.
- Property tax revenues increased by \$45,895 or 1.4% from \$3,278,743 to \$3,324,638.
- Investment income decreased by \$268,353. The decrease was due to unrealized investment losses during the year.
- Total expenses decreased by \$105,352 or 2.3% from \$4,583,627 to \$4,478,275. The decrease was mainly the result of lower professional fees and special programs and grant related expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of the following three parts: Management's Discussion and Analysis, Financial Statements, and Other Required Supplementary Information. The Financial Statements include notes which explain in detail some of the information in the basic financial statements.

BASIC FINANCIAL STATEMENTS

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets of the Library, the liabilities it owes, and the net difference. The net difference is further separated in amounts invested in capital assets, restricted for specific purposes and unrestricted amounts.
- The Statement of Activities focuses on the revenue and expenses of the Library. This statement summarizes and simplifies the user's analysis to determine the extent to which the Library's programs are self-supporting and/or subsidized by general revenues.
- Fund Financial Statements focus separately on governmental funds. Government fund financial statements follow the more traditional presentation of financial statements.
- The Notes to the Financial Statements provide additional discussions required by governmental accounting standards and provide information to assist the reader in understanding the Library's financial condition.

This Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operations between the current and prior years.

A condensed version of the Statement of Net Position at December 31, 2015 and 2014 is as follows:

	Fiscal Year 2015	Fiscal Year 2014	Change (Increase, - Decrease)	% Change (Increase, - Decrease)
Assets				
Cash and investments	\$ 4,242,141	\$ 4,264,031	\$ (21,890)	(0.51)
Other assets	54,042	98,680	(44,638)	(45.24)
Restricted assets	1,852,207	1,901,201	(48,994)	(2.58)
Capital assets	<u>10,989,194</u>	<u>11,605,089</u>	<u>(615,895)</u>	(5.31)
Total Assets	17,137,584	17,869,001	(731,417)	(4.09)
Deferred Outflows of Resources				
Pensions	<u>73,110</u>	<u>0</u>	<u>73,110</u>	100.00
Total Deferred Outflows of Resources	73,110	0	73,110	100.00
Liabilities				
Other liabilities	246,830	117,613	129,217	109.87
Deferred revenues	1,558,870	1,589,614	(30,744)	-1.93
Bonds payable	<u>10,895,000</u>	<u>11,329,227</u>	<u>(434,227)</u>	-3.83
Total Liabilities	12,700,700	13,036,454	(335,754)	-2.58
Deferred Inflows of Resources				
Deferred bond premium	<u>142,850</u>	<u>0</u>	<u>142,850</u>	100.00
Total Deferred Inflows of Resources	142,850	0	142,850	100.00
Net Position				
Net investment in capital assets	915,033	1,096,617	(181,584)	-16.56
Restricted	760,065	2,096,539	(1,336,474)	-63.75
Unrestricted	<u>2,692,046</u>	<u>1,639,391</u>	<u>1,052,655</u>	64.21
Total Net Position	<u>\$ 4,367,144</u>	<u>\$ 4,832,547</u>	<u>\$ (465,403)</u>	-9.63

A condensed version of the Statement of Activities for the years ending December 31, 2015 and 2014 is as follows:

	Fiscal Year 2015	Fiscal Year 2014	Change (Increase, - Decrease)	% Change (Increase, - Decrease)
Revenues				
Real property taxes	\$ 3,324,638	\$ 3,278,743	\$ 45,895	1.40
Library charges	106,162	106,940	(778)	(0.73)
Investment income	26,459	294,812	(268,353)	(91.03)
Contributions and bequests	368,154	417,981	(49,827)	(11.92)
Grants and state aid	213,675	226,511	(12,836)	(5.67)
Other revenue	55,632	62,617	(6,985)	(11.16)
Total Revenue	4,094,720	4,387,604	(292,884)	(6.68)
Expenses				
Personal services	1,692,389	1,651,274	41,115	2.49
Employee benefits	682,083	659,546	22,537	3.42
Contractual expenses	2,103,803	2,272,807	(169,004)	-7.44
Total Expenses	4,478,275	4,583,627	(105,352)	-2.30
Change in Net Position	\$ (383,555)	\$ (196,023)	\$ (187,532)	95.67

CAPITAL ASSETS

At December 31, 2015 and 2014, the Library had \$10,989,194 and \$11,605,089, respectively, invested in capital assets consisting primarily of building improvements, furniture, fixtures and equipment.

	Fiscal Year 2015	Fiscal Year 2014	Change (Increase, - Decrease)	% Change (Increase, - Decrease)
Building improvements	\$ 13,756,964	\$ 13,756,964	\$ 0	0.00
Furniture, fixtures and equipment	3,180,293	3,132,048	48,245	1.54
Less: accumulated depreciation	(5,948,063)	(5,283,923)	(664,140)	12.57
Net Capital Assets	\$ 10,989,194	\$ 11,605,089	\$ (615,895)	-5.31

LONG-TERM DEBT

At December 31, 2015 and 2014, the Library had \$10,895,000 and \$11,180,000 of bonds outstanding, respectively. More detailed information about the Library's long-term liabilities is presented in the notes to the financial statements.

Outstanding Long-Term Debt

	Fiscal Year	Fiscal Year	Change	% Change
	2015	2014	(Increase, - Decrease)	(Increase, - Decrease)
Bonds Payable	<u>\$ 10,895,000</u>	<u>\$ 11,180,000</u>	<u>\$ (285,000)</u>	-2.55

CONCLUSION

The Library looks forward to 2016 as they continue to serve the public.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the Library's users (citizens, taxpayers, customers, donors and creditors) with an overview of the Library's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional information, please contact the Library Director at 251 Glen Street, Glens Falls, New York 12801.

CRANDALL PUBLIC LIBRARY
STATEMENT OF NET POSITION
DECEMBER 31, 2015

ASSETS:

Cash		
Unrestricted	\$	1,577,094
Restricted		164,081
Investments		
Unrestricted		2,665,047
Restricted		1,688,126
Receivables		4,839
Prepaid expenses and other assets		49,203
Capital Assets		
Building improvements		13,756,964
Furniture, fixtures and equipment		3,180,293
Less: accumulated depreciation		<u>(5,948,063)</u>
Net capital assets		<u>10,989,194</u>
TOTAL ASSETS		17,137,584

DEFERRED OUTFLOWS OF RESOURCES:

Pensions		<u>73,110</u>
Total Deferred Outflows of Resources		73,110

LIABILITIES:

Accounts payable		32,605
Accrued expenses		59,267
Deferred revenues		1,558,870
Bonds payable due and payable within one year		295,000
Long-term liabilities		
Net pension liability - proportionate share		154,958
Bonds payable due and payable after one year		<u>10,600,000</u>
Total Liabilities		<u>12,700,700</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred bond premium		<u>142,850</u>
Total Deferred Inflows of Resources		<u>142,850</u>

NET POSITION:

Net investment in capital assets		915,033
Restricted		
Library		760,065
Unrestricted		<u>2,692,046</u>
Total Net Position	\$	<u><u>4,367,144</u></u>

See notes to financial statements.

CRANDALL PUBLIC LIBRARY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

REVENUES	
Real property taxes	\$ 3,324,638
Library charges	106,162
Investment income	155,332
Gain (loss) on investments	(128,873)
Gifts and donations	131,599
Legacies and bequests	236,555
Library system grants	134,169
State aid	79,506
Special events	50,772
Other revenue	4,860
Total Revenues	4,094,720
EXPENDITURES	
Personal services	
Certified librarians	621,821
Para-professionals	537,055
Non-professionals	533,513
Total personal services	1,692,389
Employee benefits	
State retirement system	264,006
Payroll taxes	122,686
Workers compensation	10,434
Unemployment benefits paid	2,594
Disability insurance	7,484
Medical insurance	273,079
Other employee benefits	1,800
Total employee benefits	682,083
Contractual expenditures	
Books, records and audio visual materials	219,367
Serials	42,991
Automation expenses	84,920
Bookbinding	1,038
Rental, repair and maintenance of office equipment	7,091
Fuel and utilities	107,136
Telephone	2,971
Repairs to building and building equipment	115,026
Insurance	27,454
Office and library supplies	29,352
Postage and freight	7,584
Publicity and printing	5,837
Travel	4,704
Membership dues	3,151
Professional fees	98,241
Miscellaneous	9,566
Programming costs	2,330
Other operation and maintenance expenses	15,281
Bond interest expense	528,761
Special programs and grant related expenses	93,505
Special events expenses	11,926
Friends expenses	21,431
Depreciation expense	664,140
Total contractual expenditures	2,103,803
Total Expenditures	4,478,275
CHANGE IN NET POSITION	(383,555)
TOTAL NET POSITION - BEGINNING OF YEAR - AS RESTATED	4,750,699
TOTAL NET POSITION - END OF YEAR	\$ 4,367,144

See notes to financial statements.

CRANDALL PUBLIC LIBRARY
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash					
Unrestricted	\$ 528,475	\$ 296	\$ 227,484	\$ 820,839	\$ 1,577,094
Restricted	23,642	140,439	0	0	164,081
Investments					
Unrestricted	0	0	2,665,047	0	2,665,047
Restricted	0	1,688,126	0	0	1,688,126
Receivables	4,839	0	0	0	4,839
Prepaid expenses and other assets	49,203	0	0	0	49,203
TOTAL ASSETS	<u>\$ 606,159</u>	<u>\$ 1,828,861</u>	<u>\$ 2,892,531</u>	<u>\$ 820,839</u>	<u>\$ 6,148,390</u>
LIABILITIES					
Accounts payable	\$ 32,605	\$ 0	\$ 0	\$ 0	\$ 32,605
Accrued expenses	59,267	0	0	0	59,267
Deferred revenue	11,050	1,547,820	0	0	1,558,870
Total liabilities	102,922	1,547,820	0	0	1,650,742
FUND BALANCES					
Restricted - Reserved for library purposes	23,642	0	736,423	0	760,065
Assigned	0	281,041	0	820,839	1,101,880
Unassigned					
Board designated for unemployment	40,126	0	0	0	40,126
Undesignated	439,469	0	2,156,108	0	2,595,577
Total fund balances	<u>503,237</u>	<u>281,041</u>	<u>2,892,531</u>	<u>820,839</u>	<u>4,497,648</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 606,159</u>	<u>\$ 1,828,861</u>	<u>\$ 2,892,531</u>	<u>\$ 820,839</u>	<u>\$ 6,148,390</u>

See notes to financial statements.

CRANDALL PUBLIC LIBRARY

RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION

DECEMBER 31, 2015

Total fund balance - governmental funds balance sheet	\$ 4,497,648
Add:	
Capital assets, net of accumulated depreciation	10,989,194
Pensions	<u>73,110</u>
Total	11,062,304
Less:	
Bonds payable	10,895,000
Net pension liability - proportionate share	154,958
Deferred bond premium	<u>142,850</u>
Total	<u>11,192,808</u>
NET POSITION, GOVERNMENTAL ACTIVITIES	<u><u>\$ 4,367,144</u></u>

See notes to financial statements.

CRANDALL PUBLIC LIBRARY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
REVENUES					
Real property taxes	\$ 3,324,638	\$ 0	\$ 0	\$ 0	\$ 3,324,638
Library charges	106,162	0	0	0	106,162
Investment income	1,507	58,722	95,019	84	155,332
Gain (loss) on investments	0	(48,037)	(80,836)	0	(128,873)
Gifts and donations	131,599	0	0	0	131,599
Legacies and bequests	236,555	0	0	0	236,555
Library system grants	134,169	0	0	0	134,169
State aid	79,506	0	0	0	79,506
Special events	50,772	0	0	0	50,772
Other revenue	4,860	0	0	0	4,860
Total revenues	4,069,768	10,685	14,183	84	4,094,720
EXPENDITURES					
Personal services					
Certified librarians	621,821	0	0	0	621,821
Para-professionals	537,055	0	0	0	537,055
Non-professionals	533,513	0	0	0	533,513
Total personal services	1,692,389	0	0	0	1,692,389
Employee benefits					
State retirement system	264,006	0	0	0	264,006
Payroll taxes	122,686	0	0	0	122,686
Workers compensation	10,434	0	0	0	10,434
Unemployment benefits paid	2,594	0	0	0	2,594
Disability insurance	7,484	0	0	0	7,484
Medical insurance	273,079	0	0	0	273,079
Other employee benefits	1,800	0	0	0	1,800
Total employee benefits	682,083	0	0	0	682,083

See notes to financial statements.

CRANDALL PUBLIC LIBRARY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS -
(CONTINUED)**

FOR THE YEAR ENDED DECEMBER 31, 2015

EXPENDITURES (CONTINUED)	General	Capital Projects	Expendable Trust	Debt Service	Total Governmental Funds
Capital and equipment outlays	48,245	0	0	0	48,245
Contractual expenditures					
Books, records and audio visual materials	219,367	0	0	0	219,367
Serials	42,991	0	0	0	42,991
Automation expenses	84,920	0	0	0	84,920
Bookbinding	1,038	0	0	0	1,038
Rental, repair and maintenance of office equipment	7,091	0	0	0	7,091
Fuel and utilities	107,136	0	0	0	107,136
Telephone	2,971	0	0	0	2,971
Repairs to building and building equipment	115,026	0	0	0	115,026
Insurance	27,454	0	0	0	27,454
Office and library supplies	29,352	0	0	0	29,352
Postage and freight	7,584	0	0	0	7,584
Publicity and printing	5,837	0	0	0	5,837
Travel	4,704	0	0	0	4,704
Membership dues	3,151	0	0	0	3,151
Professional fees	65,328	14,763	18,150	0	98,241
Miscellaneous	8,316	0	0	1,250	9,566
Programming costs	2,330	0	0	0	2,330
Other operation and maintenance expenses	15,281	0	0	0	15,281
Bond principal payments	0	0	0	285,000	285,000
Bond interest expense	0	0	0	535,138	535,138
Special programs and grant related expenses	93,505	0	0	0	93,505
Special events expenses	11,926	0	0	0	11,926
Friends expenses	21,431	0	0	0	21,431
Total contractual expenditures	<u>876,739</u>	<u>14,763</u>	<u>18,150</u>	<u>821,388</u>	<u>1,731,040</u>
Total Expenditures	<u>3,299,456</u>	<u>14,763</u>	<u>18,150</u>	<u>821,388</u>	<u>4,153,757</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	770,312	(4,078)	(3,967)	(821,304)	(59,037)
OTHER FINANCING SOURCES AND USES					
Interfund transfers	<u>(700,237)</u>	<u>3,650</u>	<u>(124,801)</u>	<u>821,388</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	70,075	(428)	(128,768)	84	(59,037)
FUND BALANCE - BEGINNING OF YEAR	<u>433,162</u>	<u>281,469</u>	<u>3,021,299</u>	<u>820,755</u>	<u>4,556,685</u>
FUND BALANCE - END OF YEAR	<u>\$ 503,237</u>	<u>\$ 281,041</u>	<u>\$ 2,892,531</u>	<u>\$ 820,839</u>	<u>\$ 4,497,648</u>

See notes to financial statements

CRANDALL PUBLIC LIBRARY

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

REVENUES - STATEMENT OF ACTIVITIES		\$4,094,720
EXPENDITURES	\$4,153,757	
Add:		
Depreciation	664,140	
Deduct:		
Principal payment on bond	285,000	
Change in fixed assets	48,245	
Amortization of bond premium	6,377	
	<u>339,622</u>	
EXPENDITURES - STATEMENT OF ACTIVITIES		<u>4,478,275</u>
CHANGE IN NET POSITION		<u>\$ (383,555)</u>

See notes to financial statements.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 – REPORTING ENTITY

The Crandall Public Library is a special library district governed by the laws of the State of New York. On November 3, 1992, the voters of the City of Glens Falls, Town of Moreau and Town of Queensbury approved the special library district. The governing body is the Board of Trustees.

The scope of activities included within the financial statements are those transactions which comprise the library district operations and are governed by, or significantly influenced by, the Board of Trustees. Essentially, the primary function of the library district is to provide library services to the residents of the City of Glens Falls, Town of Moreau and Town of Queensbury.

The Crandall Public Library is an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The creation of the special library district does not affect the Library's exempt tax status.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Crandall Public Library have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Basic Financial Statements

Basic financial statements are prepared at both the government-wide and fund financial level.

Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of internal activity has been removed from these statements. These statements focus on the sustainability of the Library as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The Library reports both governmental and fiduciary type funds.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Expenditures are recorded when the related fund liability is incurred.

The Library reports the following funds:

General Fund – is the principal operating fund of the Library District and is used to account for all financial resources except those required to be accounted for in another fund.

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation – (Continued)

Capital Projects Fund – is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities and equipment.

Expendable Trust Fund – is used to account for endowment fund investments owned by the Library District.

Debt Service Fund – is used to account for the bond proceeds and debt repayment of the Library District.

C. Budget and Budgetary Accounting

As required by the special legislation enacting the special taxing district for Crandall Public Library, the Library adopts an annual budget encompassing all of its governmental funds. The annual budget is prepared in accordance with the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

The annual budget is legally enacted through passage by vote of the taxpayers of the three municipalities which support the special taxing district. The annual vote of the budget takes place on election day in November of the preceding year.

Once a budget is approved, it can be amended by a majority vote of the Board of Trustees. Amendments are presented to the Board at their regular meeting and are reflected in the official minutes of the Board.

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve applicable appropriations, is employed by the Library.

E. Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments purchased with a maturity of three months or less are considered to be cash equivalents.

F. Investments

Investments are stated at fair market value as of the end of the year. Gifts and bequests are recorded at fair market value at the date of the donation.

G. Inexhaustible Collections and Books

The values of existing inexhaustible collections, including research books, are not readily determinable and have not been capitalized. Books used in the circulating library have not been capitalized because their estimated useful lives are less than one year.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

H. Fine Arts Collection

The Library maintains a fine arts collection of Pictures, Books and Individual Pages, and miscellaneous articles. At the present time, an inventory listing is maintained on the fine arts collection; however, the value of the collection has not been reflected on the Library's Balance Sheet. Estimated market values at December 31, 2015 are as follows:

Fine Arts	\$ 532,895
Books and Individual Pages	<u>281,375</u>
TOTAL	<u>\$ 814,270</u>

I. Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial cost of \$500 or more and an estimated useful life in excess of two years. Capital assets are recorded at cost if purchased or constructed and at fair market value if donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of exhaustible assets is provided on the straight-line basis over the following estimated useful lives:

Building Improvements	10 – 40 years
Furniture, Fixtures & Equipment	5 – 10 years

J. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. There is one item that qualifies for reporting in this category. This item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the Library's proportion of the collective net pension asset or liability and difference during the measurement period between the Library's contributions and its proportion share of total contributions to the pension system not included in pension expense.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Library has one item that qualifies for reporting in this category. The item is related to the deferred bond premium on the Library's bonds payable.

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

J. Deferred Outflows and Inflows of Resources - (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions

At December 31, 2015, the Library reported the following (liability) for its proportionate share of the net pension (liability) of the New York State Employees' Retirement System (ERS). The net pension (liability) was measured as of March 31, 2015. The total pension (liability) used to calculate the net pension (liability) was determined by an actuarial valuation. The Library's proportion of the net pension (liability) was based on a projection of the Library's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Library.

	<u>ERS</u>
Actuarial valuation date	March 31, 2015
Net pension asset (liability)	\$ (154,958)
Library's portion of the Plan's total net pension asset (liability)	.0045869%

For the year ended December 31, 2015, the Library's recognized pension expense was \$264,006. At December 31, 2015, the Library's reported deferred outflows of resources related to pensions were:

	<u>Deferred Outflows (Inflows) of Resources</u>	
	<u>ERS</u>	
Differences between expected and actual experience	\$	4,960
Changes of assumptions		0
Net difference between projected and actual earnings on pension plan investments		26,914
Change in proportion and differences between the Library's contributions and proportionate share of contributions		41,236
Library's contributions subsequent to the measurement date		<u>0</u>
Total	\$	<u>73,110</u>

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

J. Deferred Outflows and Inflows of Resources - (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions - (Continued)

Library contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

		<u>ERS</u>
Year ended:		
2016	\$	18,278
2017		18,278
2018		18,278
2019		18,278
2020		0
Thereafter		0

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>
Measurement date	March 31, 2015
Actuarial valuation date	April 1, 2014
Interest rate	7.5%
Salary scale	4.9%
Decrement tables	April 1, 2005 - March 31, 2010 System's experience
Inflation rate	2.7%

Annuitant mortality rates are based on April 1, 2005 through March 31, 2011, System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 through March 31, 2010.

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

J. Deferred Outflows and Inflows of Resources - (Continued)

Actuarial Assumptions - (Continued)

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>ERS</u>
Measurement date	March 31, 2015
 <u>Asset type</u>	
Domestic equity	7.30%
International equity	8.55
Real estate	8.25
Domestic fixed income securities	0
Global fixed income securities	0
Mortgages	0
Short-term	0
Private equity/alternative investments	11.00
Absolute return strategies	6.75
Opportunistic portfolio	8.60
Bonds and mortgages	4.00
Cash	2.25
Inflation index bonds	4.00

Discount Rate

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Library's proportionate share of the net pension asset (liability) calculated using the discount rate of 7.5%, as well as what the Library's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

J. Deferred Outflows and Inflows of Resources - (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption – (Continued)

<u>ERS</u>	<u>1% Decrease (6.5%)</u>	<u>Current Assumption (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employer's proportionate share of the net pension asset (liability)	\$(1,032,862)	\$ (154,958)	\$ 586,211

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset (liability) of the employers as of the respective valuation dates were as follows:

	(Dollars in thousands) <u>ERS</u>
Valuation date	March 31, 2015
Employers' total pension asset (liability)	\$(164,591,504)
Plan net position asset (liability)	161,213,259
Employers' net pension asset (liability)	(3,378,245)
Ratio of plan net position to the employers' total pension asset (liability)	97.9%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of December 31, 2015, amounted to \$-0-.

Additional pension information can be found in Note 9.

K. Contributed Facility

Crandall Public Library occupies, without charge, real property located at 251 Glen Street, City Park, Glens Falls, New York, owned by the Crandall Trust, an independent not-for-profit organization. The value of this contributed facility is not reflected in these statements. The approximate value of the annual rental of the contributed facility is \$787,500.

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

L. Contributed Services

A number of unpaid volunteers have contributed their time to the Library. The value of this contributed time is not reflected in these statements as it has been determined that these volunteers have not replaced actual paid personnel.

M. Unemployment Insurance

The Crandall Public Library elected to discharge its liability under the New York State Unemployment Law by reimbursement to the Insurance Fund of benefits paid to former employees. Therefore, it is no longer liable to pay contributions to the New York State Unemployment Insurance Fund.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended December 31, 2015, the Library implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of the statements requires the Library to report as an asset and/or liability its portion of the collective net pension asset or liability in the New York State Employees' Retirement System. The implementation of the statement also requires the Library to report a deferred outflow and/or inflow for the effect of the net change in the Library's proportion of the collective net pension asset and/or liability and difference during the measurement period between the Library's contributions and its proportion share of total contributions to the pension system not included in pension expense. Also included as a deferred outflow, is the Library contributions to the pension system subsequent to the measurement date. See Note 13 for the financial statement impact of implementation of the statements.

NOTE 4 – CASH AND CASH EQUIVALENTS - RESTRICTED

The Library had the following cash and cash equivalents restricted by Donor/Grantor at December 31, 2015:

General Fund:

Glens Falls National Bank – Newburger Trust	\$ 12,592
Glens Falls National Bank – Savings	<u>11,050</u>
	<u>\$ 23,642</u>

Funds in the Glens Falls National Bank – Newburger Trust are restricted for the purchase of books and library materials.

Funds in the Glens Falls National Bank – Savings are restricted for various grants.

Capital Projects Fund:

Glens Falls National Bank – Savings	\$ <u>140,439</u>
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CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 5 – INVESTMENTS

<u>Capital Projects Fund:</u>	<u>MARKET VALUE</u>	<u>COST</u>	<u>UNREALIZED GAINS (LOSSES)</u>
Government Obligations	\$ 475,891	\$ 478,993	\$ (3,102)
Corporate Obligations	302,554	304,088	(1,534)
Corporate Stocks	467,059	401,865	65,194
Mutual Funds	<u>442,622</u>	<u>435,447</u>	<u>7,175</u>
TOTAL CAPITAL PROJECTS FUND	<u>\$ 1,688,126</u>	<u>\$ 1,620,393</u>	<u>\$ 67,733</u>

<u>Expendable Trust Fund:</u>	<u>MARKET VALUE</u>	<u>COST</u>	<u>UNREALIZED GAINS (LOSSES)</u>
Government Obligations	\$ 627,539	\$ 625,245	\$ 2,294
Corporate Obligations	174,293	173,408	885
Corporate Stocks	885,588	775,913	109,675
Mutual Funds	<u>977,627</u>	<u>906,249</u>	<u>71,378</u>
TOTAL EXPENDABLE TRUST FUND	<u>\$ 2,665,047</u>	<u>\$ 2,480,815</u>	<u>\$ 184,232</u>

NOTE 6 – CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

Custodial credit risk is the risk that in the event of a bank failure, the Library’s deposits may not be returned to it. While the Library does not have a specific policy for custodial credit risk, New York State statutes govern the Library’s investment policies.

The Library’s aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Library’s name	401,716

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 7 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Re classifications</u>	<u>Ending Balance</u>
Building and Improvements	\$ 13,756,964	\$ 0	\$ 0	\$ 13,756,964
Furniture, Fixtures and Equipment	3,132,048	48,245	0	3,180,293
Total depreciable historical cost	16,889,012	48,245	0	16,937,257
Building and Improvements	2,683,772	355,706	0	3,039,478
Furniture, Fixtures and Equipment	2,600,151	308,434	0	2,908,585
Total accumulated depreciation	5,283,923	664,140	0	5,948,063
Total historical cost, net	<u>\$ 11,605,089</u>	<u>\$ (615,895)</u>	<u>\$ 0</u>	<u>\$ 10,989,194</u>

NOTE 8 – FAIR VALUE MEASUREMENTS

As required by FASB ASC, *Fair Value Measurement*, the Library is required to value investment and debt securities based on the valuation measurement techniques and hierarchy established by the FASB ASC.

There are three general valuation techniques that may be used to measure fair value, as described below:

- (A) Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades or other sources.
- (B) Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- (C) Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 8 – FAIR VALUE MEASUREMENTS - (CONTINUED)

Fair values of assets and liabilities measured on a recurring basis are as follows:

	<u>Fair Value Measurements Using</u>			
<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<u>December 31, 2015</u>				
Trading securities	\$ 4,353,173	\$ 2,772,896	\$ 1,580,277	\$ 0

NOTE 9 – PENSION PLAN

Plan Description and Benefits Provided

The Library participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index/php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 2, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 9 – PENSION PLAN – (CONTINUED)

The Crandall Public Library is required to contribute at a rate determined actuarially by the System. The Library's contributions made to the System were equal to 100 percent of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>ERS</u>	
2015	\$	264,006
2014		295,816
2013		273,231

NOTE 10 – COMMITMENTS AND CONTINGENCIES

The Library receives a substantial amount of its support and revenue from New York State, Local Governments and other Not-for-Profit Organizations. As a special library district, the Library's annual budget for 2016 and future years will be subject to voter approval. A significant reduction in the level of this support may have an effect on the Library's programs and activities.

NOTE 11 – GENERAL FUND – BOOK GRANTS

Due to Crandall Public Library's designation as Central Reference Library for the Southern Adirondack Library System, the Library is provided with a credit up to 100% of the Southern Adirondack Library System's central book aid grant amount of \$64,134 for the purchase of books, periodicals and other library materials, which remain the property of, and are insured by, the Southern Adirondack Library System.

NOTE 12 – BONDS PAYABLE

In 2007, the Library issued \$12,875,000 in civic facility revenue bonds to provide funds for the construction of major capital facilities.

	<u>Issuance Amount</u>	<u>Installments</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Debt Outstanding</u>
Civic Facility Revenue Bonds	\$ 12,875,000	\$ 215,000 - 780,000	10/1/2037	4% - 5%	\$10,895,000

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds payable	\$11,180,000	\$ 0	\$ 285,000	\$10,895,000	\$ 295,000

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 12 – BONDS PAYABLE - (CONTINUED)

Annual debt service requirements to maturity for the civic facility revenue bonds are as follows:

	Principal	Interest	Total
Year ending December 31,			
2016	\$ 295,000	\$ 520,888	\$ 815,888
2017	310,000	506,138	816,138
2018	325,000	490,638	815,638
2019	340,000	477,638	817,638
2020	355,000	463,613	818,613
Thereafter	<u>9,270,000</u>	<u>4,634,550</u>	<u>13,904,550</u>
Totals	<u>\$ 10,895,000</u>	<u>\$ 7,093,464</u>	<u>\$ 17,988,464</u>

Interest on long-term debt for the year was composed of

Interest paid	\$ 535,138
Less: amortization of bond premium	<u>(6,377)</u>
Total expense	<u>\$ 528,761</u>

NOTE 13 – RESTATEMENT OF NET POSITION

For the fiscal year ended December 31, 2015, the Library implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27*. The implementation of Statement No. 68 resulted in the reporting of a deferred outflow of resources and a liability related to the Library's participation in the New York State Employees' retirement system. The Library's net position has been restated as follows:

Net position beginning of year as previously stated	\$ 4,832,547
GASB Statement No. 68 implementation:	
Beginning System liability - Employees' Retirement System	(207,277)
Beginning deferred outflow (inflow) of resources for contributions subsequent to the measurement date:	
Employees' Retirement System	<u>125,429</u>
Net position beginning of year as restated	<u>\$ 4,750,699</u>

NOTE 14 – SUBSEQUENT EVENTS

The Library has evaluated subsequent events through the issuance date of the financial statements. None were considered material to the issued financial statements.

CRANDALL PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET (NON GAAP BASIS) AND ACTUAL – GENERAL FUND
DECEMBER 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Real property taxes	\$ 3,329,172	\$ 3,332,458	\$ 3,324,638	\$ (7,820)
Library charges	113,950	114,883	106,162	(8,721)
Investment income	1,000	1,507	1,507	0
Gifts and donations	135,100	152,627	131,599	(21,028)
Legacies and bequests	250,153	291,449	236,555	(54,894)
Library system grants	117,000	134,169	134,169	0
State aid	71,500	62,373	79,506	17,133
Special events	50,000	50,772	50,772	0
Other revenue	5,075	6,548	4,860	(1,688)
Total Revenues	4,072,950	4,146,786	4,069,768	(77,018)
EXPENDITURES				
Personal services				
Certified librarians	612,271	621,698	621,821	(123)
Para-professionals	586,038	564,673	537,055	27,618
Non-professionals	533,983	545,921	533,513	12,408
Total personal services	1,732,292	1,732,292	1,692,389	39,903
Employee benefits				
State retirement system	295,816	295,417	264,006	31,411
Payroll taxes	132,520	132,520	122,686	9,834
Workers compensation	10,434	10,434	10,434	0
Unemployment benefits paid	5,000	5,000	2,594	2,406
Disability insurance	7,500	8,270	7,484	786
Medical insurance	270,066	270,066	273,079	(3,013)
Other employee benefits	1,800	1,800	1,800	0
Total employee benefits	723,136	723,507	682,083	41,424

See paragraph on supplemental schedules included in independent auditors' report.

CRANDALL PUBLIC LIBRARY

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET (NON GAAP BASIS) AND ACTUAL – GENERAL FUND - (CONTINUED)**

DECEMBER 31, 2015

EXPENDITURES (CONTINUED)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Capital and equipment outlays	40,937	40,937	48,245	(7,308)
Contractual expenditures				
Books, records and audio visual materials	260,000	263,000	219,367	43,633
Serials	80,000	80,000	42,991	37,009
Automation expenses	92,000	92,000	84,920	7,080
Bookbinding	1,000	1,038	1,038	0
Rental, repair and maintenance of office equipment	8,000	8,000	7,091	909
Fuel and utilities	134,500	136,032	107,136	28,896
Telephone	3,500	3,500	2,971	529
Repairs to building and building equipment	142,797	141,265	115,026	26,239
Insurance	30,000	30,000	27,454	2,546
Office and library supplies	47,105	47,067	29,352	17,715
Postage and freight	10,000	10,000	7,584	2,416
Publicity and printing	20,000	20,000	5,837	14,163
Travel	7,500	7,177	4,704	2,473
Membership dues	4,000	4,000	3,151	849
Professional fees	82,000	81,519	65,328	16,191
Miscellaneous	10,000	10,827	8,316	2,511
Programming costs	5,500	5,500	2,330	3,170
Other operation and maintenance expenses	11,600	12,062	15,281	(3,219)
Special programs and grant related expenses	137,950	215,212	93,505	121,707
Special events expenses	13,500	13,500	11,926	1,574
Friends expenses	30,000	30,000	21,431	8,569
Total contractual expenses	<u>1,130,952</u>	<u>1,211,699</u>	<u>876,739</u>	<u>334,960</u>
Total Expenditures	<u>3,627,317</u>	<u>3,708,435</u>	<u>3,299,456</u>	<u>408,979</u>
EXCESS OF REVENUES OVER EXPENDITURES	445,633	438,351	770,312	331,961
OTHER FINANCING SOURCES AND USES				
Interfund transfers	(475,633)	(475,272)	(700,237)	(224,965)
NET CHANGE IN FUND BALANCE	(30,000)	(36,921)	70,075	
FUND BALANCE - BEGINNING OF YEAR	433,162	433,162	433,162	
FUND BALANCE - END OF YEAR	<u>\$ 403,162</u>	<u>\$ 396,241</u>	<u>\$ 503,237</u>	

See paragraph on supplemental schedules included in independent auditors' report.

CRANDALL PUBLIC LIBRARY

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE LOCAL GOVERNMENTS PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY**

FOR THE YEAR ENDED DECEMBER 31, 2015

New York State Employees' Retirement System

Library's proportion of the net pension liability (asset)	0.0045869%
Library's proportionate share of the net pension liability (asset)	\$ 154,958
Library's covered-employee payroll	1,327,210
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11.7%
Plan fiduciary net position as a percentage of the total pension liability	97.9%

See paragraph on supplemental schedules included in independent auditors' report.

CRANDALL PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

New York State Employees' Retirement System	
Contractually required contribution	\$ 264,006
Contributions in relation to the contractually required contribution	<u>264,006</u>
Contribution deficiency (excess)	<u>\$ 0</u>
Library's covered-employee payroll	\$ 1,327,210
Contribution as a percentage of covered-employee payroll	19.89%

See paragraph on supplemental schedules included in independent auditors' report.

CRANDALL PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
NET INVESTMENT IN CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

CAPITAL ASSETS, NET	\$ 10,989,194
ADD:	
Unspent bond proceeds	820,839
DEDUCT:	
Bonds payable	<u>10,895,000</u>
NET INVESTMENT IN CAPITAL ASSETS	<u><u>\$ 915,033</u></u>

See paragraph on supplemental schedules included in independent auditors' report.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
of the Crandall Public Library
Glens Falls, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crandall Public Library, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Crandall Public Library's basic financial statements, and have issued our report thereon dated March 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crandall Public Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crandall Public Library's internal control. Accordingly, we do not express an opinion on the effectiveness of Crandall Public Library's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crandall Public Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WEST & COMPANY CPAs PC

Gloversville, New York
March 15, 2016