

AGENDA
BOARD OF TRUSTEES
Cuba Circulating Library
Serving the Cuba Community for 152 Years

Monday, Feb. 12, 2024
5:30pm

1. Call to order
2. Public Comments
3. Friends' Report
4. Minutes of the Jan. Meeting
5. Financial Officer's Report
6. Corresponding Secretary
7. Director's Report
 - i. Cherilyn report
8. Committee Reports
 - i. Planning
 - ii. Finance
 - iii. Bldgs/Grounds
 - iv. Personnel
 - v. Policy
 - i. Hotspot
 - ii. Collection Development
 - iii. Public Comments
 - vi. Liaison with Friends
 - vii. Education
- b. Ad hoc committees
 - i. Children's Area Renovation
9. Unfinished Business
 - i. Endowment Deposit
10. New Business
 - i. Annual Financial Review
 - ii. Friends MOU
 - iii. SAM insurance
11. Executive Session as needed
12. Adjournment

**Cuba Circulating Library
Board of Trustees Monthly Meeting Minutes
Monday, January 8, 2024**

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

Also Present: Tina Dalton, Pat Ash

Call to Order: Faith called the meeting to order at 5:39 PM.

Public Comments: two speakers/ 6 attendees (see attached)

Suzanne Flierl – thanks for decision to retain challenged books in YA section

Kathleen Jahnke – thanks for supporting educational access to information

Friends' Report: Reminder of membership drive Mid-Feb-Mid March.

Minutes of the Dec. Meeting: Tom made a motion to accept the minutes with a corrected spelling of Lauren's last name. Lauren seconded the motion and it was approved unanimously.

Financial Officer's Report: The financial officer's report was accepted on a motion from Brad, a second by Lauren and the unanimous consent of the board.

Corresponding Secretary: The board received a Thank-you card from staff for the gift cards from the board for the Holidays. Wendy read summaries from 61 letters received from the public following the December meeting regarding the book challenges. (see attached)

Director's Report: see attached

i. conference reports:

- a) Shauna – NYLA conference tech transfer libraries, digital attacks, AI, (200 attacks), TikTok short form.
- b) Tina -- international snackers, outreach gaps with community rather than for, walking club, “center people not things;” they don't need you to save them, they need you to see them.
- c) Cherilyn's Leadership Allegany presentations at Palmer, Jan. 25, 8:30 a.m.

Committee Reports

- i. Planning: Nothing to report.
- ii. Finance: Nothing to report.
- iii. Bldgs/Grounds: Nothing to report.

- iv. Personnel: Nothing to report.
- v. Liaison with Friends: Nothing to report.
- vi. Education: Nothing to report.

Ad hoc committees

- i. Children's Area Renovation. Committee meeting next week.

Unfinished Business

- i. Endowment Withdrawal - Under discussion.

New Business

- i. Statements of Concern – Summary of latest three statements provided and actions taken by Tina
- ii. Challenge to Library Materials Policy and Form –New policy approved by the Board on a motion from Lauren and a second by Denean. See attached.
- iii. With appreciation- A book will be purchased in Sharry Seman's name for addition to the Library collection in recognition for her service to the Board and the Library. A book will be purchased in Janet Rhodes' name to commemorate 43 years of service to the Library.

Executive Session: A motion was made by Brad and seconded by Lionel to go into executive session to discuss a legal matter. The board entered into Executive Session at 6:52 and exited at 7:03 on a motion by Tom and a second by Lin.

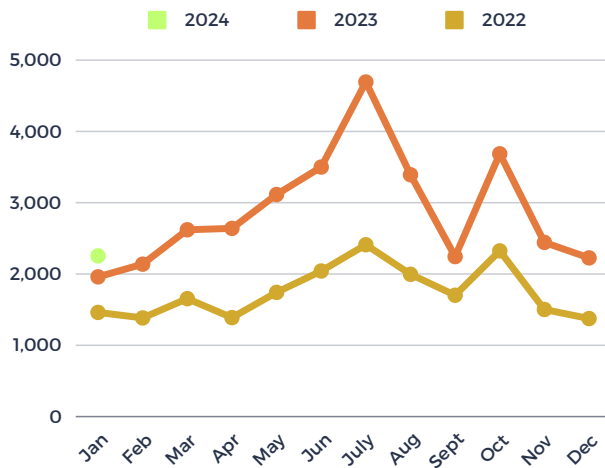
Adjournment: Lin made a motion to adjourn, seconded by Wendy and the meeting ended at 7:05 PM

Cuba Circulating Library

JANUARY 2024 DIRECTOR'S REPORT



Patron Visits



CHECKOUTS

Our checkout numbers for this month increased to **2,434**. This is an improvement from last year as well as an increase from last month. We are seeing a steady increase in the circulation of our YA materials, which might be a credit to our outreach efforts.

FINANCIALS

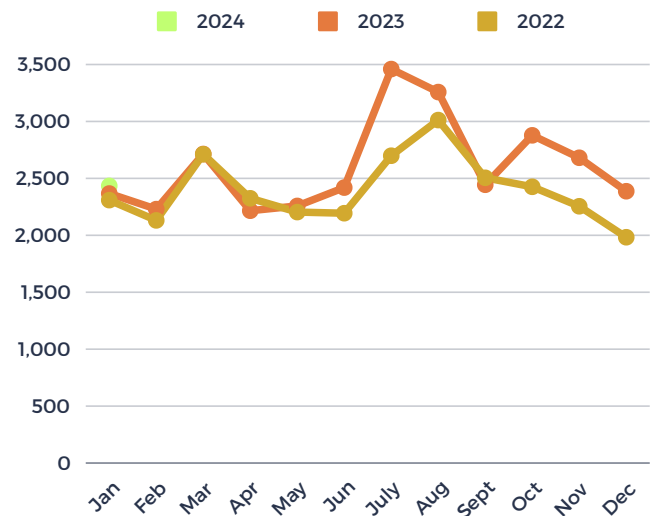
I submitted our tax cap compliance forms to the state comptroller. Our accountant has filed our 2023 income tax form (IRS 990) and completed our annual financial review. I have also mailed our letter to the school requesting our budget referendum be on the ballot.

PATRON NUMBERS

For the month of January 2024, we had a total of **2254** patron visits. We entered **19** new library cards. This is an increase in both library cards and foot traffic from last month. This is also an increase in the number of library cards from this time last year.

33	324	4	57
Onsite Programs	Programs Attendees	Outreach Visits	Outreach Attendees

Circulation



2434

Items checked out

707

eBooks checked out

87

Public computer sessions

402

Holds filled

807

Visits to website

Programs

Books and Brews resumed this month. We met at Genesee Pizzeria to discuss "The Covenant of Water" by Abraham Verghese. This group is one of three book clubs that our library sponsors. The other two are Page Turners and Bring Your Own Baby.

We partnered with the Parent Network of WNY for our "All About Autism" program. We also held a concert with Pocket Vinyl, which features a husband and wife duo who simultaneously perform slam piano and live painting. It was very entertaining! Both programs received a lot of positive feedback.



POCKET VINYL LIVE PAINTING



JAN. 2024 BOOKS AND BREWS

Professional Activities

On Jan. 25 I attended a webinar on libraries and the upcoming eclipse. This webinar had many great ideas for providing activities for our community in conjunction with the eclipse. Cherilyn and Brad are working together to develop some programs ideas as well.

On Jan. 30 I attended a webinar on Trauma Informed Librarianship. This dealt with trauma both from the perspective of patrons and staff.

I had several Chamber of Commerce meetings this month, including one with the Beautification Committee.

Upcoming Adult Programs

- February: Third Annual Tiny Art Show
- Feb. 8 @ 6:30 Tiny Paint Party with Tina
- Feb. 10 @ 10:00 Moon Suncatchers with Shauna
- Mar. 2 @ 1:30 Perry Ground: Native American Eclipse Stories
- Mar. 9 @ 11:00 Puzzle Race

Youth Services Monthly Report: January 2024

Storytimes

Preschool Storytime met 3 times and Toddler Storytime had 2 storytimes in January. Afterschool Explorers met 2 times. Themes for all of these groups included winter, hot cocoa, and polar bears.

Teens/Tweens

Because of the weather and after school activities being canceled, the After School Crew did not meet.

I joined the sixth grade book club at CRCS 1 time this month.

The high school book club met twice to discuss *A Good Girl's Guide to Murder*. The group, made up of all girls, had some very strong feelings about the book as a whole, mostly positive. One minor plot point (which doesn't spoil the book) is that the main character is working on her college essay. She keeps putting it off right up until the deadline to investigate the murder. Some of the girls were shocked that she wasn't prioritizing her college acceptance. The general consensus was that they liked this month's book better than last month. We are reading the sequel in February.

Teens had the International Snackers Club. Snacker's Club: Teens had the first meeting of the International Snackers' Club. This month's theme was South Korea. We had 5 teens attend and they all had fun. The least favorite snack of the night was sweet and spicy uncooked ramen noodles. The teens also enjoyed playing with the library's VR headsets. Next month's box is snacks from Poland.

Outreach

I had 3 CRCS class visits, two here and one at the school. I also had a BOCES outreach visit at the school. I visited Head Start. Tina has had the Elm Street teens come twice for

Other

Leadership Allegany is over. We did our final presentations and had graduation the last full week of January.

I applied for and received a grant from ALA and the FINRA Investor Education Foundations. We are 1 of 300 libraries that will receive a Thinking Money for Kids Program Kit, a collection of expertly vetted programming resources to help libraries offer financial education for children ages 3 to 12, both in the library and in children's homes. This kit includes materials for the libraries to host five in-person children's programs as well as a set of digital games on tablet computers that can be checked out for home use.

I was out sick for a week with covid, which is why there were some lower number of sessions this month.

Upcoming Programs

- 02/03 Take Your Child to the Library Day (Hedgehogs with Mike Morton)
- 2/12 Anti Valentine's Craft for teens
- 2/20 Green Eggs and Ham with Mike Morton's Chickens
- 2/21 International Snackers (teen program)
- 2/24 I'm Turning Five (Birthday Club for kids turning 5 to get their library card)

Maintenance Report 1/1/24 - 2/1/24

1. found water leak on expansion tank for boiler system, Tina to contact Shembeda plumbing. they installed new expansion tank.
2. Helped take down Xmas decorations
3. shoveled snow and salted walks as needed.
4. Put some Graphite in front door lock, key/lock was sticking.
5. Installed Movie DVD stops on new shelves being used for them.
6. Tried to fix sewage pump, it was continuously running and overheated. it ran a couple times, but doesn't seem to shut off when it drains...probably need to call Plumber and have it checked/cleaned from pit and checked, could be motor or clogged.
7. Shembeda found the level switch that turns the pump on/off had come completely disconnected. Quoted upgrade to Tina.
8. Installed Game DVD stops on a few shelves for Christian request to keep DVDs even.

Cuba Circulating Library

HOT SPOT BORROWING POLICY

A hotspot kit includes a mobile hotspot device, charger, and a case.

Borrowing Rules:

- Borrowers must be 18+ years old with a Southern Tier Library System (STLS) card in good standing that is older than 30 days.
- Valid photo ID must be presented at checkout.
- The full Hotspot kit must be returned in person to staff at the desk, not at the book drop.
- Only one hotspot kit may be checked out per household at a time.
- The loan period is 7 days with no renewals.
- Once returned, a hotspot kit cannot be borrowed by someone from the same household for 48 hours.

Note: The library reserves the right to refuse service to patrons who abuse equipment or who are repeatedly late in returning materials.

Hold

The library will accept holds on a hotspot kit. Patrons will be notified by phone only when their hold is ready for pick-up. Patrons will have 48 hours from the time of this notification call to check out the hotspot, after such time it will be released to another patron. This hold period may be extended at the discretion of the library.

Fines and Liability

- The overdue fine is \$4 per day up to the \$150 replacement cost.
- The borrower is responsible for any damage, loss, or theft.

Internet Use

These terms and conditions are in addition to the standard library policies, notably the library's Computer Use and Internet Policy. The library is not responsible for any illegal or obscene online content accessed with the hotspot. Violations may result in loss of borrowing privileges or criminal prosecution.

By borrowing a hotspot, patrons agree to this policy and take full responsibility for the device. Altering any files or modifying the configuration of library-owned equipment is strictly prohibited. The library is not responsible for personal information shared over the internet or for information or websites accessed. The library is not responsible for any overcharge, liability, damages, or expense resulting from the use of the hotspot.

Date: _____

Signature: _____

App:

Cuba Circulating Library

COLLECTION DEVELOPMENT POLICY

PURPOSE: To select materials using knowledge of our community and reflecting the diverse community we serve.

POLICY:

The Library Director and staff will utilize professional judgment and expertise in making collection development decisions, including decisions about choosing titles and selecting locations for materials. Anticipated demand, community interests, strengths and weaknesses of the existing collection, system-wide availability, physical space limitations, acquisitions procedures, and available budgets are all factors taken into consideration. Materials are acquired in multiple formats when appropriate, including print, audiovisual, and digital resources. Highest selection priority is given to those materials in all formats having the broadest appeal.

The Library Director and staff will use their training, subject knowledge, and the selection criteria to identify collection goals and priorities for the library's collection. The following criteria are used to evaluate and select items for the collection. An item need not meet all of these criteria to be selected. Certain materials are selected to address local community needs.

- Content:
 - Accuracy of information
 - Comprehensiveness
 - Enduring significance or interest
 - Integrity
 - Purpose
 - Quality
 - Representation of controversial or diverse points of view.
- Cost in relation to use and/or enhancement to the collection
- Critical reviews
- Current and anticipated appeal
- Format
- Local interest
- Relation to the existing collection
- Relation to other resources in the community
- Significance of the author/creator or publisher
- Suitability of subject and style for intended audience
- Support of library programs and initiatives
- Timeliness

Sources for selection decisions encompass, but are not limited to, published reviews from standard review sources, publisher/vendor catalogs and advertisements, professional and trade bibliographies, and patron requests and recommendations. The library strongly encourages

patron input. All patron requests and recommendations are subject to the selection criteria outlined above.

Gifts:

Books that are donated to the library as gifts are added to the library's collection using the same criteria as that used for new books. Individuals making donations of gift materials are informed that if the library does not need the title, it will be given to Friends of the Cuba Library, Inc. for their book sale(s).

The library is pleased to accept monetary gifts intended for the purchase of library materials when the donors' intentions for gifts and the library's collection development objectives are consistent.

Collection Evaluation & Maintenance:

Once materials have been added to the library's collection, they are managed through an assessment and evaluation process to ensure that ongoing collection priorities are met; that collections remain up to date, balanced, and attractive; and that space limitations are minimized. This process identifies items for replacement, retention or de-selection. Library staff utilize professional judgment and expertise in deciding which materials to retain, replace, repair, or de-select.

De-selection (removing items from the collection) is an integral part of collection development. De-selected materials will, at the library's discretion, be donated to Friends of the Cuba Library, Inc. for book sales, or disposed of through other means determined by the library. The library retains those materials that continue to have enduring or permanent significance to its mission and overall collection goals.

Along with the same criteria used to select new materials, general criteria for retaining, replacing, repairing or de-selecting include:

- Availability of item in alternative formats
- Feasibility, cost of repair
- Historical significance, interest, or value
- Physical condition
- Relative usefulness of item
- Space considerations
- Superseded, inaccurate, or out-of-date content
- Usage data and statistics

Intellectual Freedom:

The library is committed to the principle that all enjoy constitutionally protected freedoms of speech and press. To this end, the library strives to offer a collection that represents the needs of our diverse community. Inclusion of an item in the collection does not mean that the library endorses any theory or statement contained in those materials and resources.

While not every patron may agree with the viewpoints offered in some library material, the library has a responsibility to provide a balanced collection with access to material reflecting diverse ideas through which any side of a question, cause, or movement may be explored, if the material meets the outlined selection criteria. The balanced nature of the collection is reflected in the diversity of materials, not in an equality of numbers. Patrons are free to choose what they like from the collection, to reject what they do not like, but not to restrict the freedom of others to choose.

The library's collection may include proselytizing works representing political, economic, moral, and religious or other vested positions when those works meet the selection criteria. Materials are not excluded because of the origin, background or views of those contributing to their creation or because they represent a particular aspect of life, frankness of expression, or controversial subject matter.

The library does not use labels on any material in such a way as to show approval or disapproval of the content of that material. Materials are not sequestered to show approval, disapproval or judgment as to suitability of content for a particular audience. The library does not remove or obliterate ratings attached to material by a publisher, industry group or distributor. Removing or altering such rating, if they are placed there by or with permission of the copyright holder, denies access to the complete work and the entire spectrum of ideas that the material intended to express.

Decisions about what materials are suitable for particular children should be made by the people who know them best - their parents or guardians. Library staff are not responsible for monitoring what materials children access or check out. Selection of materials for adults is not constrained by possible exposure to children or teenagers.

The library is committed to free and open access to its collections and to connecting people with the world of ideas, information, and materials they wish to explore in a friendly, nonjudgmental manner.

App: Aug. 10, 2020

Rev: Dec. 14, 2020, Aug. 14, 2023

Cuba Library

Board Meeting Public Comments Policy

PURPOSE: The purpose of a board meeting public comments policy is to provide time for members of the general public to orally address the board during its monthly board meetings in a fair and organized manner.

POLICY: The Board of Trustees of Cuba Circulating Library Association (“Board”) complies with the Open Meetings Law of New York State. Its meetings are open to the public.

The State’s Open Meetings Law does not include any provisions about the public addressing the Board during its meetings. However, the Cuba Circulating Library Association (“Library”) will allow visitors to its meetings to address its Board. In order for the Board to fulfill its obligation to complete its scheduled agenda in an effective and efficient fashion, a maximum of fifteen minutes of public participation will be permitted at the beginning of each meeting

All persons wishing to address the Board are required to sign in prior to the call of order and will be recognized in the order in which they signed-in. Each speaker is given a maximum of three (3) minutes to address the Board. If several persons wish to speak, each will be allotted a maximum of three (3) minutes until the public participation of fifteen (15) minutes is used. Persons who address the Board may speak only once per meeting and for no longer than a maximum of three (3) minutes each. Speakers must limit their topic to Library matters only, and must reside in the Cuba-Rushford School District. Library card holders will be given precedence.

The Board President or the Trustee presiding at the meeting will introduce each registered speaker and will keep track of the time. The Board appreciates comments from the public, but may not address the issues. No items raised during the public comment period may be acted upon by the board unless it was on the posted agenda.

App: 02/13/2022



REPORT ON FINANCIAL STATEMENTS

DECEMBER 31, 2023



TABLE OF CONTENTS

Independent Accountant's Review Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to financial statements	7



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, 2023 and 2022, 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 2022 Financial Statements

The 2022 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated February 28, 2023. We have not performed any auditing procedures since that date.

Bysiek CPA, PLLC

BYSIEK CPA, PLLC

OLEAN, NY 14760

JANUARY 31, 2024

CUBA CIRCULATING LIBRARY
STATEMENTS OF FINANCIAL POSITION

PAGE 3

As of December 31,

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 211,706	\$ 196,867
Total current assets	<u>211,706</u>	<u>196,867</u>
Property, plant and equipment		
Land	46,763	46,763
Building and improvements	1,038,203	814,033
Furniture and fixtures	117,419	117,419
Total	<u>1,202,385</u>	<u>978,215</u>
Less: accumulated depreciation	<u>(616,850)</u>	<u>(592,081)</u>
Property, plant and equipment, net	<u>585,535</u>	<u>386,134</u>
Investments	738,688	810,474
Total assets	<u><u>\$ 1,535,929</u></u>	<u><u>\$ 1,393,475</u></u>
Liabilities and Net Assets		
Current liabilities		
Accrued liabilities	\$ 1,959	\$ 7,122
Total liabilities	<u>1,959</u>	<u>7,122</u>
Net assets		
Without donor restrictions	1,479,361	1,371,388
With donor restrictions	54,609	14,965
Total net assets	<u>1,533,970</u>	<u>1,386,353</u>
Total liabilities and net assets	<u><u>\$ 1,535,929</u></u>	<u><u>\$ 1,393,475</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

	2023	2022
Tax revenue	\$ 233,521	\$ 227,912
Contributions and gifts	34,231	33,489
Program fees	10,398	4,644
Investment income	76,220	51,656
Net assets released from restrictions	107,632	36,935
Total support and revenue	<u>462,002</u>	<u>354,636</u>

Expenses

Program services	311,973	306,853
Management and general	50,082	48,833
Total expenses	<u>362,055</u>	<u>355,686</u>

Excess (deficiency) of support and revenue over expenses	99,947	(1,050)
--	--------	---------

Other changes in net assets without donor restrictions

Gains (losses) on investments	<u>8,026</u>	<u>(183,110)</u>
-------------------------------	--------------	------------------

Change in net assets without donor restrictions	<u>107,973</u>	<u>(184,160)</u>
---	----------------	------------------

Net assets with donor restrictions

Gifts, grants and contributions	147,276	32,597
Net assets released from restrictions	<u>(107,632)</u>	<u>(36,935)</u>

Change in net assets with donor restrictions	<u>39,644</u>	<u>(4,338)</u>
--	---------------	----------------

Change in net assets

	147,617	(188,498)
--	---------	-----------

Net assets, beginning of year	<u>1,386,353</u>	<u>1,574,851</u>
-------------------------------	------------------	------------------

Net assets, end of year	<u><u>\$ 1,533,970</u></u>	<u><u>\$ 1,386,353</u></u>
--------------------------------	----------------------------	----------------------------

CUBA CIRCULATING LIBRARY
STATEMENTS OF FUNCTIONAL EXPENSES

PAGE 5

For the Year Ended December 31,

	2023			2022
	Program Services	Management and General	Total	Total
Salaries and wages	\$ 146,782	\$ 25,903	\$ 172,685	\$ 157,036
Payroll taxes and employee benefits	17,310	3,055	20,365	17,995
Library materials and supplies	28,178	-	28,178	30,130
Support services	9,158	1,616	10,774	11,805
Program fees	29,355	5,180	34,535	39,445
Professional fees	13,327	2,352	15,679	13,857
Office expenses	3,080	543	3,623	2,638
Utilities and telephone	10,409	1,837	12,246	16,186
Insurance	7,721	1,362	9,083	9,242
Repairs and maintenance	20,039	3,536	23,575	17,280
Travel	4,434	783	5,217	2,632
Depreciation	21,054	3,715	24,769	29,613
Advertising and promotion	996	176	1,172	7,214
Miscellaneous	131	23	154	613
Total expenses	<u>\$ 311,973</u>	<u>\$ 50,082</u>	<u>\$ 362,055</u>	<u>\$ 355,686</u>

See accompanying notes and independent accountant's review report

For the Year Ended December 31,

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 147,617	\$ (188,498)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	24,769	29,613
(Gains) losses on investments	(8,026)	183,110
Restricted contributions	(147,276)	(32,597)
Reinvested income	(76,220)	(51,656)
Changes in:		
Accrued expenses	(5,163)	4,397
Net cash used in operating activities	<u>(64,299)</u>	<u>(55,631)</u>
Cash flows from investing activities		
Net sales of investments	156,032	128,840
Purchases of property and equipment	(224,170)	(21,735)
Net cash provided by (used in) investing activities	<u>(68,138)</u>	<u>107,105</u>
Cash flows from financing activities		
Restricted contributions	147,276	32,597
Net cash provided by financing activities	<u>147,276</u>	<u>32,597</u>
Net change in cash	14,839	84,071
Cash at beginning of year	<u>196,867</u>	<u>112,796</u>
Cash at end of year	<u><u>\$ 211,706</u></u>	<u><u>\$ 196,867</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 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, 2023 and 2023.

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, 2023 and 2022, **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, 2023 and 2022, 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, 2023 and 2022, **Cuba Circulating Library** had approximately \$212,000 and \$197,000 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 (CONT)

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, 2023 and 2022 are summarized as follows:

As of December 31, 2023	Cost Basis	Fair Value
Money market	\$ 47,540	\$ 47,540
Mutual funds	608,707	691,148
Total	<u>\$ 656,247</u>	<u>\$ 738,688</u>
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>

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, 2023 and 2022 consisted of \$10,000 which is restricted in perpetuity. The board-designated endowment had a balance of \$728,688 and \$800,474 as of December 31, 2023 and 2022, 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, 2023 and 2022 were as follows:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
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
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

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

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

	2023	2022
Land	\$ 46,763	\$ 46,763
Building and improvements	1,038,203	814,033
Furniture and fixtures	117,419	117,419
Total property, plant and equipment	1,202,385	978,215
Less: accumulated depreciation	(616,850)	(592,081)
Net book value	\$ 585,535	\$ 386,134

Depreciation expense totaled approximately \$25,000 and \$30,000 for the years ended December 31, 2023 and 2022, respectively.

NOTE 6: NET ASSETS

Net assets include the following as of December 31, 2023:

With donor restrictions:		
Perpetually restricted	\$ 10,000	
Purpose restricted	<u>44,609</u>	
		54,609
Without donor restrictions:		
Designated	\$ 728,688	
Undesignated	<u>750,673</u>	
		1,479,361
Total net assets		<u>\$1,533,970</u>

"Ask the Lawyer" was developed and piloted by the Western New York Library Resources Council in 2016 and is now a service to members of all nine regional library councils in New York. All "Ask the Lawyer" answers are the copyright of author Stephanie Adams. This service, and its content, are in service of the missions of New York State's libraries. Reproduction of this content, other than for internal use by a council member organization, can only be done with permission. For all other inquiries to reproduce this content, please write to the hosting library council, who will reach out to the author, or write info@losapllc.com. "Ask the Lawyer" is a trademark of the Empire State Library Network whose members include the Western New York Library Resources Council and the eight other participating library councils: Capital District Library Council, Central New York Library Council, Long Island Library Resources Council, Metropolitan New York Library Council, Northern New York Library Council, Rochester Regional Library Council, South Central Regional Library Council, and Southeastern New York Library Resources Council.

MEMBER QUESTION

Topic: Abuse or Molestation Insurance Policy Necessary for Public Libraries?

Member: Cuba Circulating Library Association

Date submitted: November 29, 2023

We are a small, rural, association library that serves a population of under 4,500. We recently received an Abuse or Molestation Exclusion from our general liability/property insurance company. It states that the Abuse or Molestation Exclusion on our policy has been replaced with a new "Broad" Abuse or Exclusion, which applies regardless of whether the abuse or molestation occurs while in the care, custody or control of any insured. Basically, we have no coverage in the case of any abuse or molestation claim made against a staff member. Our library has 21 security cameras throughout our facility, including any room where a staff member might be alone with children. We have a strict policy where a staff member is never to be alone one-on-one with a child. We have a Child Safety Policy in place. We also have Directors and Officers insurance, Employment Practices Liability insurance, as well as Workmans Comp coverage. We've had our insurance agent look into a separate Sexual Abuse Molestation (SAM) policy but it is quite expensive. Is it necessary for libraries to purchase an additional SAM policy, if we have taken these extra precautions?

WNYLRC ATTORNEY'S "RECENTLY ASKED QUESTIONS" RESPONSE

From: Stephanie A. Adams, Esq.

Date: January 10, 2024

Before answering this question, I have to point to the extraordinary care the member has put into formulating it.

Prior to considering insurance coverage as a question of budget, this member library has:

Please Note: "Ask the Lawyer" is a service to the South Central Regional Library Council (SCRLC) and its members in partnership with the Western New York Library Resources Council (WNYLRC), but it is not legal representation. Your initial question was subject to an attorney-client privilege shared with SCRLC, WNYLRC and you, the member. Since you consented to a published answer, and the question was suited to creating general audience, the reply is being given as general guidance, and is obviously not confidential. Thank you for helping us create this service, which is a collaborative learning exercise designed to alert librarians in our region to the legal issues that impact their work.

– Stephanie Adams, Esq. (www.stephaniecoleadams.com)

- Adopted policies to promote safety;
- Taken action to monitor its environment and protect itself, its employees, and visitors from unsubstantiated claims of molestation and abuse; and
- Addressed insurance considerations head-on.

This is the exact order of operations: only once an institution has done all it can to prevent a risk of molestation or abuse, should it then consider questions of adequate insurance and budget.

That said, because it can impact the financial viability of a library, right after assurance of safety, it is critical—as this library is doing—to consider questions of adequate insurance and budget.

Why is this important?

No volunteer board member likes to consider the possibility that their library may need coverage for “Abuse and Molestation,” but there are many scenarios where even a library with the best policies and safest practices can have a credible accusation. For example:

- If a library has a room that it allows community groups to use, the library may be named in a case against the group (if the alleged incident took place at the library);
- If an employee engages in abuse without warning, but an injured party claims the library knew the employee posed a threat; or
- If the alleged incident truly didn’t happen, the library or named employee still needs to be represented in court until it is dismissed (hopefully in the early phases of litigation).

In other words, there are many scenarios where even a library that has taken the best precautions—and which truly is not at fault in any way—can be named in costly legal proceedings. If there is no insurance coverage when that happens, the library will have to pay.¹

¹ Yes, there are some instances where, after an unfounded accusation, an institution can be paid for the cost of the proceedings. However, those instances are rare, and when they occur, they generally occur well into the proceedings.

Please Note: “Ask the Lawyer” is a service to the South Central Regional Library Council (SCRLC) and its members in partnership with the Western New York Library Resources Council (WNYLRC), but it is not legal representation. Your initial question was subject to an attorney-client privilege shared with SCRLC, WNYLRC and you, the member. Since you consented to a published answer, and the question was suited to creating general audience, the reply is being given as general guidance, and is obviously not confidential. Thank you for helping us create this service, which is a collaborative learning exercise designed to alert librarians in our region to the legal issues that impact their work.

– Stephanie Adams, Esq. (www.stephaniecoleadams.com)

Further, if innocent trustees, employees and/or volunteers are personally named in such proceedings, the library may also want to defend these people (and in some cases, may owe them a defense²).

All that said, as the member points out, there may be a point where coverage is so costly, a small library must decide it simply isn't affordable.

Which brings us to the member's question: Is deciding to go without "SAM coverage" truly an option?

There is no legal requirement to have SAM coverage. Unlike automobile insurance and some of the other types of coverage listed by the member, such coverage is not required by law (this might have something to do with its lack of affordability).

However, while not required, it is important for library trustees to remember that the bills for a claim of sexual abuse or molestation can easily be in the tens of thousands—and that's just to get an unfounded case knocked out in the initial phases of litigation. Therefore, a library with a high degree of confidence that such a claim is highly unlikely to occur, OR, if it does occur, highly likely to be defensible, can take the following steps to be ready, without securing SAM insurance:

Step 1: Ensure that the library has a policy barring trustees, employees, or volunteers from any physical abuse of any person in connection with the library. Importantly, this policy should also state that *"In the event the library determines that this policy has been broken, termination will be immediate, and the library will not indemnify or defend the violating trustee, employee, or volunteer."*

Step 2: Conduct a criminal background check³ prior to hiring employees or accepting volunteers and conduct an annual search of the New York State sexual offender registry to verify that no trustees, volunteers, or employees are on the list (if they are, consult a lawyer regarding next steps).⁴

² Under the New York Not-for-Profit Corporation Law, some library bylaws may even speak to this issue of "indemnification."

³ Libraries who decide to use pre-hire criminal background checks should adopt a policy to ensure compliance with applicable state and federal laws.

⁴ These are both good practices even if your library has SAM coverage.

Please Note: "Ask the Lawyer" is a service to the South Central Regional Library Council (SCRLC) and its members in partnership with the Western New York Library Resources Council (WNYLRC), but it is not legal representation. Your initial question was subject to an attorney-client privilege shared with SCRLC, WNYLRC and you, the member. Since you consented to a published answer, and the question was suited to creating general audience, the reply is being given as general guidance, and is obviously not confidential. Thank you for helping us create this service, which is a collaborative learning exercise designed to alert librarians in our region to the legal issues that impact their work.

– Stephanie Adams, Esq. (www.stephaniecoleadams.com)

Step 3: Double-check that *every* use of library space by outside groups is per a written contract that ensure such users are: a) covered by SAM insurance⁵ and b) have agreed to “hold harmless and indemnify” the library, its employees, trustees, and volunteers from any claims.⁶

Step 4: Have a “zero tolerance” policy for any abuse or threats of abuse and enforce the policy “without fear or favor” so the library cannot be accused of being on notice of retaining personnel with abusive tendencies (which can support a claim of “negligent hiring” or “negligent retention”).

Step 5: Maintain a policy that upon notice of a potential SAM claim, the library retains legal counsel to immediately conduct a confidential investigation. [NOTE: it sounds almost silly to say this, but since a SAM claim is also a claim of illegal sexual harassment, this “immediate investigation” approach is already 90% met in a library’s state-mandated Sexual Harassment Policy; the difference is that the “immediate investigation” should be done by a lawyer so the results can be used to either defend the library AND/OR to take corrective action with regard to an offending trustee/employee/volunteer].

Step 6: Maintain a fund balance of at least \$20,000.00 dollars⁷ that can be readily accessible “for trustee, employee, and volunteer indemnification and library defense” upon a vote of the trustees.⁸

Step 7: Be ready to face a financial crisis at the library in the event of a worst-case scenario (a claim that—despite every possible protection—results in a finding of liability).

Step 8: Long-term, consider working with your cooperative library system or another group on an ongoing basis to explore finding SAM coverage for a group of similarly sized libraries. While libraries in New York can’t band together to jointly buy one insurance policy, entities in New York *can* loosely coordinate to shop for a good deal together and might be able to find a more favorable rate with a collaborative approach.⁹

⁵ Ironic, I know.

⁶ Common examples of groups or professionals that should supply this coverage: the local school/clubs, scouts, tutoring and ELL programs, hobby clubs. Many of these types of organizations have coverage through a national entity or regional chapter.

⁷ I know: for many small libraries, this number might as well be \$20 million. I would add that for some type of easily dismissed claims, it is a bit high, while for others, it will prove woefully low.

⁸ The advantage of this approach is that the fund is also available for other unlikely contingencies.

⁹ While the success of such an initiative is by no means assured, I have seen it work.

Please Note: “Ask the Lawyer” is a service to the South Central Regional Library Council (SCRLC) and its members in partnership with the Western New York Library Resources Council (WNYLRC), but it is not legal representation. Your initial question was subject to an attorney-client privilege shared with SCRLC, WNYLRC and you, the member. Since you consented to a published answer, and the question was suited to creating general audience, the reply is being given as general guidance, and is obviously not confidential. Thank you for helping us create this service, which is a collaborative learning exercise designed to alert librarians in our region to the legal issues that impact their work.

– Stephanie Adams, Esq. (www.stephaniecoleadams.com)

Ask the Lawyer

A SCRLC member service

RAQ reply to member

I wish I had better news for the thoughtful member library that submitted this question. But if SAM coverage is truly unaffordable, the additional mitigation steps in this RAQ can help with being ready to both deter and fight a claim of liability. What's admirable is that rather than simply ducking the issue, you are considering what's best for the library and community.

Thank you for a very important question.

*Please Note: "Ask the Lawyer" is a service to the South Central Regional Library Council (SCRLC) and its members in partnership with the Western New York Library Resources Council (WNYLRC), **but it is not legal representation**. Your initial question was subject to an attorney-client privilege shared with SCRLC, WNYLRC and you, the member. Since you consented to a published answer, and the question was suited to creating general audience, the reply is being given as general guidance, and is obviously not confidential. Thank you for helping us create this service, which is a collaborative learning exercise designed to alert librarians in our region to the legal issues that impact their work.*

– Stephanie Adams, Esq. (www.stephaniecoleadams.com)