

***VOORHEESVILLE PUBLIC LIBRARY***

***FINANCIAL STATEMENTS***

***JUNE 30, 2007 AND 2006***

**VOORHEESVILLE PUBLIC LIBRARY**

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*JUNE 30, 2007 AND 2006*

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# VOORHEESVILLE PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION

AND ANALYSIS (UNAUDITED)

JUNE 30, 2007 AND 2006

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The following is a discussion and analysis of the Library's financial performance for the fiscal year ended June 30, 2007, with comparative information for 2006. This section is a summary of the Library's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed. This section is only an introduction and should be read in conjunction with the Library's financial statements, which immediately follow this section.

## FINANCIAL HIGHLIGHTS

- Net government-wide assets of the Library were \$850,850 at June 30, 2007 as compared to \$839,967 at June 30, 2006;
- Government-wide revenues were \$889,034 for the year ended June 30, 2007 as compared to \$828,245 for the year ended June 30, 2006.
- An extraordinary gain of \$648,000 has been recognized in the statement of activities for the year ended June 30, 2006 representing the value of the Library's land and building acquired for \$1.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements, and notes to financial statements. The basic financial statements include two kinds of statements that present different views of the Library:

- The first two statements are *government-wide* financial statements that provide both *short-term* and *long-term* information about the Library's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Library, reporting the Library's operations in *more detail* than the government-wide statements.
- The *notes to financial statements* explain some of the information in the statements and provide more detailed data.

## **GOVERNMENT-WIDE STATEMENTS**

The government-wide statements report information about the Library as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Library's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Library's net assets and how they are changed. Net assets, the difference between the Library's assets and liabilities, is one way to measure the financial health or position.

- Over time, increases and decreases in the Library's net assets are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the Library's overall health, you need to consider additional non-financial factors such as changes in the Library's property tax base and the condition of the Library's fixed assets.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the Library's funds, focusing on its most significant or "major" funds - not the Library as a whole. Funds are accounting devices the Library uses to keep track of specific sources of funding and spending on particular programs:

- The General Fund is required by State Law
- The Library establishes other funds to control and to manage money for particular purposes (such as the expendable trust fund) or to show that it is properly using certain revenues (such as the building fund).

The Library has one major type of fund:

- **Governmental Funds:** All of the Library's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information at the bottom of the governmental funds' statements can explain the relationship (or differences) between them.

**VOORHEESVILLE PUBLIC LIBRARY**  
*MANAGEMENT'S DISCUSSION*  
*AND ANALYSIS (UNAUDITED) (CONTINUED)*  
*JUNE 30, 2007 AND 2006*

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**FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE**

**Table A-1: Condensed Statement of Net Assets**  
**(in thousands)**

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	<b>Fiscal Year <u>2007</u></b>	<b>Fiscal Year <u>2006</u></b>
Current and Other Assets	\$ 316	\$ 248
Capital Assets, Net of Depreciation	<u>811</u>	<u>700</u>
Total Assets	<u>1,127</u>	<u>948</u>
Short-Term Liabilities	245	79
Long-Term Liabilities	<u>31</u>	<u>29</u>
Total Liabilities	<u>276</u>	<u>108</u>
Net assets		
Invested in Capital Assets, Net of Related Debt	661	700
Designated	107	81
Unrestricted	<u>83</u>	<u>59</u>
Total Net Assets	<u>\$ 851</u>	<u>\$ 840</u>

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**VOORHEESVILLE PUBLIC LIBRARY**  
*MANAGEMENT'S DISCUSSION*  
*AND ANALYSIS (UNAUDITED) (CONTINUED)*  
 JUNE 30, 2007 AND 2006

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**Table A-2: Changes in Net Assets from Operating Results**  
**(in thousands)**

	<b>Fiscal Year <u>2007</u></b>	<b>Fiscal Year <u>2006</u></b>
<b>Revenues</b>		
Program Revenues		
Operating Grants	12	\$ 11
General Revenues		
Property Taxes	834	778
Desk Receipts	19	21
Interest Income	12	10
Donations	5	5
Memorial Fund Revenue	5	3
Miscellaneous	<u>2</u>	<u>-</u>
Total Revenues	<u>889</u>	<u>828</u>
<b>Expenses</b>		
General Support	797	755
Special Programs	9	7
Employee Benefits	<u>72</u>	<u>60</u>
Total Expenses	<u>878</u>	<u>822</u>
Extraordinary Item	<u>-</u>	<u>648</u>
<b>Increase in Net Assets</b>	<u><u>\$ 11</u></u>	<u><u>\$ 654</u></u>

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**VOORHEESVILLE PUBLIC LIBRARY**  
*MANAGEMENT'S DISCUSSION*  
*AND ANALYSIS (UNAUDITED) (CONTINUED)*  
*JUNE 30, 2007 AND 2006*

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**CAPITAL ASSETS**

As of June 30, 2007 and 2006, the Library had \$810,941 and \$699,937, respectively, (net of accumulated depreciation) invested in various land, building, furniture and equipment. The library materials (books, videos, etc.) are not capitalized, as it is not practical to determine their net realizable values.

**LONG-TERM LIABILITIES**

As of June 30, 2007 and 2006, the Library had \$31,283 and \$28,647 respectively, in long-term liabilities, consisting of compensated absences.

**DESCRIPTION OF CURRENT AND EXPECTED CONDITIONS**

At the time these financial statements were prepared and audited, the Library was not aware of any significant changes in conditions that would have a significant effect on the financial position or results of activities of the Library in the near future.

**CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Library's citizens, taxpayers, customers, investors and creditors with a general overview of the finances and to demonstrate the Library's accountability with the money we receive. If you have any questions about this report or need additional financial information, contact:

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Voorheesville, NY  
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**INDEPENDENT AUDITOR'S REPORT**

To the Trustees of the  
Voorheesville Public Library

We have audited the accompanying financial statements of Voorheesville Public Library as of and for the years ended June 30, 2007 and 2006, as listed in the Table of Contents. These financial statements are the responsibility of the management of Voorheesville Public Library. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Voorheesville Public Library at June 30, 2007 and 2006, and the respective changes in financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis (unaudited) on pages 1 through 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



**CUSACK & COMPANY, CPA'S LLC**

Latham, New York  
September 27, 2007



**VOORHEESVILLE PUBLIC LIBRARY**

## STATEMENTS OF NET ASSETS

JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
Cash		
Unrestricted	\$ 214,026	\$ 185,804
Restricted	94,028	56,993
Accounts Receivable	2,179	2,055
Grants Receivable	2,293	-
Prepaid Expenses	3,075	2,846
Capital Assets, Net	<u>810,941</u>	<u>699,937</u>
Total Assets	<u>1,126,542</u>	<u>947,635</u>
<b>Liabilities</b>		
Payables		
Bond Anticipation Note	150,000	-
Accounts Payable	7,761	2,751
Accrued Liabilities	33,421	30,694
Due to Employees Retirement System	49,156	45,576
Deferred Revenue	4,071	-
Long-Term Liabilities		
Compensated Absences	<u>31,283</u>	<u>28,647</u>
Total Liabilities	<u>275,692</u>	<u>107,668</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	660,941	699,937
Unrestricted, Designated for:		
Encumbrances	11,556	14,111
Trust Funds	24,959	23,556
Library Expansion	60,841	33,437
Subsequent Year's Expenditures	10,000	10,000
Unrestricted	<u>82,553</u>	<u>58,926</u>
Total Net Assets	<u>\$ 850,850</u>	<u>\$ 839,967</u>

**VOORHEESVILLE PUBLIC LIBRARY**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

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<u>Functions/Programs</u>	<u>Expenses</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
General Support	\$ (796,898)	\$ 5,464	\$ (791,434)
Special Programs	(9,556)	6,086	(3,470)
Employee Benefits	<u>(71,697)</u>	<u>-</u>	<u>(71,697)</u>
	<u>\$ (878,151)</u>	<u>\$ 11,550</u>	<u>(866,601)</u>

General Revenues

Real Property Taxes	834,416
Desk Receipts	18,954
Interest Income	11,888
Donations	5,233
Memorial Fund Revenue	4,511
Miscellaneous	<u>2,482</u>
Total General Revenues	<u>877,484</u>
Change in Net Assets	10,883
Total Net Assets, Beginning of Year	<u>839,967</u>
Total Net Assets, End of Year	<u>\$ 850,850</u>

**VOORHEESVILLE PUBLIC LIBRARY**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

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<u>Functions/Programs</u>	<u>Expenses</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue and Change in Net Assets</u>
General Support	\$ (754,385)	\$ 5,729	\$ (748,656)
Special Programs	(7,005)	4,904	(2,101)
Employee Benefits	<u>(60,376)</u>	<u>-</u>	<u>(60,376)</u>
	<u>\$ (821,766)</u>	<u>\$ 10,633</u>	<u>(811,133)</u>

General Revenues

Real Property Taxes	777,851
Desk Receipts	21,271
Interest Income	9,605
Donations	5,239
Memorial Fund Revenue	<u>3,646</u>
Total General Revenues	<u>817,612</u>
Change in Net Assets Before Extraordinary Item	6,479
Extraordinary Item	<u>648,000</u>
Change in Net Assets	654,479
Total Net Assets, Beginning of Year	<u>185,488</u>
Total Net Assets, End of Year	<u>\$ 839,967</u>

**VOORHEESVILLE PUBLIC LIBRARY**

*BALANCE SHEET-GOVERNMENTAL FUNDS*

JUNE 30, 2007

		<u>Special Revenue Funds</u>		
	General	Expendable		
	<u>Fund</u>	Trust	Building	<u>Total</u>
		<u>Fund</u>	<u>Fund</u>	
<b>Assets</b>				
Unrestricted Cash	\$ 214,026	\$ -	\$ -	\$ 214,026
Restricted Cash	-	24,959	69,069	94,028
Accounts Receivable	2,179	-	-	2,179
Grants Receivable	2,293	-	-	2,293
Prepaid Expenses	3,075	-	-	3,075
Due from Building Fund	8,228	-	-	8,228
Total Assets	<u>\$ 229,801</u>	<u>\$ 24,959</u>	<u>\$ 69,069</u>	<u>\$ 323,829</u>
<b>Liabilities</b>				
Bond Anticipation Note	\$ -	\$ -	\$ 150,000	\$ 150,000
Accounts Payable	7,761	-	-	7,761
Accrued Liabilities	33,421	-	-	33,421
Due to Employees Retirement System	49,156	-	-	49,156
Deferred Revenue	4,071	-	-	4,071
Due to General Fund	-	-	8,228	8,228
Total Liabilities	<u>94,409</u>	<u>-</u>	<u>158,228</u>	<u>252,637</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	11,556	-	-	11,556
Reserved for Library Expansion	-	-	(89,159)	(89,159)
Reserved for Trust Funds	-	24,959	-	24,959
Unreserved-				
Designated for Subsequent Year's Expenditures	10,000	-	-	10,000
Unrestricted	<u>113,836</u>	<u>-</u>	<u>-</u>	<u>113,836</u>
Total Fund Balances	<u>135,392</u>	<u>24,959</u>	<u>(89,159)</u>	<u>71,192</u>
 Total Liabilities and Fund Balances	 <u>\$ 229,801</u>	 <u>\$ 24,959</u>	 <u>\$ (89,159)</u>	 <u>\$ 323,829</u>

Reconciliation of total fund balances to total net assets in the Statement of Net Assets

Total balances for governmental funds	\$ 71,192
Capital assets used in governmental activities are not financial resources	810,941
Long term liabilities, representing compensated absences that are not due and payable in the current period	<u>(31,283)</u>
Net assets of governmental activities	<u>\$ 850,850</u>

**VOORHEESVILLE PUBLIC LIBRARY**

*BALANCE SHEET-GOVERNMENTAL FUNDS*

JUNE 30, 2006

		<u>Special Revenue Funds</u>		
	General	Expendable		
	<u>Fund</u>	Trust	Building	<u>Total</u>
		<u>Fund</u>	<u>Fund</u>	
<b>Assets</b>				
Unrestricted Cash	\$ 185,804	\$ -	\$ -	\$ 185,804
Restricted Cash	-	23,556	33,437	56,993
Accounts Receivable	2,055	-	-	2,055
Prepaid Expenses	2,846	-	-	2,846
Total Assets	<u>\$ 190,705</u>	<u>\$ 23,556</u>	<u>\$ 33,437</u>	<u>\$ 247,698</u>
<b>Liabilities</b>				
Accounts Payable	\$ 2,751	\$ -	\$ -	\$ 2,751
Accrued Liabilities	30,694	-	-	30,694
Due to Employees Retirement System	45,576	-	-	45,576
Total Liabilities	<u>79,021</u>	<u>-</u>	<u>-</u>	<u>79,021</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	14,111	-	-	14,111
Reserved for Library Expansion	-	-	33,437	33,437
Reserved for Trust Funds	-	23,556	-	23,556
Unreserved-				
Designated for Subsequent Year's Expenditures	10,000	-	-	10,000
Unrestricted	87,573	-	-	87,573
Total Fund Balances	<u>111,684</u>	<u>23,556</u>	<u>33,437</u>	<u>168,677</u>
Total Liabilities and Fund Balances	<u>\$ 190,705</u>	<u>\$ 23,556</u>	<u>\$ 33,437</u>	<u>\$ 247,698</u>

Reconciliation of total fund balances to total net assets in the Statement of Net Assets

Total balances for governmental funds	\$ 168,677
Capital assets used in governmental activities are not financial resources	699,937
Long term liabilities, representing compensated absences that are not due and payable in the current period	<u>(28,647)</u>
Net assets of governmental activities	<u>\$ 839,967</u>

**VOORHEESVILLE PUBLIC LIBRARY**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	<u>Special Revenue Funds</u>			
	<u>General Fund</u>	<u>Expendable Trust Fund</u>	<u>Building Fund</u>	<u>Total</u>
<b>Revenues</b>				
Property Taxes	\$ 834,416	\$ -	\$ -	\$ 834,416
Desk Receipts	18,954	-	-	18,954
Interest Income	9,640	879	1,369	11,888
Donations	5,233	-	-	5,233
Grants	11,550	-	-	11,550
Memorial Fund Revenue	-	4,511	-	4,511
Miscellaneous	<u>2,482</u>	<u>-</u>	<u>-</u>	<u>2,482</u>
Total Revenues	<u>882,275</u>	<u>5,390</u>	<u>1,369</u>	<u>889,034</u>
<b>Expenditures</b>				
Salaries	508,984	-	-	508,984
Payroll Taxes	38,487	-	-	38,487
Library Expansion	-	-	16,159	16,159
Equipment	12,472	-	-	12,472
Library Material	78,169	3,987	-	82,156
Grant Expenses	5,582	-	-	5,582
Supplies	11,204	-	-	11,204
Telephone	9,387	-	-	9,387
Postage and Freight	3,138	-	-	3,138
Publicity and Printing	5,008	-	-	5,008
Travel and Conferences	3,281	-	-	3,281
Automated Services	7,547	-	-	7,547
Professional Fees	15,520	-	-	15,520
Membership Fees	615	-	-	615
Repairs and Maintenance	43,463	-	-	43,463
Fuel and Utilities	25,894	-	-	25,894
Insurance	8,270	-	-	8,270
Special Programs	9,266	-	-	9,266
Employee Benefits	71,697	-	-	71,697
Miscellaneous	350	-	-	350
Land Acquisition	<u>-</u>	<u>-</u>	<u>107,806</u>	<u>107,806</u>
Total Expenditures	<u>858,334</u>	<u>3,987</u>	<u>123,965</u>	<u>986,286</u>
Excess (Deficiency) of Revenues Over Expenditures	23,941	1,403	(122,596)	(97,252)
Fund Balances-Beginning of Year	<u>759,684</u>	<u>23,556</u>	<u>33,437</u>	<u>816,677</u>
Fund Balances (Deficit) -End of Year	<u>\$ 783,625</u>	<u>\$ 24,959</u>	<u>\$ (89,159)</u>	<u>\$ 719,425</u>

**VOORHEESVILLE PUBLIC LIBRARY**  
*COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES*  
*IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)*  
*FOR THE YEAR ENDED JUNE 30, 2007*

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Reconciliation of total expenditures

Total expenditures on governmental funds statement	\$ 986,286
Capital asset acquisitions	(141,335)
Depreciation expense	30,565
Net change in compensated absences	<u>2,635</u>
 Total expenses on government-wide statement	 <u>\$ 878,151</u>

**VOORHEESVILLE PUBLIC LIBRARY**  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2006

	<u>Special Revenue Funds</u>			<u>Total</u>
	<u>General Fund</u>	Expendable <u>Trust Fund</u>	<u>Building Fund</u>	
<b>Revenues</b>				
Property Taxes	\$ 777,851	\$ -	\$ -	\$ 777,851
Desk Receipts	21,271	-	-	21,271
Interest Income	9,185	259	161	9,605
Donations	-	-	5,239	5,239
Grants	6,170	-	4,463	10,633
Memorial Fund Revenue	-	3,646	-	3,646
Total Revenues	<u>814,477</u>	<u>3,905</u>	<u>9,863</u>	<u>828,245</u>
<b>Expenditures</b>				
Salaries	473,920	-	-	473,920
Payroll Taxes	36,024	-	-	36,024
Library Expansion	-	-	3,641	3,641
Equipment	12,331	-	-	12,331
Library Material	80,031	3,057	-	83,088
Grant Expenses	5,713	-	-	5,713
Supplies	10,282	471	-	10,753
Telephone	9,508	-	-	9,508
Postage and Freight	2,945	-	-	2,945
Publicity and Printing	4,525	-	-	4,525
Travel and Conferences	3,423	-	-	3,423
Automated Services	7,288	-	-	7,288
Professional Fees	20,817	-	-	20,817
Membership Fees	605	-	-	605
Repairs and Maintenance	36,030	-	-	36,030
Fuel and Utilities	26,185	-	-	26,185
Insurance	6,009	-	-	6,009
Special Programs	7,005	-	-	7,005
Employee Benefits	60,376	-	-	60,376
Total Expenditures	<u>803,017</u>	<u>3,528</u>	<u>3,641</u>	<u>810,186</u>
Excess of Revenues Over Expenditures Before Extraordinary Item	11,460	377	6,222	18,059
Extraordinary Item	<u>648,000</u>	<u>-</u>	<u>-</u>	<u>648,000</u>
Excess of Revenues Over Expenditures	659,460	377	6,222	666,059
Fund Balances-Beginning of Year	<u>100,224</u>	<u>23,179</u>	<u>27,215</u>	<u>150,618</u>
Fund Balances-End of Year	<u>\$ 759,684</u>	<u>\$ 23,556</u>	<u>\$ 33,437</u>	<u>\$ 816,677</u>



**VOORHEESVILLE PUBLIC LIBRARY**  
*COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES*  
*IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)*  
*FOR THE YEAR ENDED JUNE 30, 2006*

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Reconciliation of total expenditures

Total expenditures on governmental funds statement	\$ 810,186
Capital asset acquisitions	(13,471)
Depreciation expense	21,984
Net change in compensated absences	<u>3,067</u>
Total expenses on government-wide statement	<u>\$ 821,766</u>

**VOORHEESVILLE PUBLIC LIBRARY**  
**STATEMENT OF REVENUES AND EXPENDITURES-**  
**BUDGET AND ACTUAL -GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Original Budget	Budget Changes	Revised Budget	Actual	Encumbrances	Favorable (Unfavorable) Variance
<b>Revenues</b>						
Property Taxes	\$ 834,416	\$ -	\$ 834,416	\$ 834,416	\$ -	\$ -
Desk Receipts	21,000	-	21,000	18,954	-	(2,046)
Interest Income	8,000	-	8,000	9,640	-	1,640
Donations	2,000	-	2,000	5,233	-	3,233
Grants	7,757	-	7,757	11,550	-	3,793
Miscellaneous	-	-	-	2,482	-	2,482
Total Revenues	<u>873,173</u>	<u>-</u>	<u>873,173</u>	<u>\$ 882,275</u>	<u>\$ -</u>	<u>\$ 9,102</u>
Appropriated Fund Balance	<u>38,882</u>	<u>14,111</u>	<u>52,993</u>			
Total Revenues and Appropriated Fund Balance	<u>\$ 912,055</u>	<u>\$ 14,111</u>	<u>\$ 926,166</u>			
<b>Expenditures</b>						
Salaries	\$ 515,831	\$ -	\$ 515,831	\$ 508,984	\$ -	\$ 6,847
Payroll Taxes	38,800	-	38,800	38,487	-	313
Equipment	14,342	842	15,184	12,472	1,627	1,085
Library Material	93,158	8,125	101,283	78,169	9,929	13,185
Grant Expenses	3,293	-	3,293	5,582	-	(2,289)
Supplies	10,500	1,333	11,833	11,204	-	629
Telephone	11,800	(1,281)	10,519	9,387	-	1,132
Postage and Freight	3,800	(597)	3,203	3,138	-	65
Publicity and Printing	6,250	(694)	5,556	5,008	-	548
Travel and Conferences	2,000	1,281	3,281	3,281	-	-
Automated Services	7,500	47	7,547	7,547	-	-
Professional Fees	17,000	(1,480)	15,520	15,520	-	-
Membership Fees	700	(47)	653	615	-	38
Repairs and Maintenance	50,610	3,041	53,651	43,463	-	10,188
Fuel and Utilities	25,200	694	25,894	25,894	-	-
Insurance	8,530	-	8,530	8,270	-	260
Library Expansion	14,004	2,155	16,159	-	-	16,159
Special Programs	8,668	598	9,266	9,266	-	-
Employee Benefits	79,569	94	79,663	71,697	-	7,966
Miscellaneous	500	-	500	350	-	150
Total Expenditures	<u>\$ 912,055</u>	<u>\$ 14,111</u>	<u>\$ 926,166</u>	<u>\$ 858,334</u>	<u>\$ 11,556</u>	<u>\$ 56,276</u>

**VOORHEESVILLE PUBLIC LIBRARY**  
**STATEMENT OF REVENUES AND EXPENDITURES-**  
**BUDGET AND ACTUAL -GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	Original Budget	Budget Changes	Revised Budget	Actual	Encumbrances	Favorable (Unfavorable) Variance
<b>Revenues</b>						
Property Taxes	\$ 777,850	\$ -	\$ 777,850	\$ 777,851	\$ -	\$ 1
Desk Receipts	22,000	-	22,000	21,271	-	(729)
Interest Income	5,150	-	5,150	9,185	-	4,035
Donations	2,000	-	2,000	-	-	(2,000)
Grants	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>6,170</u>	<u>-</u>	<u>170</u>
Total Revenues	813,000	-	813,000	<u>\$ 814,477</u>	<u>\$ -</u>	<u>\$ 1,477</u>
Appropriated Fund Balance	<u>10,000</u>	<u>14,573</u>	<u>24,573</u>			
Total Revenues and Appropriated Fund Balance	<u>\$ 823,000</u>	<u>\$ 14,573</u>	<u>\$ 837,573</u>			
<b>Expenditures</b>						
Salaries	\$ 482,000	\$ (7,161)	\$ 474,839	\$ 473,920	\$ -	\$ 919
Payroll Taxes	36,900	(813)	36,087	36,024	-	63
Equipment	13,000	197	13,197	12,331	842	24
Library Material	82,830	6,695	89,525	80,031	9,459	35
Grant Expenses	1,500	4,213	5,713	5,713	-	-
Supplies	10,500	(158)	10,342	10,282	-	60
Telephone	10,000	(465)	9,535	9,508	-	27
Postage and Freight	3,000	(53)	2,947	2,945	-	2
Publicity and Printing	6,000	(1,475)	4,525	4,525	-	-
Travel and Conferences	1,000	2,423	3,423	3,423	-	-
Automated Services	7,200	88	7,288	7,288	-	-
Professional Fees	16,500	4,317	20,817	20,817	-	-
Membership Fees	500	105	605	605	-	-
Repairs and Maintenance	39,000	855	39,855	36,030	3,810	15
Fuel and Utilities	24,000	2,184	26,184	26,185	-	(1)
Insurance	6,600	(591)	6,009	6,009	-	-
Library Expansion	8,000	1,700	9,700	-	-	9,700
Special Programs	4,000	3,005	7,005	7,005	-	-
Employee Benefits	<u>70,470</u>	<u>(493)</u>	<u>69,977</u>	<u>60,376</u>	<u>-</u>	<u>9,601</u>
Total Expenditures	<u>\$ 823,000</u>	<u>\$ 14,573</u>	<u>\$ 837,573</u>	<u>\$ 803,017</u>	<u>\$ 14,111</u>	<u>\$ 20,445</u>

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Library have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity**

The Library is organized pursuant to Section 255 of the Education Law of the State of New York representing a public library superimposed on the Voorheesville Central School District, and was chartered by the N.Y.S. Education Department in 1949.

**B. Basis of Presentation**

The Library's basic financial statements consist of Government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-Wide Financial Statements** - The statement of net assets and the statement of activities display information about the Library as a whole. The statement of net assets presents the financial condition of the governmental activities of the Library at year end. The statement of activities presents a comparison between direct expenses and grant revenues for each function of the Library's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Grant revenues are shown as restricted to meeting the operational requirements of a particular function.

**Fund Financial Statements** - The fund statements provide information about the Library's funds. Separate statements for each fund category are presented. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

General Fund - The general fund is the principal operating fund and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

1. Expendable Trust Fund - The expendable trust fund is used to account for gifts and memorial donations received by the Library.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Financial Statements (Continued)**

Special Revenue Funds (Continued)

2. Building Fund - The building fund is used to account for the expenditure of money resulting from the sale of the former library building and the expansion of the new building. The expenditures are limited to improving and furnishing the new Library and any surplus shall be used for the support of the Library as the voters of the District shall direct.

**C. Measurement Focus and Basis of Accounting**

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transactions take place. Nonexchange transactions, in which the Library gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

**D. Cash and Cash Equivalents**

The Library's cash and cash equivalents consist of cash on hand and demand deposits. New York State law governs the Library's investment policies. Resources must be deposited in FDIC - insured commercial banks or trust companies located within the State. Collateral is required for demand and time deposits not covered by FDIC insurance.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Capital Assets and Depreciation**

Capital assets are reported at actual or estimated historical cost based on appraisal of deflated current replacement costs. Contributed assets are reported at estimated fair market values at the time received.

Capital assets in excess of \$300 per item are depreciated in the government-wide financial statements using the straight-line method with capital assets below this threshold being expensed in the year acquired. Estimated useful lives of the various classes of depreciable assets are as follows: building - 39 years, building improvements - 15 years, machinery and equipment - 5-10 years, and furniture and fixtures 3-5 years.

**F. Property Taxes**

Real property taxes are levied annually by the Board of Trustees in a separate resolution on the same assessment as the Voorheesville Central School District. Uncollected real property taxes are substantially enforced by the county in which the district is located.

**G. Vested Employee Benefits**

The Library's employees are granted vacation in varying amounts, based primarily on length of service and position. Vacation leave used is based on a last-in, first-out basis. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated vacation leave is included in the compensated absences liability at year end. The compensated absences liability is calculated based on the pay rates in effect for the subsequent fiscal year.

**H. Budgetary Procedures and Budgetary Accounting**

The Library administration prepares a proposed budget for approval by the board of trustees.

The proposed appropriation budget for the general fund was approved by the voters within the district.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Budgetary Procedures and Budgetary Accounting (Continued)**

Appropriations are adopted at the program level. Appropriations established by adoption of the budget constitute a limitation on the expenditures (and encumbrances) which may be incurred. Appropriations lapse at the fiscal year end.

Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists that was not initially determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. The budget and actual comparison reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

**I. Deferred Revenue**

Deferred revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Library before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Library has legal claim to the resources, the liability for deferred revenues is removed and revenues are recorded.

**J. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed as a control in preventing overexpenditures of established appropriations. Open encumbrances are reported as a reservation of fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

**K. Fund Balance**

Portions of fund balance are segregated for future use, and are therefore not available for appropriation or expenditure. Designations of unreserved fund balances indicates tentative plans for future use.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Fund Balance (Continued)**

The Library's fund balance is comprised of various components.

a. Reserves

The Library's fund balance includes reserves established for the following purposes:

<u>Fund</u>	<u>Reservation Purposes</u>	<u>Balance</u> June 30, 2007	<u>Balance</u> June 30, 2006
General	Reserve for encumbrances	\$ 11,556	\$ 14,111
Trust Fund	Memorial trust	24,959	23,556
Building Fund	Reserve for Library expansion	<u>60,841</u>	<u>33,437</u>
		<u>\$ 97,356</u>	<u>\$ 71,104</u>

b. Unreserved

General Fund - Designated for subsequent year's expenditures.

**L. Pension Plan**

Plan Description

The Library participates in the New York State and Local Employee Retirement System (ERS). The system is a cost-sharing multiple employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12224.

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement Systems after July 27, 1976 who contribute 3% of their salary. Effective October 1, 2000, employees with greater than ten years of service are no longer required to contribute. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Pension Plan (Continued)**

Funding Policy (Continued)

The Library is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

2007	\$	40,331
2006	\$	37,169
2005	\$	39,348

The Library's contributions made to the System were equal to 100 percent of the contributions required for each year.

**M. Capital Assets**

Capital asset balances as of June 30, 2007 and 2006 are as follows:

	<u>2007</u>	<u>2006</u>
Land	\$ 154,706	\$ 46,900
Building	605,400	601,100
Equipment	172,895	162,099
Furniture and Fixtures	125,620	123,892
Land Improvements	1,800	1,800
Construction in Progress	13,813	-
Total at Cost	1,074,234	935,791
Less: Accumulated Depreciation	263,293	235,854
Capital Assets, Net	\$ 810,941	\$ 699,937

Depreciation expense for the years ended June 30, 2007 and 2006 was \$30,565 and \$21,984, respectively.

**N. Indebtedness**

Bond Anticipation Note

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. Such notes are classified as part of the building fund. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after original issue date.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Indebtedness (Continued)**

Bond Anticipation Note (Continued)

<u>Description</u>	<u>Type</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest</u>	<u>Outstanding at June 30, 2007</u>
Bond Anticipation Note	B.A.N.	12/21/06	12/21/07	3.69%	<u>\$ 150,000</u>

**2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the government-wide financial statements as compared with the current financial resources focus on the governmental funds.

**A. Total fund balances of governmental funds as compared to net assets of governmental activities:**

Total fund balances of the District's governmental funds differ from net assets of governmental activities reported in the statement of net assets. This difference primarily results from the additional long term economic focus of the statement of net assets versus the current financial resources of the governmental fund balance sheets as it relates to capital assets and compensated absences.

**B. Statement of Revenues, Expenditures and Changes in Fund Balance as compared to the Statement of Activities:**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities are primarily a result of capital related items. Capital related differences include the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

**3. CASH AND INVESTMENTS**

Available deposits at year-end were entirely covered by Federal Deposit Insurance or by collateral held by a bank in the Library's name. The following is a summary of the amounts collateralized at June 30, 2007:

Municipal cash fully guaranteed	\$ -
Uncollected balances fully guaranteed	-
Amounts insured by FDIC	100,000
Collateral held by a bank in the Library's name	<u>218,500</u>
Total	318,500
Bank balances	<u>315,202</u>
Excess collateral	<u><u>\$ 3,298</u></u>

**4. ADDITIONAL DISCLOSURES**

1. Budget Modifications

The 2006-2007 operating budget activity is summarized as follows:

Original adopted budget	\$ 912,055
Revisions:	
Carryover of encumbrances	<u>14,111</u>
Revised Budget	<u><u>\$ 926,166</u></u>

2. In-kind Contributions

The Library does not record in-kind contributions since they are relatively immaterial in amount and not easily susceptible to valuation.

**5. EXTRAORDINARY ITEM**

During the year ended June 30, 2006, the Library purchased the Library building and land for \$1. The fair market value at the time of purchase was \$648,000, of which \$46,900 was for the land and \$601,100 was for the building. This transaction has been classified as an extraordinary item since it is both unusual in nature and infrequent in occurrence.

**6. COMMITMENTS AND CONTINGENCY**

1. Unemployment Insurance

Effective January 11, 1979, unemployment insurance coverage became mandatory for governmental entities. Governmental entities were permitted to discharge their liability by either (a) contribution tax method, or (b) benefit reimbursement method. The Library has elected to pay using the benefit reimbursement method, whereby the Library will reimburse the Unemployment Insurance Fund for all benefits paid to former employees of the Library.

**6. COMMITMENTS AND CONTINGENCY (CONTINUED)**

2. Compensated Absences

The Library does not accrue a liability for accumulating nonvesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, the value for accumulating, nonvesting sick leave is considered a contingent liability. The Library estimates approximately \$47,000 in accumulated, nonvested sick leave at June 30, 2007.

3. In September 2006, voters approved a proposal to purchase 5.6 acres of land behind the Library. The land will either be used to expand the existing building or to build a new one, depending on a future resident vote.

Project cost estimates and proposed financing costs are broken down into the following categories:

Land Acquisition	\$ 100,000
Design	<u>50,000</u>
Bond Issue	<u><u>\$ 150,000</u></u>

The bond anticipation note was issued in December 2006.