

Cuba Circulating Library
Board of Trustees Monthly Meeting Minutes
Monday, March 13, 2023

Present: Lin Assink, Tom Donahue, Denean Emerson, Lionel Legry, Jill Schwab, Sharry Semans, Wendy Sprague, Faith Stewart, and Brad Weaver

Also Present: Tina Dalton, Pat Ash,

Call to Order: Faith called the meeting to order at 5:30 PM.

Public Comments: None

Friends Report: Pat Ash gave her report on the Friends of the Library activity.

- Book, Bake and Puzzle sale raised over \$700.00
- Annual Meeting scheduled for April 4th, board members invited to join the Friends
- Friends voted to contribute \$70.00 to worker appreciation day at the library

Minutes of the Previous Meeting: Sharry motioned for acceptance of minutes from the previous meeting. Lionel seconded and the motion carried.

Financial Officer's Report: Lin Assink presented the financial statements. A motion to pull \$177,000 from the endowment to cover expenses for the Children's Rebuild Project until the grants arrived was made by Wendy and seconded by Brad. Motion passed unanimously.

Corresponding Secretary's Report: Nothing to report

Director's Report: Tina reported on upcoming school board and construction meetings, grants for phase II of the remodel, an inquiry into the availability of Adult Literacy Tutoring, and the success of the Bwana Jim and Seuss Night programs.

Committee Reports

Planning: Met with Tina

Finance: Nothing to report.

Building and Grounds: Nothing to report.

Personnel: Chamber of Commerce is no longer supplying insurance.

Technology: Nothing to report.

Liaison with Friends: Encouragement for trustees to join the Friends.

Education: Reminder of education requirements for Trustees, and directions of how to add certificates to the file for completed work.

Ad hoc Committees

Children's Area Renovation: Book move to prepare for renovation begins Monday, April 3rd. Demolition begins Monday, April 10th.

Disaster Plan: Tina indicated that she is continuing work with the Documentary Heritage and Preservation Services for New York on a plan for the preservation of Library materials.

Public Comments: No report

Unfinished Business

Library Workers Appreciation Day is April 25th.

New Business

Community Room Use: The Board of Trustees, following a motion by Lin and a second by Tom, unanimously voted to deny a request for the use of the community room for a for-profit sales event. A protocol for such requests will be developed.

Behavior Policy: A draft policy regarding the behavior of library patrons, after due consideration, was accepted unanimously by the board. The motion was made by Lin and seconded by Tom.

Annual Financial Review: A motion to accept the annual financial review report was made by Brad, seconded by Lin and unanimously approved.

A motion to adjourn was made by Lin and seconded by Sharry. Meeting adjourned at 6:30 PM.

Report submitted: Brad Weaver, Secretary

Cuba Circulating Library Association

Budget vs. Actuals

January - March, 2023

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Revenue				
4003 School Income		231,846.00	231,846.00	100.00 %
4004 Local Lib Services Aid		1,675.00	1,675.00	100.00 %
4017 Memorials/Gifts	1,133.00		-1,133.00	
4020 Meeting Room Fee	150.00	750.00	600.00	80.00 %
4100 Other Income				
Arts	70.00		-70.00	
Book Replacement	26.00		-26.00	
Copies Income	593.90	2,000.00	1,406.10	70.31 %
Donation Box	98.64	400.00	301.36	75.34 %
Fines	32.25	200.00	167.75	83.88 %
Misc Income	69.25	400.00	330.75	82.69 %
Total 4100 Other Income	890.04	3,000.00	2,109.96	70.33 %
4200 Restricted Funds Revenue				
Arts Grant	10.00		-10.00	
DFY Grant	1,435.00		-1,435.00	
Friends	1,025.00	2,000.00	975.00	48.75 %
Grants	1,500.00		-1,500.00	
Total 4200 Restricted Funds Revenue	3,970.00	2,000.00	-1,970.00	-98.50 %
4500 Investment Income				
Capital Gains Distribution	0.00		0.00	
Dividend Income	3,657.07		-3,657.07	
Interest Income	0.07		-0.07	
Morgan Stanley				
Adams Memorial		500.00	500.00	100.00 %
Endowment Fund	207,723.00	25,723.00	-182,000.00	-707.54 %
Total Morgan Stanley	207,723.00	26,223.00	-181,500.00	-692.14 %
Total 4500 Investment Income	211,380.14	26,223.00	-185,157.14	-706.09 %
Budget Carryover		31,978.00	31,978.00	100.00 %
Total Revenue	\$217,523.18	\$297,472.00	\$79,948.82	26.88 %
GROSS PROFIT	\$217,523.18	\$297,472.00	\$79,948.82	26.88 %
Expenditures				
6100 Payroll Expenses				
6101 Wages	38,402.51	172,687.00	134,284.49	77.76 %
6102 Taxes	3,859.46		-3,859.46	
Payroll Tax		13,171.00	13,171.00	100.00 %
SUTA		2,310.00	2,310.00	100.00 %
Total 6102 Taxes	3,859.46	15,481.00	11,621.54	75.07 %
6103 Employee Benefits				
Company Contributions				
Retirement	1,099.80	5,500.00	4,400.20	80.00 %

Cuba Circulating Library Association

Budget vs. Actuals

January - March, 2023

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Total Company Contributions	1,099.80	5,500.00	4,400.20	80.00 %
Health Insurance		500.00	500.00	100.00 %
Total 6103 Employee Benefits	1,099.80	6,000.00	4,900.20	81.67 %
6105 Ins - Disability		1,060.00	1,060.00	100.00 %
Total 6100 Payroll Expenses	43,361.77	195,228.00	151,866.23	77.79 %
6200 Library Materials				
6205 Books-J	1,013.58	4,500.00	3,486.42	77.48 %
6210 Books-A	2,401.62	7,500.00	5,098.38	67.98 %
6220 Serials	968.98	1,300.00	331.02	25.46 %
6230 Audio	363.25	1,000.00	636.75	63.68 %
6240 Equipment	78.35	500.00	421.65	84.33 %
6250 Digital Books	3,557.00	3,557.00	0.00	0.00 %
6260 DVD	423.27	1,500.00	1,076.73	71.78 %
6270 Video Games	148.79	1,000.00	851.21	85.12 %
6280 Adult Programming	759.76	1,200.00	440.24	36.69 %
6285 Childrens Programming	57.57	1,200.00	1,142.43	95.20 %
6290 STLS cost share	10,774.00	10,774.00	0.00	0.00 %
Total 6200 Library Materials	20,546.17	34,031.00	13,484.83	39.63 %
6202 Book Replacement	-17.58		17.58	
6300 Restricted Fund Spending				
6310 Arts Grant Expense	830.00		-830.00	
6330 Manley Grant expense	524.71		-524.71	
6350 Wilday Grant	1,147.04		-1,147.04	
6355 STLS Outreach	481.86		-481.86	
6360 DFY Grant	197.85		-197.85	
6370 Memorials & Gifts	851.07		-851.07	
6390 United Way Grant	529.91		-529.91	
Total 6300 Restricted Fund Spending	4,562.44		-4,562.44	
6410 Advertisement	145.92	350.00	204.08	58.31 %
6415 Bank fees		100.00	100.00	100.00 %
6420 Custodial supplies	185.04	700.00	514.96	73.57 %
6425 Discretionary Fund		500.00	500.00	100.00 %
6430 Insurance				
Ins - Liability Insurance		878.00	878.00	100.00 %
Ins - Property	6,198.06	6,195.00	-3.06	-0.05 %
Ins - Workman's Comp	2,007.00	1,190.00	-817.00	-68.66 %
Total 6430 Insurance	8,205.06	8,263.00	57.94	0.70 %
6445 Library supplies	1,143.96	3,600.00	2,456.04	68.22 %
Library Equipment	327.95	1,000.00	672.05	67.21 %
Total 6445 Library supplies	1,471.91	4,600.00	3,128.09	68.00 %
6447 Membership	236.00	600.00	364.00	60.67 %

Cuba Circulating Library Association

Budget vs. Actuals

January - March, 2023

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
6450 Postage	175.51	200.00	24.49	12.25 %
6455 Processing Fee	147.14	500.00	352.86	70.57 %
6460 Personal Protection Supplies		300.00	300.00	100.00 %
6465 Repairs/Building & Grounds	392.04	7,000.00	6,607.96	94.40 %
6470 Services		649.00	649.00	100.00 %
Alarm System - Doyle	270.84	850.00	579.16	68.14 %
Argentieries	72.00	300.00	228.00	76.00 %
Attorney	975.00	3,000.00	2,025.00	67.50 %
Audit	2,750.00	2,750.00	0.00	0.00 %
Bookkeeper	2,775.00	8,100.00	5,325.00	65.74 %
Computer Tech	480.00	900.00	420.00	46.67 %
Copier Acme	159.35	2,500.00	2,340.65	93.63 %
Fire Extinguishers		56.00	56.00	100.00 %
Fire Place Clean		200.00	200.00	100.00 %
Hotspots	592.20	3,000.00	2,407.80	80.26 %
Parking Lot Maint		250.00	250.00	100.00 %
Patriot Microfilm		495.00	495.00	100.00 %
Rug Shampoos		250.00	250.00	100.00 %
Tax Filing (990)		750.00	750.00	100.00 %
Water Softener	50.50	250.00	199.50	79.80 %
Window Cleaner		450.00	450.00	100.00 %
Total 6470 Services	8,124.89	24,750.00	16,625.11	67.17 %
6480 Train/conference		1,500.00	1,500.00	100.00 %
6485 Travel	125.24	1,500.00	1,374.76	91.65 %
6490 Utilities				
Electric	1,599.23	9,000.00	7,400.77	82.23 %
Extended Broadband		1,800.00	1,800.00	100.00 %
Fuel	671.00	5,300.00	4,629.00	87.34 %
Phone	363.59	1,250.00	886.41	70.91 %
Total 6490 Utilities	2,633.82	17,350.00	14,716.18	84.82 %
Total Expenditures	\$90,295.37	\$297,472.00	\$207,176.63	69.65 %
NET OPERATING REVENUE	\$127,227.81	\$0.00	\$ -127,227.81	0.00%
Other Expenditures				
Children's Area Remodel (Net)				
Children's Area Remodel Donations	-53,915.76		53,915.76	
Children's Area Remodel Expenses	10,668.00		-10,668.00	
Total Children's Area Remodel (Net)	-43,247.76		43,247.76	
Total Other Expenditures	\$ -43,247.76	\$0.00	\$43,247.76	0.00%
NET OTHER REVENUE	\$43,247.76	\$0.00	\$ -43,247.76	0.00%
NET REVENUE	\$170,475.57	\$0.00	\$ -170,475.57	0.00%

Cuba Circulating Library Association

Statement of Activity

March 2023

	TOTAL	
	MAR 2023	MAR 2022 (PY)
Revenue		
4017 Memorials/Gifts	653.00	166.50
4020 Meeting Room Fee		25.00
4100 Other Income		
Arts	70.00	95.00
Book Replacement		96.00
Copies Income	225.95	216.25
Donation Box	25.45	57.00
Fines	4.00	44.00
Misc Income	21.30	90.80
Total 4100 Other Income	346.70	599.05
4200 Restricted Funds Revenue		
Adult Programs		5.00
Friends	1,025.00	2,339.99
Grants		3,124.00
Total 4200 Restricted Funds Revenue	1,025.00	5,468.99
4500 Investment Income		
Capital Gains Distribution	0.00	
Dividend Income	3,307.41	3,780.13
Interest Income		7.66
Morgan Stanley		
Endowment Fund	177,000.00	
Total Morgan Stanley	177,000.00	
Total 4500 Investment Income	180,307.41	3,787.79
Total Revenue	\$182,332.11	\$10,047.33
GROSS PROFIT	\$182,332.11	\$10,047.33
Expenditures		
6100 Payroll Expenses		
6101 Wages	12,942.81	12,147.73
6102 Taxes	1,300.76	1,330.18
6103 Employee Benefits		
Company Contributions		
Retirement	370.58	354.66
Total Company Contributions	370.58	354.66
Total 6103 Employee Benefits	370.58	354.66
Total 6100 Payroll Expenses	14,614.15	13,832.57

Cuba Circulating Library Association

Statement of Activity

March 2023

	TOTAL	
	MAR 2023	MAR 2022 (PY)
6200 Library Materials		
6205 Books-J	333.40	333.34
6210 Books-A	595.72	736.94
6220 Serials		6.50
6230 Audio	59.39	55.36
6240 Equipment	78.35	14.01
6250 Digital Books		2,989.00
6260 DVD	111.48	170.79
6270 Video Games		6.05
6280 Adult Programming	304.68	7.19
6285 Childrens Programming		21.55
6290 STLS cost share		10,667.00
Total 6200 Library Materials	1,483.02	15,007.73
6202 Book Replacement	23.37	
6300 Restricted Fund Spending		
6310 Arts Grant Expense	550.00	581.88
6320 Friends Expense		605.19
6330 Manley Grant expense	389.96	
6345 Lions Club Grant		65.55
6350 Wilday Grant	459.12	265.43
6360 DFY Grant	86.15	
6370 Memorials & Gifts	495.17	256.33
Total 6300 Restricted Fund Spending	1,980.40	1,774.38
6420 Custodial supplies	54.84	45.24
6430 Insurance		
Ins - Property	-688.00	
Total 6430 Insurance	-688.00	
6445 Library supplies	613.26	647.08
6447 Membership	118.00	225.00
6450 Postage		10.59
6455 Processing Fee	50.70	52.00
6465 Repairs/Building & Grounds	165.86	93.24
6470 Services		
Alarm System - Doyle		94.35
Argentieries	24.00	21.00
Attorney	975.00	
Audit	2,750.00	4,500.00
Bookkeeper	1,425.00	600.00
Computer Tech	79.50	
Copier Acme	159.35	345.08
Hotspots	197.40	197.40

Cuba Circulating Library Association

Statement of Activity

March 2023

	TOTAL	
	MAR 2023	MAR 2022 (PY)
Security		31.45
Water Softener	50.50	
Total 6470 Services	5,660.75	5,789.28
6485 Travel	125.24	
6490 Utilities		
Electric	541.36	665.00
Fuel	118.00	852.30
Phone	127.50	118.20
Total 6490 Utilities	786.86	1,635.50
Total Expenditures	\$24,988.45	\$39,112.61
NET OPERATING REVENUE	\$157,343.66	\$ -29,065.28
Other Expenditures		
Anniversary (Net)		
Anniversary Donations		-1,430.00
Total Anniversary (Net)		-1,430.00
Children's Area Remodel (Net)		
Children's Area Remodel Donations	-1,462.50	
Children's Area Remodel Expenses	8,778.00	
Total Children's Area Remodel (Net)	7,315.50	
Total Other Expenditures	\$7,315.50	\$ -1,430.00
NET OTHER REVENUE	\$ -7,315.50	\$1,430.00
NET REVENUE	\$150,028.16	\$ -27,635.28

Cuba Circulating Library Association

Statement of Financial Position

As of March 31, 2023

	TOTAL	
	AS OF MAR 31, 2023	AS OF MAR 31, 2022 (PY)
ASSETS		
Current Assets		
Bank Accounts		
1020 Five Star	174,095.61	6,220.81
1090 Savings	141,368.92	29,667.18
Total Bank Accounts	\$315,464.53	\$35,887.99
Accounts Receivable		
1500 Bequest receivable	0.00	0.00
Total Accounts Receivable	\$0.00	\$0.00
Other Current Assets		
1300 Investments - cash	0.00	0.00
1303 Endowment Investment	0.00	0.00
American Balanced A	28,496.26	36,206.01
American Cap Inc Builder A	86,953.14	138,829.91
American Cap World Growth & Inc	58,815.23	71,574.35
American Fundamental Inv A	44,348.16	50,597.82
American Funds Mortgage A	22,687.70	29,857.19
American Global Balanced A	87,007.94	111,657.74
American Inc Fd of America A	87,788.32	105,071.96
American Intm Bd Fd of Amer A	16,549.63	21,641.46
American Inv Co of Amer A	20,543.77	52,443.20
American Short-Term Bond A	22,445.42	29,432.06
American WA Mutual A	85,985.91	104,911.78
Cash, BDP, and Money Market Fds	6.02	76,487.67
Stocks	739.39	895.02
Unrealized Gain/Loss	47,648.18	179,283.89

Cuba Circulating Library Association

Statement of Financial Position

As of March 31, 2023

	TOTAL	
	AS OF MAR 31, 2023	AS OF MAR 31, 2022 (PY)
Total 1303 Endowment Investment	610,015.07	1,008,890.06
1305 Anonymous Investment	0.00	0.00
American Balanced A	0.00	0.00
American Cap Inc Builder	0.00	0.00
American Cap World Growth & Inc	0.00	0.00
American Fundamental Inv A	0.00	0.00
American Funds Mortgage A	0.00	0.00
American Global Balanced A	0.00	0.00
American Inc Fd of America A	0.00	0.00
American Intm Bd Fd of Amer A	0.00	0.00
American Inv Co of Amer A	0.00	0.00
American Short-Term Bond A	0.00	0.00
American WA Mutual A	0.00	0.00
Cash, BDP, and Money Market Fds	0.00	0.00
Unrealized Gain/Loss	0.00	0.00
Total 1305 Anonymous Investment	0.00	0.00
1306 Adams Mem Book Fund Investment	0.00	0.00
American Cap Inc Builder A	5,955.32	5,727.92
American Inc Fd of America A	6,725.90	6,258.31
Cash, BDP, and Money Market Fds	0.66	0.66
Unrealized Gain/Loss	1,166.59	2,429.72
Total 1306 Adams Mem Book Fund Investment	13,848.47	14,416.61
1400 Prepaid Fee	0.00	78.82
Repayment		
Travel Reimbursement	0.00	0.00
Total Repayment	0.00	0.00
Total Other Current Assets	\$623,863.54	\$1,023,385.49
Total Current Assets	\$939,328.07	\$1,059,273.48
Fixed Assets		
1520 Building and equipment	750,653.00	750,653.00
Elevator Replacement	41,645.00	41,645.00
Total 1520 Building and equipment	792,298.00	792,298.00
1525 A/D Building and equipment	-480,795.47	-461,014.05
1526 Capital Improvement	0.00	0.00
1530 Furniture and Fixtures	117,419.00	117,419.00
1535 A/D Furniture and Fixtures	-108,566.20	-101,454.85
Land	46,763.00	46,763.00
Total Fixed Assets	\$367,118.33	\$394,011.10

Cuba Circulating Library Association

Statement of Financial Position

As of March 31, 2023

	TOTAL	
	AS OF MAR 31, 2023	AS OF MAR 31, 2022 (PY)
Other Assets		
1000 Friends Cash	0.00	0.00
Total Other Assets	\$0.00	\$0.00
TOTAL ASSETS	\$1,306,446.40	\$1,453,284.58
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2001 Accounts Payable	6,517.79	665.00
Total Accounts Payable	\$6,517.79	\$665.00
Credit Cards		
5662 Bank Of America	0.00	0.00
Total Credit Cards	\$0.00	\$0.00
Other Current Liabilities		
2100 Payroll Liabilities	0.00	0.00
American Funds	741.16	170.30
Federal Taxes (941/944)	0.00	0.00
NYS Employment Taxes	921.69	1,170.77
NYS Income Tax	0.00	0.00
NYS Taxes	0.00	0.00
Payroll Liability	0.00	0.00
Payroll Tax Federal	0.00	0.00
Total 2100 Payroll Liabilities	1,662.85	1,341.07
Direct Deposit Payable	0.00	0.00
PPE Currant Liability	0.00	0.00
Total Other Current Liabilities	\$1,662.85	\$1,341.07
Total Current Liabilities	\$8,180.64	\$2,006.07
Total Liabilities	\$8,180.64	\$2,006.07
Equity		
3000 Opening Bal Equity	0.00	0.00
3500 Unrealized Gain/Loss on Inv	48,926.25	181,957.86
3550 Realized Gain/Loss Equity	-24,152.43	13,163.40
3800 Restricted Fund	10,000.00	10,000.00
3900 Fund Balance	1,093,016.37	1,318,480.14
Net Revenue	170,475.57	-72,322.89
Total Equity	\$1,298,265.76	\$1,451,278.51
TOTAL LIABILITIES AND EQUITY	\$1,306,446.40	\$1,453,284.58

Cuba Library Director's Monthly Report

March 2023

	March 2023	Feb. 2023	March 2022	March 2021	March 2020	March 2019
Circulation	2714 (adult 1333) (J/YA 1381)	2230 (adult 1138) (J/YA 1092)	2712 (adult 1382) (J/YA 1330)	2400 (adult 1390) (J/YA 1010)	1703 (adult 1013) (J/YA 690)	2793 (adult 1741) (J/YA 1052)
Holds Filled	412	375	381	436	194	453
New Library Cards	23	9	12	11	15	15
Libby (eBooks)	491	512	446	487	416	267
Wifi Use	296	313	325	212	180	170
Visits to website	948	1061	1300	739	806	
Door Count	2571	2138	1654			

Construction Project demolition starts: April 11

Tax Referendum: I was not able to attend the March 28 CRCS Board Meeting; however, I will attend the April 18th meeting to present our budget and annual report.

Construction Project: Cherilyn, Lionel, and I met with the Construction committee on March 27 for a brief meeting. Minutes are attached.

Adult Literacy: I held two adult information literacy programs this month. The first program was on Apple Basics and the second was an introduction to the Libby app. We continue to work with our patrons to help them make the switch from Overdrive to Libby, as Overdrive is sunsetting and they will need to use Libby to access the library's e-book and e-audiobook collection.

Preservation Survey: Sharry, Wendy, and I met with Amanda Murray and Kate Jacus of Documentary Heritage and Preservation Services for New York. We reviewed the goals and challenges facing the maintenance of our local history collection, as well as caring for and maintaining our building. Dave also met with them to discuss his routine and care of the building. They will be providing us with a report with steps for moving forward in developing our emergency preparedness plan, as well as suggestions for preservation grants for our collection.

Library Staff: I had to go out of town unexpectedly the last week of the month, and I want to applaud the staff for stepping up and taking care of things so well while I was gone. I had three programs planned that week, and Janet, Cherilyn, and Shauna took care of everything at the last minute for me. We are fortunate to have a great team that really works so well together.



REPORT ON FINANCIAL STATEMENTS

DECEMBER 31, 2022



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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, 2022 and 2021, 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.

Report on 2021 Financial Statements

The 2021 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated February 28, 2022. We have not performed any auditing procedures since that date.

Bysiek CPA, PLLC

BYSIEK CPA, PLLC

OLEAN, NY 14760

MARCH 10, 2023

CUBA CIRCULATING LIBRARY
STATEMENTS OF FINANCIAL POSITION

PAGE 3

As of December 31,

	2022	2021
	(Reviewed)	(Audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 196,867	\$ 112,797
Total current assets	<u>196,867</u>	<u>112,797</u>
Property, plant and equipment		
Land	46,763	46,763
Building and improvements	814,033	792,298
Furniture and fixtures	117,419	117,419
Total	<u>978,215</u>	<u>956,480</u>
Less: accumulated depreciation	<u>(592,081)</u>	<u>(562,469)</u>
Property, plant and equipment, net	<u>386,134</u>	<u>394,011</u>
Investments	810,474	1,070,768
Total assets	<u><u>\$ 1,393,475</u></u>	<u><u>\$ 1,577,576</u></u>
Liabilities and Net Assets		
Current liabilities		
Accrued liabilities	\$ 7,122	\$ 2,725
Total liabilities	<u>7,122</u>	<u>2,725</u>
Net assets		
Without donor restrictions	1,371,388	1,555,548
With donor restrictions	14,965	19,303
Total net assets	<u>1,386,353</u>	<u>1,574,851</u>
Total liabilities and net assets	<u><u>\$ 1,393,475</u></u>	<u><u>\$ 1,577,576</u></u>

See accompanying notes and independent accountant's review report

For the Year Ended December 31,

Net assets without donor restrictions

Support, revenue and gains

	2022 (Reviewed)	2021 (Audited)
Tax revenue	\$ 227,912	\$ 170,535
Contributions and gifts	33,489	30,409
Program fees	4,644	9,243
Investment income	51,656	57,343
PPP loan forgiveness	-	26,600
Other income	-	25,000
Net assets released from restrictions	36,935	49,059
Total support and revenue	<u>354,636</u>	<u>368,189</u>

Expenses

Program services	306,853	299,833
Management and general	48,833	48,717
Total expenses	<u>355,686</u>	<u>348,550</u>

Excess of support and revenue over expenses	(1,050)	19,639
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Other changes in net assets without donor restrictions

Gains (losses) on investments	<u>(183,110)</u>	94,994
Change in net assets without donor restrictions	<u>(184,160)</u>	114,633

Net assets with donor restrictions

Gifts, grants and contributions	32,597	55,381
Net assets released from restrictions	<u>(36,935)</u>	<u>(49,059)</u>

Change in net assets with donor restrictions	<u>(4,338)</u>	6,322
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Change in net assets	(188,498)	120,955
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Net assets, beginning of year	<u>1,574,851</u>	1,453,896
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Net assets, end of year	<u><u>\$ 1,386,353</u></u>	<u><u>\$ 1,574,851</u></u>
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CUBA CIRCULATING LIBRARY
STATEMENTS OF FUNCTIONAL EXPENSES

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For the Year Ended December 31,

			2022	2021
	Program	Management	Total	Total
	Services	and General	(Reviewed)	(Audited)
Salaries and wages	\$ 133,481	\$ 23,555	\$ 157,036	\$ 135,371
Payroll taxes and employee benefits	15,296	2,699	17,995	18,908
Library materials and supplies	30,130	-	30,130	24,385
Support services	10,034	1,771	11,805	11,038
Program fees	33,528	5,917	39,445	23,771
Professional fees	11,778	2,079	13,857	7,776
Office expenses	2,242	396	2,638	3,695
Utilities and telephone	13,758	2,428	16,186	12,676
Insurance	7,856	1,386	9,242	8,840
Repairs and maintenance	14,688	2,592	17,280	69,579
Travel	2,237	395	2,632	3,544
Depreciation	25,171	4,442	29,613	28,424
Advertising and promotion	6,132	1,082	7,214	270
Miscellaneous	521	92	613	273
Total expenses	\$ 306,853	\$ 48,833	\$ 355,686	\$ 348,550

See accompanying notes and independent accountant's review report

For the Year Ended December 31,

	2022 (Reviewed)	2021 (Audited)
Cash flows from operating activities		
Change in net assets	\$ (188,498)	\$ 120,955
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	29,613	28,424
(Gains) losses on investments	183,110	(94,994)
Forgiveness of PPP loan	-	(26,600)
Restricted contributions	(32,597)	(55,381)
Reinvested income	(51,656)	(57,343)
Changes in:		
Accrued expenses	4,397	2,725
Net cash used in operating activities	<u>(55,631)</u>	<u>(82,214)</u>
Cash flows from investing activities		
Net sales of investments	128,840	11,576
Purchases of property and equipment	(21,735)	(21,349)
Net cash provided by (used in) investing activities	<u>107,105</u>	<u>(9,773)</u>
Cash flows from financing activities		
Restricted contributions	32,597	55,381
Net cash provided by financing activities	<u>32,597</u>	<u>55,381</u>
Net change in cash	84,071	(36,606)
Cash at beginning of year	<u>112,797</u>	<u>149,403</u>
Cash at end of year	<u><u>\$ 196,868</u></u>	<u><u>\$ 112,797</u></u>

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 and Library aid received from the Town of Cuba and the Village of Cuba.

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 Libraries*. 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, 2022 and 2022.

D. 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.

E. 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.

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

F. 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.

G. 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, 2022 and 2021, **Cuba Circulating Library** recognized the corresponding revenue in the accompanying financial statements when services were rendered and performance obligations met.

H. Contributed Services

During the years ended December 31, 2022 and 2021, 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.

I. 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.

J. 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.

K. 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.

L. Reclassifications

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

M. Liquidity Management

As of December 31, 2022 and 2021, **Cuba Circulating Library** had approximately \$197,000 and \$113,000 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.

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

N. 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.

O. 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, 2022 and 2021 are summarized as follows:

As of December 31, 2022

	Cost Basis	Fair Value
Money market	\$ 7,577	\$ 7,577
Mutual funds	731,511	802,897
Total	<u>\$ 739,088</u>	<u>\$ 810,474</u>

As of December 31, 2021

	Cost Basis	Fair Value
Money market	\$ 3,497	\$ 3,497
Mutual funds	820,960	1,067,271
Total	<u>\$ 824,457</u>	<u>\$ 1,070,768</u>

NOTE 3: INVESTMENTS AND FAIR VALUE MEASUREMENTS (CON'T)

Cuba Circulating Library has interpreted New York State law to allow the spending of income and gains on investments of net assets with donor restrictions, absent explicit donor stipulations that all of a portion of such income or gains be maintained in perpetuity. State law allows for the appropriation and spending of such income and gains as is prudent, considering such factors as the Organization's long and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends and general economic conditions. In accordance with the policy of carrying investments at fair value, the change in net unrealized appreciation is included in investment income in the statements of activities.

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, 2022 and 2021 consisted of \$10,000 which is restricted in perpetuity. The board-designated endowment has a balance of \$800,474 and \$1,060,768 as of December 31, 2022 and 2021, respectively. Net assets associated with endowment funds are classified and reported in the financial statements based on the existence or absence of donor-imposed restrictions. The Organization 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, 2022 and 2021 were as follows:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Balance, December 31, 2020	\$ 920,006	\$ 10,000	\$ 930,006
Interest and dividends	57,318	-	57,318
Unrealized gains	94,994	-	94,994
Deposits (withdrawals), net	(11,550)	-	(11,550)
Balance, December 31, 2021	\$ 1,060,768	\$ 10,000	\$ 1,070,768
Interest and dividends	51,656	-	51,656
Unrealized losses	(183,110)	-	(183,110)
Deposits (withdrawals), net	(128,840)	-	(128,840)
Balance, December 31, 2022	\$ 800,474	\$ 10,000	\$ 810,474

NOTE 5: NET ASSETS

Net assets include the following as of December 31, 2022:

With donor restrictions:

Perpetually restricted	\$ 10,000
Purpose restricted	<u>4,965</u>

14,965

Without donor restrictions:

Designated	\$ 800,474
Undesignated	<u>570,914</u>

1,371,388

Total net assets

\$1,386,353