

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

FINANCIAL STATEMENTS

DECEMBER 31, 2023

C O N T E N T S

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of governmental activities, each major fund, and the aggregate remaining fund information of the Crandall Public Library (the "Library"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 Library, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinions.

Responsibilities of Management for the Financial Statements

The Library's 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 Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities 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 auditors' report that includes our opinions. 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 GAAS and *Government 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 GAAS and *Government 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 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 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of local government's proportionate share of the net pension liability and contributions on pages 4 through 7 and 31 through 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 supplemental information on page 35 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates 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 supplemental 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 February 22, 2024, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of 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 the Library's internal control over financial reporting and compliance.

WEST & COMPANY CPAs PC

Gloversville, New York
February 22, 2024

CRANDALL PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023

This discussion and analysis is intended to be an easily readable analysis of Crandall Public Library's financial activities during the calendar year ended December 31, 2023. This information is presented in conjunction with the audited financial statements which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2023:

- Total revenues increased by \$1,064,024 or 21.57% from \$4,933,344 for the year ended December 31, 2022 to \$5,997,368 for the year ended December 31, 2023. The increase was due to unrealized gains on investments during the year ended December 31, 2023.
- The General Fund revenues totaled \$5,234,428, while General Fund expenditures were \$4,495,817 for the year ended December 31, 2023.
- Property tax revenues increased by \$83 for the year ended December 31, 2023, from \$3,696,441 for 2022 to \$3,696,524 for 2023.
- Total expenses increased by \$563,819 or 11.78% from \$4,785,318 for the year ended December 31, 2022 to \$5,349,137 for the year ended December 31, 2023.

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 year.

A condensed version of the Statement of Net Position at December 31, 2023 and 2022 is as follows:

	Fiscal Year 2023	Fiscal Year 2022	Change Increase, (Decrease)	% Change Increase, (Decrease)
Assets				
Cash and investments	\$ 6,252,012	\$ 6,281,078	\$ (29,066)	(0.46)
Other assets	119,746	535,344	(415,598)	(77.63)
Restricted assets	2,768,846	2,028,356	740,490	36.51
Capital assets	8,678,769	9,000,068	(321,299)	(3.57)
Total Assets	17,819,373	17,844,846	(25,473)	(0.14)
Deferred Outflows of Resources				
Pensions	957,786	988,341	(30,555)	(3.09)
Total Deferred Outflows of Resources	957,786	988,341	(30,555)	(3.09)
Liabilities				
Other liabilities	1,377,751	311,067	1,066,684	342.91
Deferred revenues	8,513	30,412	(21,899)	(72.01)
Bonds payable	7,290,000	7,680,000	(390,000)	(5.08)
Total Liabilities	8,676,264	8,021,479	654,785	8.16
Deferred Inflows of Resources				
Pensions	44,026	1,397,185	(1,353,159)	(96.85)
Deferred bond premium	76,503	82,388	(5,885)	(7.14)
Total Deferred Inflows of Resources	120,529	1,479,573	(1,359,044)	(91.85)
Net Position				
Net investment in capital assets	1,388,769	1,298,377	90,392	6.96
Restricted	3,526,171	2,805,193	720,978	25.70
Unrestricted	5,065,426	5,228,565	(163,139)	(3.12)
Total Net Position	\$ 9,980,366	\$ 9,332,135	\$ 648,231	6.95

A condensed version of the Statement of Activities for the years ending December 31, 2023 and 2022 is as follows:

	Fiscal Year 2023	Fiscal Year 2022	Change Increase, (Decrease)	% Change Increase, (Decrease)
Revenues				
Real property taxes	\$ 3,696,524	\$ 3,696,441	\$ 83	0.00
Library charges	15,423	42,410	(26,987)	(63.63)
Investment income	1,061,550	(1,023,222)	2,084,772	(203.75)
Contributions and bequests	917,956	1,685,350	(767,394)	(45.53)
Grants and state aid	271,466	487,746	(216,280)	(44.34)
Other revenue	34,449	44,619	(10,170)	(22.79)
Total Revenue	5,997,368	4,933,344	1,064,024	21.57
Expenses				
Personal services	2,365,034	2,168,912	196,122	9.04
Employee benefits	924,006	666,450	257,556	38.65
Contractual expenses	2,060,097	1,949,956	110,141	5.65
Total Expenses	5,349,137	4,785,318	563,819	11.78
Total Change in Net Position	\$ 648,231	\$ 148,026	\$ 500,205	337.92

CAPITAL ASSETS

At December 31, 2023 and 2022, the Library had \$8,678,769 and \$9,000,068, (net of accumulated depreciation) respectively, invested in capital assets consisting primarily of building improvements, furniture, fixtures and equipment.

	Fiscal Year 2023	Fiscal Year 2022	Change Increase, (Decrease)	% Change Increase, (Decrease)
Building improvements	\$ 14,217,396	\$ 14,173,452	\$ 43,944	0.31
Furniture, fixtures and equipment	2,657,732	3,670,826	(1,013,094)	(27.60)
Less: accumulated depreciation	(8,196,359)	(8,844,210)	647,851	7.33
Net Capital Assets	\$ 8,678,769	\$ 9,000,068	\$ (321,299)	(3.57)

LONG-TERM DEBT

At December 31, 2023 and 2022, the Library had \$7,290,000 and \$7,680,000 of bonds outstanding, respectively. During 2020, the Library entered into an installment purchase contract payable related to a lighting upgrade. The Library owes \$-0- and \$21,691 on the installment purchase contracts payable as of December 31, 2023 and 2022, respectively. More detailed information about the Library's long-term liabilities is presented in the notes to the financial statements.

Outstanding Long-Term Debt

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>Change Increase, (Decrease)</u>	<u>% Change Increase, (Decrease)</u>
Bonds Payable	\$ 7,290,000	\$ 7,680,000	\$ (390,000)	(5.08)
Installment Purchase Contracts Payable	0	21,691	(21,691)	(100.00)
Total	<u>\$ 7,290,000</u>	<u>\$ 7,701,691</u>	<u>\$ (411,691)</u>	(5.35)

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the only fund for which a budget is legally adopted. See pages 31 and 32 for the budget to actual comparison for the General Fund for the year ended December 31, 2023, showing variances between budgeted and actual revenues and expenses for the general fund.

CONCLUSION

The Library looks forward to 2024 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, 2023

ASSETS:

Cash		
Unrestricted	\$	531,879
Restricted		143,558
Investments		
Unrestricted		5,720,133
Restricted		2,625,288
Receivables		13,083
Prepaid expenses and other assets		106,663
Capital Assets		
Building improvements		14,217,396
Furniture, fixtures and equipment		2,657,732
Less: accumulated depreciation		<u>(8,196,359)</u>
Net Capital Assets		<u>8,678,769</u>
Total Assets		<u>17,819,373</u>

DEFERRED OUTFLOWS OF RESOURCES:

Pensions		<u>957,786</u>
Total Deferred Outflows of Resources		<u>957,786</u>

LIABILITIES:

Accounts payable		120,566
Accrued expenses		137,695
Deferred revenues		8,513
Bonds payable - due and payable within one year		400,000
Long-term liabilities		
Net pension liability - proportionate share		1,119,490
Bonds payable due and payable after one year		<u>6,890,000</u>
Total Liabilities		<u>8,676,264</u>

DEFERRED INFLOWS OF RESOURCES:

Pensions		44,026
Deferred bond premium		<u>76,503</u>
Total Deferred Inflows of Resources		<u>120,529</u>

NET POSITION:

Net investment in capital assets		1,388,769
Restricted		
Library		719,888
Capital reserve fund		2,806,283
Unrestricted		<u>5,065,426</u>
Total Net Position		<u>\$ 9,980,366</u>

See notes to financial statements.

CRANDALL PUBLIC LIBRARY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUES

Real property taxes	\$ 3,696,524
Library charges	15,423
Investment income	278,475
Gains on investments	783,075
Gifts and donations	613,081
Legacies and bequests	304,875
Library system grants	225,746
State aid	45,720
Special events	24,439
Other revenue	10,010
Total Revenues	<u>5,997,368</u>

EXPENDITURES

Personnel services	
Certified librarians	936,906
Para-professionals	846,124
Non-professionals	582,004
Total Personnel Services	<u>2,365,034</u>

Employee benefits	
State retirement system	435,516
Payroll taxes	168,340
Workers compensation	16,946
Disability insurance	5,463
Medical insurance	294,528
Other employee benefits	3,213
Total Employee Benefits	<u>924,006</u>

Contractual expenditures	
Books and audio visual materials	266,567
Serials	175,130
Automation expenses	84,102
Bookbinding	1,489
Rental, repair and maintenance of office equipment	54,167
Fuel and utilities	98,255
Telephone	6,725
Repairs to building and building equipment	137,107
Insurance	47,065
Office and library supplies	43,230
Postage and freight	5,913
Publicity and printing	7,000
Travel	7,328
Membership dues	4,574
Professional fees	183,259
Miscellaneous	8,494
Programming costs	56,377
Other operation and administrative expenses	25,456
Bond interest expense	257,278
Special programs and grant related expenses	66,060
Special events expenses	12,886
Friends expenses	15,878
Depreciation expense	495,757
Total Contractual Expenditures	<u>2,060,097</u>

Total Expenditures	<u>5,349,137</u>
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CHANGE IN NET POSITION	648,231
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TOTAL NET POSITION - BEGINNING OF YEAR	<u>9,332,135</u>
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TOTAL NET POSITION - END OF YEAR	<u><u>\$ 9,980,366</u></u>
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See notes to financial statements.

CRANDALL PUBLIC LIBRARY
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Governmental Funds</u>
ASSETS				
Cash				
Unrestricted	\$ 39,674	\$ 492,205	\$ 0	\$ 531,879
Restricted	143,558	0	0	143,558
Investments				
Unrestricted	0	5,720,133	0	5,720,133
Restricted	2,625,288	0	0	2,625,288
Receivables	13,083	0	0	13,083
Due from other funds	108,320	0	0	108,320
Prepaid expenses and other assets	106,663	0	0	106,663
TOTAL ASSETS	<u>\$ 3,036,586</u>	<u>\$ 6,212,338</u>	<u>\$ 0</u>	<u>\$ 9,248,924</u>
LIABILITIES				
Accounts payable	\$ 120,566	\$ 0	\$ 0	\$ 120,566
Accrued expenses	137,695	0	0	137,695
Due to other funds	32,315	0	76,005	108,320
Deferred revenue	8,513	0	0	8,513
Total liabilities	299,089	0	76,005	375,094
FUND BALANCES				
Nonspendable - prepaid expenses	84,841	0	0	84,841
Restricted - Reserved for library purposes	21,276	698,612	0	719,888
Restricted - Capital reserve fund	2,806,283	0	0	2,806,283
Unassigned				
Board designated for unemployment	2,217	0	0	2,217
Undesignated	(177,120)	5,513,726	(76,005)	5,260,601
Total fund balances	<u>2,737,497</u>	<u>6,212,338</u>	<u>(76,005)</u>	<u>8,873,830</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,036,586</u>	<u>\$ 6,212,338</u>	<u>\$ 0</u>	<u>\$ 9,248,924</u>

See notes to financial statements.

CRANDALL PUBLIC LIBRARY

**RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION**

DECEMBER 31, 2023

Total fund balance - governmental funds balance sheet	\$ 8,873,830
Add:	
Capital assets, net of accumulated depreciation	<u>8,678,769</u>
Total	8,678,769
Less:	
Bonds payable	7,290,000
Pensions	205,730
Deferred bond premium	<u>76,503</u>
Total	<u>7,572,233</u>
NET POSITION, GOVERNMENTAL ACTIVITIES	<u><u>\$ 9,980,366</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, 2023

	General	Special Revenue	Debt Service	Total Governmental Funds
REVENUES				
Real property taxes	\$ 3,696,524	\$ 0	\$ 0	\$ 3,696,524
Library charges	15,423	0	0	15,423
Investment income	103,663	174,812	0	278,475
Gain on investments	194,947	588,128	0	783,075
Gifts and donations	613,081	0	0	613,081
Legacies and bequests	304,875	0	0	304,875
Library system grants	225,746	0	0	225,746
State aid	45,720	0	0	45,720
Special events	24,439	0	0	24,439
Other revenue	10,010	0	0	10,010
Total Revenues	5,234,428	762,940	0	5,997,368
EXPENDITURES				
Personnel services				
Certified librarians	936,906	0	0	936,906
Para-professionals	846,124	0	0	846,124
Non-professionals	582,004	0	0	582,004
Total Personnel Services	2,365,034	0	0	2,365,034
Employee benefits				
State retirement system	227,918	0	0	227,918
Payroll taxes	168,340	0	0	168,340
Workers compensation	16,946	0	0	16,946
Disability insurance	5,463	0	0	5,463
Medical insurance	294,528	0	0	294,528
Other employee benefits	3,213	0	0	3,213
Total Employee Benefits	716,408	0	0	716,408

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, 2023

EXPENDITURES (CONTINUED)	General	Special Revenue	Debt Service	Total Governmental Funds
Capital and equipment outlays	137,655	36,803	0	174,458
Contractual expenditures				
Books and audio visual materials	266,567	0	0	266,567
Serials	175,130	0	0	175,130
Automation expenses	84,102	0	0	84,102
Bookbinding	1,489	0	0	1,489
Rental, repair and maintenance of office equipment	54,167	0	0	54,167
Fuel and utilities	98,255	0	0	98,255
Telephone and website	6,725	0	0	6,725
Repairs to building and building equipment	134,607	2,500	0	137,107
Insurance	47,065	0	0	47,065
Office and library supplies	43,230	0	0	43,230
Postage and freight	5,913	0	0	5,913
Publicity and printing	7,000	0	0	7,000
Travel	7,328	0	0	7,328
Membership dues	4,574	0	0	4,574
Professional fees	155,417	27,842	0	183,259
Miscellaneous	8,494	0	0	8,494
Programming costs	56,377	0	0	56,377
Other operation and administrative expenses	25,456	0	0	25,456
Debt principal payments	0	0	411,691	411,691
Debt interest expense	0	0	263,163	263,163
Special programs and grant related expenses	66,060	0	0	66,060
Special events expenses	12,886	0	0	12,886
Friends expenses	15,878	0	0	15,878
Total Contractual Expenditures	1,276,720	30,342	674,854	1,981,916
Total Expenditures	4,495,817	67,145	674,854	5,237,816
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	738,611	695,795	(674,854)	759,552
OTHER FINANCING SOURCES AND USES				
Interfund transfers	(351,695)	(301,468)	653,163	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	386,916	394,327	(21,691)	759,552
FUND BALANCE - BEGINNING OF YEAR	2,350,581	5,818,011	(54,314)	8,114,278
FUND BALANCE - END OF YEAR	\$ 2,737,497	\$ 6,212,338	\$ (76,005)	\$ 8,873,830

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, 2023

REVENUES - STATEMENT OF ACTIVITIES	\$ 5,997,368
EXPENDITURES	\$ 5,237,816
Add:	
Depreciation	495,757
Pensions	207,598
	<u>703,355</u>
Deduct:	
Principal payments on long term debt	411,691
Change in fixed assets	174,458
Amortization of bond premium	5,885
	<u>592,034</u>
EXPENDITURES - STATEMENT OF ACTIVITIES	<u>5,349,137</u>
CHANGE IN NET POSITION	<u><u>\$ 648,231</u></u>

See notes to financial statements.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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 tax exempt 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 only governmental type funds. The Library had no 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. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library defined the length of time used available for purposes of revenue recognition in the governmental funds financial statements to be 60 days. Expenditures are recorded when the related fund liability is incurred.

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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.

Special Revenue 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.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

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.

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, 2023 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 asset 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 proportionate 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 two items that qualify for reporting in this category. The first item is related to the deferred bond premium on the Library's bonds payable. The second item is related to pensions reported in the Library's proportion of the collective net pension liability (ERS system) and difference during the measurement periods between the Library's contributions and its proportionate share of the total contributions to the pension system not included in pension expense.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, 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, 2023. 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>
Measurement date	March 31, 2023
Net pension asset (liability)	\$ (1,119,490)
Library's portion of the Plan's total net pension asset (liability)	(0.0052205)%
Change in proportion since the prior measurement date	0.0001962%

For the year ended December 31, 2023, the Library recognized its proportionate share of pension expense of \$227,918. At December 31, 2023, the Library's reported deferred outflows and deferred inflows of resources related to pensions were:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	<u>ERS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 119,234	\$ 31,440
Changes of assumptions	543,697	6,009
Net difference between projected and actual earnings on pension plan investments	0	6,577
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	66,937	0
Library's contributions subsequent to the measurement date	<u>227,918</u>	<u>0</u>
Total	<u>\$ 957,786</u>	<u>\$ 44,026</u>

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows 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, 2023. 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:	
2024	\$ 177,934
2025	(40,004)
2026	241,009
2027	306,904
2028	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, 2023
Actuarial valuation date	April 1, 2022
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015 - March 31, 2020
	System's experience
Inflation rate	2.9%
Projected cost of living adjustments	1.5%

Annuitant mortality rates are based on April 1, 2015 through March 31, 2020, System's experience with adjustments for mortality improvements based on MP-2021.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 through March 31, 2020.

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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:

Measurement date	<u>ERS</u> March 31, 2023
<u>Asset type</u>	
Domestic equity	4.30%
International equity	6.85
Global equities	0
Real estate	4.60
Domestic fixed income securities	1.50
Global bonds	0
High-yield fixed income securities	0
Real estate debt	0
Private debt	0
Credit	5.43
Private equity/alternative investments	7.50
Opportunistic/ARS portfolio	5.38
Cash	0
Real assets	5.84

Discount Rate

The discount rate used to calculate the total pension asset (liability) was 5.9%. 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 asset (liability).

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 Asset (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 5.9%, 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 (4.9%) or 1 percentage point higher (6.9%) than the current rate:

<u>ERS</u>	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
Employer’s proportionate share of the net pension asset (liability)	\$(2,705,328)	\$(1,119,490)	\$ 205,661

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)
Measurement date	<u>ERS</u> March 31, 2023
Employers’ total pension asset (liability)	\$(232,627,259)
Plan fiduciary net position asset (liability)	211,183,223
Employers’ net pension asset (liability)	(21,444,036)
Ratio of plan fiduciary net position to the employers’ total pension asset (liability)	90.78%

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, 2023, amounted to \$-0-.

Additional pension information can be found in Note 8.

K. Employee Benefits

Compensated Absences

The Library accrues vacation time for employees based on current salary rates. Up to 70 vacation hours may be carried forward to the next year unless special permission is given by the Board to allow the employee to carry over more.

The balance of this liability was \$72,580 as of December 31, 2023, and is included in accrued expenses.

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

K. Employee Benefits – (Continued)

Health Insurance Benefits

The Library offers health insurance to its current employees and pays a portion of the cost of premiums based on the coverage type selected. The Library is not contractually required to provide health insurance to retirees and, therefore, does not have a GASB 75 valuation completed.

L. Equity Classifications

Library-Wide Statements

In the Library-wide statements, there are three classes of net position:

i) Net Investment in Capital Assets

Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvement of those assets.

ii) Restricted Net Position

Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

iii) Unrestricted Net Position

Reports the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Library.

Funds Statements

In the fund basis statements, there are four classifications of fund balance:

1. Nonspendable Fund Balance

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the prepaid expenses of \$84,841 in the General Fund.

2. Restricted

Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

CRANDALL PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

L. Equity Classifications – (Continued)

Funds Statements – (Continued)

3. Assigned

Includes amounts that are constrained by the Library's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

4. Unassigned

Includes all other General Fund amounts that do not meet the definition of the above three classifications and are deemed to be available for general use by the Library and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

M. Debt Service Fund Deficit

The Debt Service Fund had a deficit fund balance of \$76,005. This will be funded through transfers from the Library's general fund.

N. 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.

O. 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.

P. 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

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Q. Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Library’s policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

R. New Accounting Pronouncements

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending December 31, 2023. This statement establishes new financial disclosure requirements for debt.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending December 31, 2023. This statement improves the financial reporting related to Public-Private and Public-Public Partnerships to provide services.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023. This statement requires the recognition of a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability for subscription-based information technology arrangements for government end users.

S. Future Impacts of Accounting Pronouncements

GASB has issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, effective for the year ending December 31, 2024. This Statement amends GASB Statement No. 62 in order to enhance accounting and financial reporting requirements for accounting changes and error corrections.

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending December 31, 2025. This Statement amends the existing requirements related to Compensated Absences by updating the recognition and measurement guidance.

The Library will evaluate the impact these pronouncements may have on its financial statements and will implement them as applicable and when material.

NOTE 3 – CASH AND CASH EQUIVALENTS - RESTRICTED

The Library had the following cash and cash equivalents restricted by Donor/Grantor at December 31, 2023:

General Fund:

Glens Falls National Bank – Newburger Trust	\$ 12,763
Glens Falls National Bank – Capital Reserve Cash	122,282
Glens Falls National Bank – Savings	<u>8,513</u>
	<u>\$ 143,558</u>

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 3 – CASH AND CASH EQUIVALENTS – RESTRICTED – (CONTINUED)

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.

NOTE 4 – INVESTMENTS

<u>General Fund:</u>	<u>MARKET VALUE</u>	<u>COST</u>	<u>UNREALIZED GAINS (LOSSES)</u>
Government Obligations	\$ 243,111	\$ 249,955	\$ (6,844)
Corporate Stocks	1,170,803	873,600	297,203
Mutual Funds	<u>1,211,374</u>	<u>1,246,221</u>	<u>(34,847)</u>
TOTAL GENERAL FUND	<u>\$ 2,625,288</u>	<u>\$ 2,369,776</u>	<u>\$ 255,512</u>

<u>Special Revenue Fund:</u>	<u>MARKET VALUE</u>	<u>COST</u>	<u>UNREALIZED GAINS (LOSSES)</u>
Government Obligations	\$ 264,955	\$ 274,547	\$ (9,592)
Corporate Obligations	48,399	50,267	(1,868)
Corporate Stocks	2,178,634	1,648,477	530,157
Mutual Funds	<u>3,228,145</u>	<u>2,922,562</u>	<u>305,583</u>
TOTAL SPECIAL REVENUE FUND	<u>\$ 5,720,133</u>	<u>\$ 4,895,853</u>	<u>\$ 824,280</u>

NOTE 5 – 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), were fully covered by FDIC insurance at year end.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Building and Improvements	\$ 14,173,452	\$ 45,216	\$ 1,272	\$ 14,217,396
Furniture, Fixtures and Equipment	3,670,826	129,242	1,142,336	2,657,732
Total depreciable historical cost	<u>17,844,278</u>	<u>174,458</u>	<u>1,143,608</u>	<u>16,875,128</u>
Building and Improvements	5,484,961	361,181	1,272	5,844,870
Furniture, Fixtures and Equipment	3,359,249	134,576	1,142,336	2,351,489
Total accumulated depreciation	<u>8,844,210</u>	<u>495,757</u>	<u>1,143,608</u>	<u>8,196,359</u>
Total historical cost, net	<u>\$ 9,000,068</u>	<u>\$ (321,299)</u>	<u>\$ 0</u>	<u>\$ 8,678,769</u>

NOTE 7 – 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, 2023

NOTE 7 – 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, 2023</u>				
Trading securities	\$ 8,345,421	\$ 7,788,956	\$ 556,465	\$ 0

NOTE 8 – 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. The New York State Retirement and Social Security Law (NYSRSSL) govern obligations of employers and employees to contribute, and benefits to employees. 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 Library also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees’ Retirement System, Office of the State Comptroller, 110 State Street, Albany, NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at www.osc.state.ny.us/retire/publications/index.php.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 8 – PENSION PLAN – (CONTINUED)

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 1, 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.

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% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<u>ERS</u>
2023	\$ 227,918
2022	173,001
2021	258,736

NOTE 9 – 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 is 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 10 – 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 \$68,627 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 11 – SHORT-TERM DEBT

The Library had no short-term debt activity and no short-term debt outstanding for the year ending December 31, 2023.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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. During 2016, the Library refunded those bonds. A summary of the bonds payable balance and activity for the year is below:

	Beginning Balance	Issued	Redeemed	Ending Balance	Amount Due Within One Year
Bonds payable	\$ 7,680,000	\$ 0	\$ 390,000	\$ 7,290,000	\$ 400,000

The following is a summary of the maturity of long-term bonds payable:

	<u>Issuance Amount</u>	<u>Installments</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Debt Outstanding</u>
Tax Exempt Revenue Bonds	\$ 10,110,000	\$ 305,000 - 635,000	10/1/2037	2% - 5%	\$ 7,290,000

Annual debt service requirements to maturity for the tax-exempt revenue bonds are as follows:

	Principal	Interest	Total
Year ending December 31,			
2024	\$ 400,000	\$ 247,563	\$ 647,563
2025	425,000	227,563	652,563
2026	445,000	206,313	651,313
2027	470,000	184,063	654,063
2028	485,000	165,263	650,263
2029 - 2033	2,630,000	620,513	3,250,513
2034 - 2037	2,435,000	171,138	2,606,138
Totals	\$ 7,290,000	\$1,822,416	\$ 9,112,416

Interest on long-term debt for the year consisted of:

Interest paid	\$ 263,163
Less: amortization of bond premium	(5,885)
Total expense	\$ 257,278

In 2016, the Library defeased their outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Library's financial statements.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 13 – INSTALLMENT PURCHASE CONTRACT PAYABLE

The Library entered into an installment purchase contract agreement under which the related equipment, a lighting upgrade, will become the property of the Library when all terms of the purchase contract agreement are met. Assets under the agreements total \$78,949 at December 31, 2023. That amount is net of amortization of \$36,586, which is included with depreciation expense. The installment purchase contract was paid off during the year ended December 31, 2023.

NOTE 14 – SUBSEQUENT EVENTS

The Library has evaluated subsequent events through the issuance date of the financial statements. There were no subsequent events that would have a material effect on 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
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Real property taxes	\$ 3,695,912	\$ 3,696,522	\$ 3,696,524	\$ 2
Library charges	25,000	28,049	15,423	(12,626)
Investment income	1,800	33,588	103,663	70,075
Gain on investments	0	0	194,947	194,947
Gifts and donations	151,500	168,437	613,081	444,644
Legacies and bequests	259,800	311,262	304,875	(6,387)
Library system grants	249,934	255,011	225,746	(29,265)
State aid	47,500	47,500	45,720	(1,780)
Special events	35,000	35,000	24,439	(10,561)
Other revenue	7,300	11,086	10,010	(1,076)
Total Revenues	<u>4,473,746</u>	<u>4,586,455</u>	<u>5,234,428</u>	<u>647,973</u>
EXPENDITURES				
Personnel services				
Certified librarians	950,786	950,786	936,906	13,880
Para-professionals	841,861	841,861	846,124	(4,263)
Non-professionals	619,438	619,438	582,004	37,434
Total Personnel Services	<u>2,412,085</u>	<u>2,412,085</u>	<u>2,365,034</u>	<u>47,051</u>
Employee benefits				
State retirement system	195,000	227,918	227,918	0
Payroll taxes	184,525	184,525	168,340	16,185
Workers compensation	20,000	20,000	16,946	3,054
Unemployment benefits paid	1,000	1,000	0	1,000
Disability insurance	10,500	10,500	5,463	5,037
Medical insurance	490,000	457,082	294,528	162,554
Other employee benefits	3,300	3,300	3,213	87
Total Employee Benefits	<u>904,325</u>	<u>904,325</u>	<u>716,408</u>	<u>187,917</u>

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)**

FOR THE YEAR ENDED DECEMBER 31, 2023

EXPENDITURES (CONTINUED)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Capital and equipment outlays	0	11,966	137,655	(125,689)
Contractual expenditures				
Books, records and audio visual materials	288,309	288,809	266,567	22,242
Serials	169,000	175,131	175,130	1
Automation expenses	82,500	84,103	84,102	1
Bookbinding	1,500	1,500	1,489	11
Rental, repair and maintenance of office equipment	71,276	49,274	54,167	(4,893)
Fuel and utilities	102,100	106,000	98,255	7,745
Telephone and website	6,900	6,900	6,725	175
Repairs to building and building equipment	129,000	135,105	134,607	498
Insurance	41,712	47,065	47,065	0
Office and library supplies	44,250	44,250	43,230	1,020
Postage and freight	6,000	6,000	5,913	87
Publicity and printing	5,000	7,000	7,000	0
Travel	10,000	10,000	7,328	2,672
Membership dues	4,000	4,574	4,574	0
Professional fees	123,196	145,500	155,417	(9,917)
Miscellaneous	12,000	14,300	8,494	5,806
Programming costs	47,000	57,000	56,377	623
Other operation and administrative expenses	18,100	24,100	25,456	(1,356)
Special programs and grant related expenses	127,500	124,784	66,060	58,724
Special events expenses	20,000	20,000	12,886	7,114
Friends expenses	30,000	30,000	15,878	14,122
Total Contractual Expenses	<u>1,339,343</u>	<u>1,381,395</u>	<u>1,276,720</u>	<u>104,675</u>
Total Expenditures	<u>4,655,753</u>	<u>4,709,771</u>	<u>4,495,817</u>	<u>213,954</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(182,007)	(123,316)	738,611	861,927
OTHER FINANCING SOURCES AND USES				
Interfund transfers	(299,163)	(275,525)	(351,695)	(76,170)
NET CHANGE IN FUND BALANCE	<u>(481,170)</u>	<u>(398,841)</u>	<u>386,916</u>	<u>\$ 785,757</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,350,581</u>	<u>2,350,581</u>	<u>2,350,581</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,869,411</u>	<u>\$ 1,951,740</u>	<u>\$ 2,737,497</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 YEARS ENDED DECEMBER 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

New York State Employees' Retirement System	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's proportion of the net pension liability (asset)	0.0052205%	0.0050243%	0.0048207%	0.0047976%	0.0045498%	0.0045835%	0.0045465%	0.0044308%	0.0045869%
Library's proportionate share of the net pension liability (asset)	\$ 1,119,490	\$ (410,712)	\$ 4,800	\$ 1,270,433	\$ 322,366	\$ 147,929	\$ 427,196	\$ 711,158	\$ 154,958
Library's covered-employee payroll	1,903,889	1,590,591	1,695,639	1,648,224	1,618,010	1,520,038	1,497,988	1,403,910	1,327,210
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	58.8%	-25.8%	0.3%	77.1%	19.9%	9.7%	28.5%	50.7%	11.7%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.4%	96.3%	98.2%	94.7%	90.7%	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 YEARS ENDED DECEMBER 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015

New York State Employees' Retirement System	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 227,918	\$ 173,001	\$ 258,736	\$ 229,089	\$ 232,091	\$ 240,910	\$ 224,751	\$ 215,101	\$ 264,006
Contributions in relation to the contractually required contribution	<u>227,918</u>	<u>173,001</u>	<u>258,736</u>	<u>229,089</u>	<u>232,091</u>	<u>240,910</u>	<u>224,751</u>	<u>215,101</u>	<u>264,006</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Library's covered-employee payroll	\$ 1,903,889	\$ 1,590,591	\$ 1,695,639	\$ 1,648,224	\$ 1,618,010	\$ 1,520,038	\$ 1,497,988	\$ 1,403,910	\$ 1,327,210
Contribution as a percentage of covered-employee payroll	11.97%	10.88%	15.26%	13.90%	14.34%	15.85%	15.00%	15.32%	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, 2023

CAPITAL ASSETS, NET	\$ 8,678,769
DEDUCT:	
Bonds payable	<u>7,290,000</u>
NET INVESTMENT IN CAPITAL ASSETS	<u><u>\$ 1,388,769</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, 2023, 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 February 22, 2024.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that have not been identified.

Report on 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
February 22, 2024