



**REPORT ON FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**



## TABLE OF CONTENTS

<b>Independent Accountant's Review Report</b>	<b>1</b>
<b>Financial Statements:</b>	
Statements of Financial Position	<b>2</b>
Statements of Activities	<b>3</b>
Statements of Functional Expenses	<b>4</b>
Statements of Cash Flows	<b>5</b>
<b>Notes to financial statements</b>	<b>6</b>



## **INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

To the Board of Directors  
*Cuba Circulating Library*

We have reviewed the accompanying financial statements of *Cuba Circulating Library* (a non-profit organization) which comprise the statement of financial position as of December 31, 2024 and 2023, and the related statements of activities and cash flows for the years 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 company 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 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.

### **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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of *Cuba Circulating Library* and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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 accounting principles generally accepted in the United States of America.

*Bysiek CPA, PLLC*

**BYSIEK CPA, PLLC  
OLEAN, NY  
FEBRUARY 10, 2025**

**CUBA CIRCULATING LIBRARY**  
**STATEMENTS OF FINANCIAL POSITION**

**PAGE 2**

<i>As of December 31,</i>	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 123,923	\$ 211,706
Accounts receivable	175,329	-
Prepaid expenses	1,383	-
Total current assets	<u>300,635</u>	<u>211,706</u>
Property, plant and equipment		
Land	46,763	46,763
Building and improvements	1,150,899	1,038,203
Furniture and fixtures	117,419	117,419
Total	<u>1,315,081</u>	<u>1,202,385</u>
Less: accumulated depreciation	<u>(656,433)</u>	<u>(616,850)</u>
Property, plant and equipment, net	<u>658,648</u>	<u>585,535</u>
Investments	778,396	738,688
Total assets	<u>\$ 1,737,679</u>	<u>\$ 1,535,929</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accrued liabilities	\$ 5,832	\$ 1,959
Total liabilities	<u>5,832</u>	<u>1,959</u>
Net assets		
Without donor restrictions	1,704,854	1,479,361
With donor restrictions	26,993	54,609
Total net assets	<u>1,731,847</u>	<u>1,533,970</u>
Total liabilities and net assets	<u>\$ 1,737,679</u>	<u>\$ 1,535,929</u>

***See accompanying notes and independent accountant's review report***

<i>For the Year Ended December 31,</i>	<u>2024</u>	<u>2023</u>
<b>Net assets without donor restrictions</b>		
<b>Support, revenue and gains</b>		
Tax revenue	\$ 238,843	\$ 233,521
Contributions and gifts	21,060	34,231
Program fees	6,438	10,398
Investment income	53,919	76,220
Net assets released from restrictions	233,511	107,632
Total support and revenue	<u>553,771</u>	<u>462,002</u>
<b>Expenses</b>		
Program services	348,831	311,973
Management and general	56,264	50,082
Total expenses	<u>405,094</u>	<u>362,055</u>
Excess of support and revenue over expenses	148,677	99,947
<b>Other changes in net assets without donor restrictions</b>		
Gains on investments	37,171	8,026
Change in net assets without donor restrictions	<u>185,848</u>	<u>107,973</u>
<b>Net assets with donor restrictions</b>		
Gifts, grants and contributions	245,540	147,276
Net assets released from restrictions	(233,511)	(107,632)
Change in net assets with donor restrictions	<u>12,029</u>	<u>39,644</u>
<b>Change in net assets</b>	197,877	147,617
Net assets, beginning of year	<u>1,533,970</u>	<u>1,386,353</u>
<b>Net assets, end of year</b>	<u>\$ 1,731,847</u>	<u>\$ 1,533,970</u>

**CUBA CIRCULATING LIBRARY**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

*For the Year Ended December 31,*

	<b>2024</b>			<b>2023</b>		
	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries and wages	\$ 147,811	\$ 26,084	\$ 173,895	\$ 146,782	\$ 25,903	\$ 172,685
Payroll taxes and employee benefits	23,071	4,071	27,142	17,310	3,055	20,365
Library materials and supplies	30,004	-	30,004	28,178	-	28,178
Support services	9,250	1,632	10,882	9,158	1,616	10,774
Program fees	36,100	6,371	42,471	29,355	5,180	34,535
Professional fees	10,188	1,798	11,986	13,327	2,352	15,679
Office expenses	3,040	537	3,577	3,080	543	3,623
Utilities and telephone	9,962	1,758	11,720	10,409	1,837	12,246
Insurance	8,757	1,545	10,302	7,721	1,362	9,083
Repairs and maintenance	30,660	5,411	36,071	20,039	3,536	23,575
Travel	6,090	1,075	7,165	4,434	783	5,217
Depreciation	33,645	5,937	39,582	21,054	3,715	24,769
Advertising and promotion	242	43	285	996	176	1,172
Miscellaneous	10	2	12	131	23	154
<b>Total expenses</b>	<b>\$ 348,831</b>	<b>\$ 56,264</b>	<b>\$ 405,094</b>	<b>\$ 311,973</b>	<b>\$ 50,082</b>	<b>\$ 362,055</b>

*See accompanying notes and independent accountant's review report*

<i>For the Year Ended December 31,</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 197,877	\$ 147,617
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	39,582	24,769
(Gains) losses on investments	(37,171)	(8,026)
Restricted contributions	(245,540)	(147,276)
Reinvested income	(53,919)	(76,220)
Changes in:		
Accounts receivable	(175,329)	-
Prepaid expenses	(1,383)	-
Accrued expenses	3,873	(5,163)
Net cash used in operating activities	(272,010)	(64,299)
<b>Cash flows from investing activities</b>		
Net sales of investments	51,382	156,032
Purchases of property and equipment	(112,695)	(224,170)
Net cash used in investing activities	(61,313)	(68,138)
<b>Cash flows from financing activities</b>		
Restricted contributions	245,540	147,276
Net cash provided by financing activities	245,540	147,276
<b>Net change in cash</b>	(87,783)	14,839
Cash at beginning of year	211,706	196,867
<b>Cash at end of year</b>	\$ 123,923	\$ 211,706

**NOTE 1: NATURE OF ORGANIZATION**

*Cuba Circulating Library* is a not-for-profit organization located in Cuba, New York. Its purpose is the education of area residents primarily through the circulation of books and periodicals and writing and reading programs. The Library's support comes primarily from a real property tax levy received through the Cuba-Rushford School District.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES****A. Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Thus, revenues are recognized when earned and expenses as incurred.

**B. Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Codification Topic 958, *Financial Statements of Not-for-Profit Organizations*. Under Topic 958, the Library is required to report information regarding its financial position and activities according to two classes of net assets:

**1) Net Assets Without Donor Restrictions**

- Net assets that are not subject to any donor-imposed time or purpose restrictions and may be expended for any purpose in performing the primary objectives of the Library. These net assets may be used at the discretion of the Library's management and the board of directors.

**2) Net Assets With Donor Restrictions**

- Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Library or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying financial statements.

**C. Cash and Cash Equivalents**

For purposes of reporting cash flows, the Library considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Library's cash balances did not exceed Federal Deposit Insurance Corporation (FDIC) insurance limits during the years ending December 31, 2024 and 2023.

**D. Accounts Receivable**

Accounts receivable include qualifying grant expenditures that have been earned and vouchered for, but not yet received as of December 31. Such amounts totaled \$175,329 as of December 31, 2024 and represent an accumulation of reimbursable costs for the Library's ongoing capital project.

**E. Investments**

*Cuba Circulating Library's* investments are reported at fair market value. Gains and losses on investments are as increases or decreases in net assets in the accompanying financial statements.



## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONT)

F. Capitalization and Depreciation

Purchases and gifts of property and equipment are capitalized while expenditures for repairs and maintenance are expensed as incurred. Depreciation is provided for using the straight-line method over the estimated service lives of the assets ranging from 5 to 39 years.

G. Revenue Recognition

Contributions are recognized when the donor makes an unconditional promise to give to **Cuba Circulating Library**. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

H. Program Revenue

Revenues from programs and fees are recognized when performance obligations under the terms of contracts are satisfied over time through the conduct of the programs in accordance with ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). For the years ended December 31, 2024 and 2023, **Cuba Circulating Library** recognized the corresponding revenue in the accompanying financial statements when services were rendered and performance obligations met.

I. Contributed Services

During the years ended December 31, 2024 and 2023, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

J. Expense Allocation (Functional Expenses)

Expenses are summarized and categorized based on their functional classification as either program or supporting services. Expenses that are readily identifiable to a specific program or supporting service are charged directly to that service. Expenses attributable to more than one program or supporting service are allocated based on estimated usage, square footage, or employment related expenses, which when not directly related to a program, are allocated based on estimates of time and effort.

K. Income Tax Status

The Library is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, therefore, no provision for income taxes is reflected in the financial statements. Tax returns for the past three years remain open for examination by taxing authorities.

L. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from the estimates.

M. Reclassifications

Certain accounts in the financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CON'T)

N. Liquidity Management

As of December 31, 2024 and 2023, *Cuba Circulating Library* had approximately \$124,000 and \$212,000 of financial assets available within one year of the statement of financial position. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year.

O. Endowment

The library's endowment was established by donations made directly to the Library. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of explicit donor-imposed restrictions. The New York Prudent Management of Institutional Funds Act (NYPMIFA) removes the prohibition on appropriations below the historic dollar value of endowment funds absent explicit donor stipulations to the contrary. In accordance with NYPMIFA, *Cuba Circulating Library* considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the library.
- Alternatives to expenditure of the endowment fund.
- The investment policies of the library.

P. Subsequent Events

Library management has evaluated events and transactions as of the date of this report.

## NOTE 3: INVESTMENTS AND FAIR VALUE MEASUREMENTS

*Cuba Circulating Library's* investments are reported at fair value in the accompanying statements of financial position. Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent resources, while unobservable inputs reflect market assumptions. These types of inputs create the following fair value hierarchy: Level 1 inputs consist of quoted prices for identical instruments in active markets; Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices in inactive markets for identical or similar assets or liabilities and model-derived valuations whose significant inputs are observable; Level 3 consists of instruments whose significant inputs are unobservable. All of the Organization's investments are valued using Level 1 inputs. The cost and fair value of investments owned by *Cuba Circulating Library* at December 31, 2024 and 2023 are summarized as follows:

	2024		2023	
	Cost Basis	Fair Value	Cost Basis	Fair Value
Money market	\$ 10,013	\$ 10,013	\$ 47,540	\$ 47,540
Mutual funds	653,670	768,383	608,707	691,148
Total	\$ 656,247	\$ 778,396	\$ 656,247	\$ 738,688

**NOTE 4: ENDOWMENTS**

*Cuba Circulating Library's* endowment includes both donor-restricted funds and funds designated by the Board to function as endowments. The donor-restricted endowment as of December 31, 2024 and 2023 consisted of \$10,000 which is restricted in perpetuity. The board-designated endowment had a balance of \$768,396 and \$728,688 as of December 31, 2024 and 2023, respectively. The Library has interpreted the applicable provisions of New York Not-for-Profit Corporation Law to mean that the classification of appreciation on restricted endowment gifts, beyond the original gift amount, follows the donor's restrictions on the use of the related income. Changes in endowment net assets for the years ended December 31, 2024 and 2023 were as follows:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Balance, December 31, 2022	\$ 800,474	\$ 10,000	\$ 810,474
Interest and dividends	76,220	-	76,220
Unrealized gains	8,026	-	8,026
Deposits (withdrawals), net	(156,032)	-	(156,032)
Balance, December 31, 2023	\$ 728,688	\$ 10,000	\$ 738,688
Interest and dividends	53,919	-	53,919
Unrealized gains	4,900	-	4,900
Realized Gains	32,271	-	32,271
Deposits (withdrawals), net	(51,382)	-	(51,382)
Balance, December 31, 2024	\$ 768,396	\$ 10,000	\$ 778,396

**NOTE 5: PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consisted of the following at December 31:

	2024	2023
Land	\$ 46,763	\$ 46,763
Building and improvements	1,150,899	1,038,203
Furniture and fixtures	117,419	117,419
Total property, plant and equipment	1,315,081	1,202,385
Less: accumulated depreciation	(656,433)	(616,850)
Net book value	\$ 658,648	\$ 585,535

Depreciation expense totaled approximately \$40,000 and \$25,000 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 6: NET ASSETS**

Net assets include the following as of December 31, 2024:

With donor restrictions:		
Perpetually restricted	\$ 10,000	
Purpose restricted	<u>16,993</u>	
		26,993
Without donor restrictions:		
Designated	\$ 768,396	
Undesignated	<u>936,498</u>	
		<u>1,704,854</u>
Total net assets		<u>\$1,731,847</u>