

VOORHEESVILLE PUBLIC LIBRARY

FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

VOORHEESVILLE PUBLIC LIBRARY

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JUNE 30, 2009 AND 2008

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VOORHEESVILLE PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION

AND ANALYSIS (UNAUDITED)

JUNE 30, 2009 AND 2008

The following is a discussion and analysis of the Library's financial performance for the fiscal year ended June 30, 2008, with comparative information for 2007. 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 \$897,975 at June 30, 2009 as compared to \$874,898 at June 30, 2008;
- Government-wide revenues were \$973,250 for the year ended June 30, 2009 as compared to \$940,313 for the year ended June 30, 2008.

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, 2009 AND 2008

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

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

	Fiscal Year <u>2009</u>	Fiscal Year <u>2008</u>
Current and Other Assets	\$ 339	\$ 310
Capital Assets, Net of Depreciation	<u>807</u>	<u>821</u>
Total Assets	<u>1,146</u>	<u>1,131</u>
Short-Term Liabilities	149	132
Long-Term Liabilities	<u>99</u>	<u>125</u>
Total Liabilities	<u>248</u>	<u>257</u>
Net assets		
Invested in Capital Assets, Net of Related Debt	717	701
Designated	83	85
Unrestricted	<u>98</u>	<u>89</u>
Total Net Assets	<u>\$ 898</u>	<u>\$ 875</u>

VOORHEESVILLE PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION
AND ANALYSIS (UNAUDITED) (CONTINUED)
JUNE 30, 2009 AND 2008

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

	Fiscal Year <u>2009</u>	Fiscal Year <u>2008</u>
Revenues		
Program Revenues		
Operating Grants	\$ 26	\$ 25
General Revenues		
Property Taxes	919	880
Desk Receipts	20	20
Interest Income	2	10
Donations	1	2
Memorial Fund Revenue	<u>5</u>	<u>3</u>
Total Revenues	<u>973</u>	<u>940</u>
Expenses		
General Support	865	838
Special Programs	23	9
Employee Benefits	<u>62</u>	<u>69</u>
Total Expenses	<u>950</u>	<u>916</u>
Increase in Net Assets	<u><u>\$ 23</u></u>	<u><u>\$ 24</u></u>

VOORHEESVILLE PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION
AND ANALYSIS (UNAUDITED) (CONTINUED)
JUNE 30, 2009 AND 2008

CAPITAL ASSETS

As of June 30, 2009 and 2008, the Library had \$806,863 and \$821,050, 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, 2009 and 2008, the Library had \$39,058 and \$34,801, respectively, in compensated absences. As of June 30, 2009, the Library had \$90,000 in serial bond payable.

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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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, 2009 and 2008, 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, 2009 and 2008, 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
December 14, 2009

VOORHEESVILLE PUBLIC LIBRARY

STATEMENTS OF NET ASSETS

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Assets		
Cash		
Unrestricted	\$ 253,176	\$ 223,647
Restricted	75,071	80,439
Accounts Receivable	1,090	1,000
Grants Receivable	1,000	453
Prepaid Expenses	8,610	4,837
Capital Assets, Net	<u>806,863</u>	<u>821,050</u>
 Total Assets	 <u>1,145,810</u>	 <u>1,131,426</u>
Liabilities		
Payables		
Serial Bond Payable, Due Within 1 Year	30,000	30,000
Accounts Payable	9,695	16,419
Accrued Liabilities	23,827	37,800
Due to Employees Retirement System	82,657	46,613
Deferred Revenue	2,598	895
Long-Term Liabilities		
Serial Bond Payable	60,000	90,000
Compensated Absences	<u>39,058</u>	<u>34,801</u>
 Total Liabilities	 <u>247,835</u>	 <u>256,528</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	716,863	701,050
Unrestricted, Designated for:		
Encumbrances	4,716	2,320
Trust Funds	20,792	24,191
Library Expansion	47,189	48,158
Subsequent Year's Expenditures	10,000	10,000
Unrestricted	<u>98,415</u>	<u>89,179</u>
 Total Net Assets	 <u>\$ 897,975</u>	 <u>\$ 874,898</u>

VOORHEESVILLE PUBLIC LIBRARY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charge for Services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue and Change in Net Assets</u>
General Support	\$ (864,697)	\$ 19,919	\$ 5,355	\$ (839,423)
Special Programs	(23,080)	-	20,793	(2,287)
Employee Benefits	<u>(62,396)</u>	<u>-</u>	<u>-</u>	<u>(62,396)</u>
	<u>\$ (950,173)</u>	<u>\$ 19,919</u>	<u>\$ 26,148</u>	<u>(904,106)</u>
 <u>General Revenues</u>				
Real Property Taxes				918,734
Interest Income				1,711
Donations				1,155
Memorial Fund Revenue				<u>5,583</u>
Total General Revenues				<u>927,183</u>
Change in Net Assets				23,077
Total Net Assets, Beginning of Year				<u>874,898</u>
Total Net Assets, End of Year				<u>\$ 897,975</u>

VOORHEESVILLE PUBLIC LIBRARY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charge for Services</u>	<u>Operating Grants</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
General Support	\$ (837,897)	\$ 19,561	\$ 16,333	\$ (802,003)
Special Programs	(9,531)	-	8,622	(909)
Employee Benefits	<u>(68,837)</u>	<u>-</u>	<u>-</u>	<u>(68,837)</u>
	<u>\$ (916,265)</u>	<u>\$ 19,561</u>	<u>\$ 24,955</u>	<u>(871,747)</u>
 <u>General Revenues</u>				
Real Property Taxes				879,819
Interest Income				10,487
Donations				1,910
Memorial Fund Revenue				<u>3,581</u>
Total General Revenues				<u>895,797</u>
Change in Net Assets				24,048
Total Net Assets, Beginning of Year				<u>850,850</u>
Total Net Assets, End of Year				<u>\$ 874,898</u>

VOORHEESVILLE PUBLIC LIBRARY

BALANCE SHEET-GOVERNMENTAL FUNDS

JUNE 30, 2009

		<u>Special Revenue Funds</u>		
		<u>Expendable</u>		
	<u>General</u>	<u>Trust</u>	<u>Building</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Assets				
Unrestricted Cash	\$ 253,176	\$ -	\$ -	\$ 253,176
Restricted Cash	-	19,792	55,279	75,071
Accounts Receivable	90	1,000	-	1,090
Grants Receivable	1,000	-	-	1,000
Prepaid Expenses	8,610	-	-	8,610
Due from Building Fund	8,090	-	-	8,090
Total Assets	<u>\$ 270,966</u>	<u>\$ 20,792</u>	<u>\$ 55,279</u>	<u>\$ 347,037</u>
Liabilities				
Accounts Payable	\$ 9,695	\$ -	\$ -	\$ 9,695
Accrued Liabilities	23,827	-	-	23,827
Due to Employees Retirement System	82,657	-	-	82,657
Deferred Revenue	2,598	-	-	2,598
Due to General Fund	-	-	8,090	8,090
Total Liabilities	<u>118,777</u>	<u>-</u>	<u>8,090</u>	<u>126,867</u>
Fund Balances				
Reserved for Encumbrances	4,716	-	-	4,716
Reserved for Library Expansion	-	-	47,189	47,189
Reserved for Trust Funds	-	20,792	-	20,792
Unreserved-				
Designated for Subsequent Year's Expenditures	10,000	-	-	10,000
Unrestricted	<u>137,473</u>	<u>-</u>	<u>-</u>	<u>137,473</u>
Total Fund Balances	<u>152,189</u>	<u>20,792</u>	<u>47,189</u>	<u>220,170</u>
 Total Liabilities and Fund Balances	 <u>\$ 270,966</u>	 <u>\$ 20,792</u>	 <u>\$ 55,279</u>	 <u>\$ 347,037</u>

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

Total balances for governmental funds	\$ 220,170
Capital assets used in governmental activities are not financial resources	806,863
Long term liabilities, representing compensated absences that are not due and payable in the current period	(39,058)
Long term liabilities, including serial bonds payable, that are not due and payable in the current period	<u>(90,000)</u>
Net assets of governmental activities	<u>\$ 897,975</u>

VOORHEESVILLE PUBLIC LIBRARY

BALANCE SHEET-GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds			
	General Fund	Expendable Trust Fund	Building Fund	Total
Assets				
Unrestricted Cash	\$ 223,647	\$ -	\$ -	\$ 223,647
Restricted Cash	-	24,191	56,248	80,439
Accounts Receivable	-	1,000	-	1,000
Grant Receivable	453	-	-	453
Prepaid Expenses	4,837	-	-	4,837
Due from Building Fund	8,090	-	-	8,090
Due from Expendable Trust Fund	1,000	-	-	1,000
Total Assets	\$ 238,027	\$ 25,191	\$ 56,248	\$ 319,466
Liabilities				
Accounts Payable	\$ 16,419	\$ -	\$ -	\$ 16,419
Accrued Liabilities	37,800	-	-	37,800
Due to Employees Retirement System	46,613	-	-	46,613
Deferred Revenue	895	-	-	895
Due to General Fund	-	1,000	8,090	9,090
Total Liabilities	101,727	1,000	8,090	110,817
Fund Balances				
Reserved for Encumbrances	2,320	-	-	2,320
Reserved for Library Expansion	-	-	48,158	48,158
Reserved for Trust Funds	-	24,191	-	24,191
Unreserved-				
Designated for Subsequent Year's Expenditures	10,000	-	-	10,000
Unrestricted	123,980	-	-	123,980
Total Fund Balances	136,300	24,191	48,158	208,649
Total Liabilities and Fund Balances	\$ 238,027	\$ 25,191	\$ 56,248	\$ 319,466

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

Total balances for governmental funds	\$ 208,649
Capital assets used in governmental activities are not financial resources	821,050
The current year's compensated absences that are not due and payable in the current period	(34,801)
Long-term liabilities, including serial bond payable, that are not due and payable in the current period.	(120,000)
Net assets of governmental activities	\$ 874,898

VOORHEESVILLE PUBLIC LIBRARY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds			
	General	Expendable	Building	Total
	Fund	Trust	Fund	
	Fund	Fund	Fund	Total
Revenues				
Property Taxes	\$ 918,734	\$ -	\$ -	\$ 918,734
Desk Receipts	19,919	-	-	19,919
Interest Income	1,133	403	175	1,711
Donations	1,155	-	-	1,155
Grants	26,148	-	-	26,148
Memorial Fund Revenue	-	5,583	-	5,583
Total Revenues	967,089	5,986	175	973,250
Expenditures				
Salaries	551,569	-	-	551,569
Payroll Taxes	41,941	-	-	41,941
Library Expansion	-	-	1,144	1,144
Equipment	10,480	-	-	10,480
Library Material	79,064	9,385	-	88,449
Grant Expenses	27,210	-	-	27,210
Supplies	13,376	-	-	13,376
Telephone	9,595	-	-	9,595
Postage and Freight	3,687	-	-	3,687
Publicity and Printing	4,814	-	-	4,814
Travel and Conferences	1,921	-	-	1,921
Automated Services	7,607	-	-	7,607
Professional Fees	31,046	-	-	31,046
Membership Fees	641	-	-	641
Repairs and Maintenance	32,605	-	-	32,605
Fuel and Utilities	23,980	-	-	23,980
Insurance	10,089	-	-	10,089
Special Programs	5,449	-	-	5,449
Employee Benefits	62,396	-	-	62,396
Miscellaneous	327	-	-	327
Debt Service	33,402	-	-	33,402
Total Expenditures	951,199	9,385	1,144	961,728
Excess (Deficiency) of Revenues Over Expenditures	15,890	(3,399)	(969)	11,522
Fund Balances-Beginning of Year	784,533	24,191	48,158	856,882
Fund Balances-End of Year	\$ 800,423	\$ 20,792	\$ 47,189	\$ 868,404

VOORHEESVILLE PUBLIC LIBRARY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2009

Reconciliation of total expenditures

Total expenditures on governmental funds statement	\$ 961,728
Capital asset acquisitions	(20,059)
Serial bond principal payment	(30,000)
Depreciation expense	34,247
Net change in compensated absences	<u>4,257</u>
 Total expenses on government-wide statement	 <u>\$ 950,173</u>

VOORHEESVILLE PUBLIC LIBRARY
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds			
	General	Expendable	Building	Total
	Fund	Trust	Fund	
	Fund	Fund	Fund	Total
Revenues				
Property Taxes	\$ 879,819	\$ -	\$ -	\$ 879,819
Desk Receipts	19,561	-	-	19,561
Interest Income	8,301	885	1,301	10,487
Donations	1,910	-	-	1,910
Grants	24,955	-	-	24,955
Memorial Fund Revenue	-	3,581	-	3,581
Total Revenues	934,546	4,466	1,301	940,313
Expenditures				
Salaries	525,181	-	-	525,181
Payroll Taxes	39,800	-	-	39,800
Library Expansion	-	-	13,984	13,984
Equipment	7,559	-	-	7,559
Library Material	88,671	4,234	-	92,905
Grant Expenses	11,908	-	-	11,908
Supplies	12,776	-	-	12,776
Telephone	9,893	-	-	9,893
Postage and Freight	3,130	-	-	3,130
Publicity and Printing	4,760	-	-	4,760
Travel and Conferences	2,548	-	-	2,548
Automated Services	7,631	-	-	7,631
Professional Fees	17,039	-	-	17,039
Membership Fees	3,417	-	-	3,417
Repairs and Maintenance	47,606	-	-	47,606
Fuel and Utilities	27,266	-	-	27,266
Insurance	8,406	-	-	8,406
Special Programs	9,531	-	-	9,531
Employee Benefits	68,837	-	-	68,837
Miscellaneous	200	-	-	200
Awards	-	1,000	-	1,000
Debt Service	37,479	-	-	37,479
Total Expenditures	933,638	5,234	13,984	952,856
Excess (Deficiency) of Revenues				
Over Expenditures	908	(768)	(12,683)	(12,543)
Other Sources				
Bond Anticipation Notes Redeemed	-	-	150,000	150,000
Net Change in Fund Equity (Deficit)	908	(768)	137,317	137,457
Fund Balances (Deficit) -Beginning of Year	783,625	24,959	(89,159)	719,425
Fund Balances -End of Year	\$ 784,533	\$ 24,191	\$ 48,158	\$ 856,882

VOORHEESVILLE PUBLIC LIBRARY
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008

Reconciliation of total expenditures

Total expenditures on governmental funds statement	\$ 952,856
Capital asset acquisitions	(42,437)
Serial bond principal payment	(30,000)
Depreciation expense	32,328
Net change in compensated absences	<u>3,518</u>
 Total expenses on government-wide statement	 <u><u>\$ 916,265</u></u>

VOORHEESVILLE PUBLIC LIBRARY
 STATEMENT OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL -GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Budget Changes	Revised Budget	Actual	Encumbrances	Favorable (Unfavorable) Variance
Revenues						
Property Taxes	\$ 918,736	\$ -	\$ 918,736	\$ 918,734	\$ -	\$ (2)
Desk Receipts	20,000	-	20,000	19,919	-	(81)
Interest Income	4,500	-	4,500	1,133	-	(3,367)
Donations	3,000	-	3,000	1,155	-	(1,845)
Grants	<u>5,464</u>	<u>-</u>	<u>5,464</u>	<u>26,148</u>	<u>-</u>	<u>20,684</u>
Total Revenues	951,700	-	951,700	<u>\$ 967,089</u>	<u>\$ -</u>	<u>\$ 15,389</u>
Appropriated Fund Balance	<u>10,000</u>	<u>30,148</u>	<u>40,148</u>			
Total Revenues and Appropriated Fund Balance	<u>\$ 961,700</u>	<u>\$ 30,148</u>	<u>\$ 991,848</u>			
Expenditures						
Salaries	\$ 542,000	\$ 13,826	\$ 555,826	\$ 551,569	\$ -	\$ 4,257
Payroll Taxes	40,300	1,641	41,941	41,941	-	-
Equipment	12,000	(528)	11,472	10,480	-	992
Library Material	85,100	-	85,100	79,064	4,716	1,320
Grant Expenses	-	27,210	27,210	27,210	-	-
Supplies	11,000	1,710	12,710	13,376	-	(666)
Telephone	11,800	(1,985)	9,815	9,595	-	220
Postage and Freight	4,000	(51)	3,949	3,687	-	262
Publicity and Printing	6,400	-	6,400	4,814	-	1,586
Travel and Conferences	1,500	421	1,921	1,921	-	-
Automated Services	7,500	107	7,607	7,607	-	-
Professional Fees	26,500	4,547	31,047	31,046	-	1
Membership Fees	700	-	700	641	-	59
Repairs and Maintenance	46,400	(11,363)	35,037	32,605	-	2,432
Fuel and Utilities	25,200	(1,062)	24,138	23,980	-	158
Insurance	11,000	(650)	10,350	10,089	-	261
Special Programs	6,600	-	6,600	5,449	-	1,151
Employee Benefits	93,200	(11,675)	81,525	62,396	-	19,129
Miscellaneous	500	-	500	327	-	173
Debt Service	<u>30,000</u>	<u>8,000</u>	<u>38,000</u>	<u>33,402</u>	<u>-</u>	<u>4,598</u>
Total Expenditures	<u>\$ 961,700</u>	<u>\$ 30,148</u>	<u>\$ 991,848</u>	<u>\$ 951,199</u>	<u>\$ 4,716</u>	<u>\$ 35,933</u>

VOORHEESVILLE PUBLIC LIBRARY
 STATEMENT OF REVENUES AND EXPENDITURES-
 BUDGET AND ACTUAL -GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Budget Changes	Revised Budget	Actual	Encumbrances	Favorable (Unfavorable) Variance
Revenues						
Property Taxes	\$ 879,816	\$ -	\$ 879,816	\$ 879,819	\$ -	\$ 3
Desk Receipts	21,000	-	21,000	19,561	-	(1,439)
Interest Income	9,000	-	9,000	8,301	-	(699)
Donations	3,000	-	3,000	1,910	-	(1,090)
Grants	<u>5,464</u>	<u>15,862</u>	<u>21,326</u>	<u>24,955</u>	<u>-</u>	<u>3,629</u>
Total Revenues	918,280	15,862	934,142	<u>\$ 934,546</u>	<u>\$ -</u>	<u>\$ 404</u>
Appropriated Fund Balance	<u>10,000</u>	<u>4,050</u>	<u>14,050</u>			
Total Revenues and Appropriated Fund Balance	<u>\$ 928,280</u>	<u>\$ 19,912</u>	<u>\$ 948,192</u>			
Expenditures						
Salaries	\$ 517,100	\$ 11,598	\$ 528,698	\$ 525,181	\$ -	\$ 3,517
Payroll Taxes	39,800	-	39,800	39,800	-	-
Equipment	12,000	(3,397)	8,603	7,559	-	1,044
Library Material	85,100	6,391	91,491	88,671	2,320	500
Grant Expenses	-	16,457	16,457	11,908	-	4,549
Supplies	14,000	(1,783)	12,217	12,776	-	(559)
Telephone	11,800	(1,729)	10,071	9,893	-	178
Postage and Freight	3,800	(548)	3,252	3,130	-	122
Publicity and Printing	6,250	(1,049)	5,201	4,760	-	441
Travel and Conferences	2,000	548	2,548	2,548	-	-
Automated Services	7,500	131	7,631	7,631	-	-
Professional Fees	17,000	39	17,039	17,039	-	-
Membership Fees	700	2,717	3,417	3,417	-	-
Repairs and Maintenance	42,100	6,038	48,138	47,606	-	532
Fuel and Utilities	25,200	2,066	27,266	27,266	-	-
Insurance	8,530	456	8,986	8,406	-	580
Special Programs	6,600	(800)	5,800	9,531	-	(3,731)
Employee Benefits	90,300	(17,223)	73,077	68,837	-	4,240
Miscellaneous	500	-	500	200	-	300
Debt Service	<u>38,000</u>	<u>-</u>	<u>38,000</u>	<u>37,479</u>	<u>-</u>	<u>521</u>
Total Expenditures	<u>\$ 928,280</u>	<u>\$ 19,912</u>	<u>\$ 948,192</u>	<u>\$ 933,638</u>	<u>\$ 2,320</u>	<u>\$ 12,234</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> <u>June 30, 2009</u>	<u>Balance</u> <u>June 30, 2008</u>
General	Reserve for encumbrances	\$ 4,716	\$ 2,320
Trust Fund	Memorial trust	20,792	24,191
Building Fund	Reserve for Library expansion	<u>47,189</u>	<u>48,158</u>
		<u>\$ 72,697</u>	<u>\$ 74,669</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:

2009	\$	36,744
2008	\$	38,499
2007	\$	40,653

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, 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Land	\$ 154,706	\$ 154,706
Building	617,660	617,660
Equipment	205,159	187,157
Furniture and Fixtures	131,187	129,130
Land Improvements	1,800	1,800
Construction in Progress	26,218	26,218
Total at Cost	1,136,730	1,116,671
Less: Accumulated Depreciation	329,867	295,621
Capital Assets, Net	\$ 806,863	\$ 821,050

Depreciation expense for the years ended June 30, 2009 and 2008 was \$34,247 and \$32,328, respectively.

N. Indebtedness

1. Long-Term Debt

<u>Description</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>Interest</u>	<u>Outstanding at June 30, 2009</u>
Serial Bond	12/15/07	6/15/12	3.24%	\$ 90,000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Indebtedness (Continued)

The Library's future debt requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 30,000	\$ 2,430	\$ 32,430
2011	30,000	1,458	31,458
2012	<u>30,000</u>	<u>486</u>	<u>30,486</u>
	<u>\$ 120,000</u>	<u>\$ 7,776</u>	<u>\$ 127,776</u>

Interest expense was \$3,402 for the year ended June 30, 2009.

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, 2009:

Municipal cash fully guaranteed	\$ -
Uncollected balances fully guaranteed	-
Amounts insured by FDIC	250,000
Collateral held by a bank in the Library's name	<u>87,968</u>
Total	337,968
Bank balances	<u>336,258</u>
Excess collateral	<u>\$ 1,710</u>

4. ADDITIONAL DISCLOSURES

1. Budget Modifications

The 2008-2009 operating budget activity is summarized as follows:

Original adopted budget	\$ 961,700
Revisions:	
Carryover of encumbrances	<u>30,148</u>
Revised Budget	<u>\$ 991,848</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. 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.

5. COMMITMENTS AND CONTINGENCY (CONTINUED)

2. Employee Retirement System

The Library is in negotiations regarding a proposed \$22,051 outstanding liability from previous years. The Library is disputing this assessment and is currently in discussions to reach an agreeable compromised balance. The final amount and timing of any repayment was undetermined as of the date of these financial statements.

3. 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 \$63,212 in accumulated, nonvested sick leave at June 30, 2009.

4. New Library Proposal

In September 2006, voters approved a proposal to purchase 5.6 acres of land behind the Library. The land was subsequently purchased in December 2006 for \$107,806. The land will either be used to expand the existing building or to build a new one, depending on a future resident vote. A \$150,000 bond anticipation note was issued in December 2006 for the land acquisition and library design fees, in December 2007 the BAN was converted to a serial bond.