

**MECHANICVILLE DISTRICT PUBLIC LIBRARY
FINANCIAL STATEMENTS
JUNE 30, 2022 AND JUNE 30, 2021**

MECHANICVILLE DISTRICT PUBLIC LIBRARY

TABLE OF CONTENTS

<u>EXHIBIT</u>		<u>PAGE</u>
	INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1-2
A	STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – CASH BASIS	3
B	STATEMENTS OF SUPPORT, REVENUE AND EXPENSES – CASH BASIS	4
C	SUPPLEMENTAL SCHEDULES OF FUNCTIONAL EXPENSES	5
	NOTES TO FINANCIAL STATEMENTS	6 - 9



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To the Board of Trustees of
Mechanicville District Public Library

We have reviewed the accompanying financial statements of Mechanicville District Public Library (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of June 30, 2022, and the related statements of revenues, expenses, and other changes in net assets – cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Mechanicville District Public Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Supplementary Information

The supplementary information included on page 5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Sincerely,
Stark & D'Aprile
Certified Public Accountants, P.C.

Amanda D'Aprile

Amanda D'Aprile, CPA
Cohoes, NY

January 5, 2023

MECHANICVILLE DISTRICT PUBLIC LIBRARY
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - CASH BASIS
JUNE 30, 2022 AND 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and Cash Equivalents	\$ 413,587	\$ 406,681
Total Current Assets	<u>\$ 413,587</u>	<u>\$ 406,681</u>
Non-current Assets		
Investments - Available-for-sale		
US Savings Bonds	\$ 50,000	\$ 50,000
Total Non-current Assets	<u>\$ 50,000</u>	<u>\$ 50,000</u>
Total Assets	<u>\$ 463,587</u>	<u>\$ 456,681</u>
<u>Net Assets</u>		
Without Donor Restrictions	\$ 463,587	\$ 456,681
With Donor Restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>\$ 463,587</u>	<u>\$ 456,681</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 463,587</u>	<u>\$ 456,681</u>

The accompanying notes and independent accountant's review report are an integral part of these financial statements.

MECHANICVILLE DISTRICT PUBLIC LIBRARY
STATEMENTS OF SUPPORT, REVENUE AND EXPENSES - CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Changes in Net Assets without Donor Restrictions:				
<u>Revenues</u>				
Real Property Taxes	\$ 471,805	\$ 470,238	\$ 471,805	\$ -
Grants from New York State	7,272	-	7,272	-
Grants from Local Governments	14,809	11,269	14,809	-
Grant from Southern Adirondack Library System	3,247	2,453	3,247	-
Grants from SPAF	5,931	-	5,931	-
Gifts	3,326	2,372	3,326	-
Fines and Fees	3,351	2,916	3,351	-
Miscellaneous	237	11	237	-
Interest Income	-	-	-	-
Total Support and Revenue without Donor Restrictions	<u>\$ 509,978</u>	<u>\$ 489,259</u>	<u>\$ 509,978</u>	<u>\$ -</u>
Net assets released from restrictions	-	-	-	-
Total Revenues and other Support without Donor Restrictions	<u>\$ 509,978</u>	<u>\$ 489,259</u>	<u>\$ 509,978</u>	<u>\$ -</u>
<u>Expenses</u>				
Program Services and Information	\$ 359,004	\$ 314,043	\$ 359,004	\$ -
Supporting Services Management and General	144,068	131,063	144,068	-
Total Expenses	<u>\$ 503,072</u>	<u>\$ 445,106</u>	<u>\$ 503,072</u>	<u>\$ -</u>
Increase in Net Assets	\$ 6,906	\$ 44,153	\$ 6,906	-
Net Assets at Beginning of Year	456,681	412,528	456,681	-
Net Assets at End of Year	<u>\$ 463,587</u>	<u>\$ 456,681</u>	<u>\$ 463,587</u>	<u>\$ -</u>

The accompanying notes and independent accountant's review report are an integral part of these financial statements.

MECHANICVILLE DISTRICT PUBLIC LIBRARY
SUPPLEMENTAL SCHEDULES OF FUNCTIONAL EXPENSES - CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Program Services	Management and General	Total Expenses 2022	Program Services	Management and General	Total Expenses 2021
Salaries	\$ 102,175	\$ 68,116	\$ 170,291	\$ 99,263	\$ 66,175	\$ 165,438
Employee Benefits	22,992	15,328	38,320	20,300	13,534	33,834
Staff Training	159	106	265	172	115	287
Payroll Taxes	8,557	4,215	12,772	8,224	4,050	12,274
Total Salaries and Related Expenses	\$ 133,883	\$ 87,765	\$ 221,648	\$ 127,960	\$ 83,874	\$ 211,834
Building Repairs, Maintenance and Operating	47,108	11,777	58,885	11,790	2,948	14,738
Reimbursement to Mechanicville Central School District	77,720	19,430	97,150	86,560	21,640	108,200
Conferences	-	-	-	-	149	149
Equipment Repairs, Rental and Purchases	21,458	3,787	25,245	15,211	2,685	17,896
Fuel and Utilities	11,997	2,999	14,996	8,461	2,115	10,576
Insurance	11,729	-	11,729	11,429	-	11,429
Library Materials and Supplies	51,033	9,006	60,039	48,868	8,624	57,492
Memberships	1,523	-	1,523	1,248	-	1,248
Office and Custodial Supplies	195	778	973	331	1,324	1,655
Postage and Freight	58	327	385	75	425	500
Professional Fees	-	7,063	7,063	-	6,189	6,189
Publicity and Printing	597	-	597	475	-	475
Telephone	1,703	1,136	2,839	1,636	1,090	2,726
Total Expenses	\$ 359,004	\$ 144,068	\$ 503,072	\$ 314,043	\$ 131,063	\$ 445,106

The accompanying notes and independent accountant's review report are an integral part of these financial statements.

MECHANICVILLE DISTRICT PUBLIC LIBRARY
Notes to Financial Statements
June 30, 2022, and 2021

1. Summary of Significant Accounting Policies

Organization – The Mechanicville District Public Library is a non-profit organization formed under Section 501(c)(3) of the Internal Revenue Code and provides library services to the community of Mechanicville, New York and surrounding areas. The Library’s mission is to serve as a window to the world by providing information directly or by providing information via links with other libraries and information sources; to provide the community a source of leisure time satisfaction by providing literature, magazines and other entertainment or enrichment sources; to provide a broad range of materials to the public; and to be a positive institution within the community. The Library’s primary source of revenue is real property tax.

Basis of Presentation –The financial statements of the Mechanicville District Public Library have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The cash basis differs from GAAP primarily because certain revenues are recognized when received rather than when earned and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. FASB ASC 958-205-05-6 requires that net assets and receipts, gains, expenses and losses be classified net assets with donor restrictions and net assets without donor restrictions based on the existence or absence of donor-imposed restrictions. All the net assets owned by the Library are designated for specific purposes by action of the Board of Trustees.

Under FASB ASC 958-225-45-7, expenses are generally reported as decreases in net assets without donor restrictions. Expirations of donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

The classes of net assets are defined below:

Net Assets with Donor Restrictions: The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions.

Net Assets without Donor Restrictions: The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions.

Cash and Cash Equivalents – Cash and cash equivalents represent the checking account, savings accounts, and certificates of deposits, with purchased maturities of three months or less.

Investments – Purchased investments and donated investments are recorded at their fair value at the date of receipt or purchase. The Library classifies its debt and marketable equity securities into held-to-maturity, trading, or available-for-sale categories. Debt securities are classified as held-to-maturity when the Library has the positive intent and ability to hold the securities to maturity. Debt securities for which the Library does not have the intent or ability to hold to maturity are classified as available for sale. All investments are presented at historical cost regardless of classification and the related income or loss is recognized at maturity or sale when cash proceeds are received.

MECHANICVILLE DISTRICT PUBLIC LIBRARY

Notes to Financial Statements

June 30, 2022, and 2021

Inexhaustible Collections and Books – Because the value of the existing inexhaustible collections, including research books, and books used in the circulating library are not readily determinable, the Library's policy is not to capitalize them. Purchases of new collections and books are charged to expense as incurred and fees for lost or damaged items are recorded within fines and fees revenue when received. Collection and book expense for the year ended June 30, 2022, and 2021 were approximately \$40,313 and \$46,104.

Depreciation – The Mechanicville District Public Library expenses property, plant and equipment as purchased. Accordingly, there is no provision for depreciation in these financial statements.

Tax Status – Under the provisions of the Internal Revenue Code, Section 501(c)(3), the Library is exempt from taxes on income other than unrelated business income. The Library's management has analyzed the tax positions taken by the Library, and have concluded that as of June 30, 2020, there are no uncertain tax positions taken or expected to be taken that would require accrual or disclosure in the financial statements. The Library is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Library's management believes it is no longer subject to income tax examinations for years prior to 2018.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Costs – It is the Library's policy to expense advertising costs as incurred.

Maintenance and Repairs – Expenditures for maintenance and repairs are charged to expense as incurred.

2. Real Property Taxes

Mechanicville City School District levies real property taxes on behalf of the Library and holds the deed to the Library's facility. On December 19, 2013 a \$1,174,096 bond was issued in the name of Mechanicville City School District and is therefore not recorded on the Library's books. The amount needed to service the debt associated with the bond, which was used to expand the library, is withheld by the Mechanicville City School District from the amount remitted to the Library. The debt service requirement for the years ended June 30, 2022, and 2021 was satisfied by the use of the \$97,150 and \$108,200 withheld by the District.

3. Pension Plan

A. General Information

The Mechanicville District Public Library participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple employer, public employee retirement system.

B. Plan Description

NYSERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute, and benefits to employees. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, and Albany, New York 12244.

MECHANICVILLE DISTRICT PUBLIC LIBRARY
Notes to Financial Statements
June 30, 2022, and 2021

C. Funding Policy

The Systems are noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% to 3.5% of their salary. With the exception of ERS tier V and VI employees, employees in the system more than 10 years are no longer required to contribute. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For NYSERS, the Comptroller certifies the rates expressed as proportions of members' payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund.

The Library's contribution to the System for the years ended June 30, 2022, and June 30, 2021, were \$16,429 and \$13,327, respectively.

4. Donated Services

The Library receives donated services from volunteers. These donated services constitute a significant factor in the operation of the organization, but, due to their nature and lack of objective means of evaluation, are not recorded as contributions.

5. Concentrations

Concentrations of credit risk – The Library maintains cash balances at a financial institution located in Eastern New York. Accounts at the institution were insured by Federal Deposit Insurance Corporation up to \$250,000 in 2022 and 2021. The Library had uninsured cash balances totaling \$110,619 and \$110,619 at June 30, 2022, and 2021, respectively.

Concentration in revenues – Approximately 93% and 96% of the Library's revenues were received from the local government tax levy and additional contributions from various other state and local agencies in 2022 and 2021, respectively.

6. Methods Used for Allocation of Expenses from Program Services and Management and General Activities

The supplemental schedules of functional expenses report on certain categories of expenses that are attributable to one or more program or supporting functions of the Library. The allocation method for each expense, that is not directly allocated, is calculated as follows:

Expense	Program Services	Management and General
Equipment Repairs, Rentals and Purchases; Library Materials and Supplies	85%	15%
Building Repairs, Maintenance and Operating; Reimbursement to Mechanicville Central School District; Fuel and Utilities	80%	20%
Payroll Taxes	67%	33%
Salaries, Employee Benefits, Staff Training, Telephone	60%	40%
Office and Custodial Supplies	20%	80%
Postage and Freight	15%	85%

MECHANICVILLE DISTRICT PUBLIC LIBRARY
Notes to Financial Statements
June 30, 2022, and 2021

7. Liquidity and Availability of Resources

The Library has \$413,587 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenses consisting of \$413,587 of cash. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenses within one year of the statement of financial position.

8. Contingencies

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown but it has the potential to result in a significant economic impact. The impact of this situation on the Company and its future results and financial position is not presently determinable.

9. Subsequent Events

The Library's management has evaluated subsequent events through January 5, 2023, which is the date these financial statements were available to be issued.