

CRANDALL PUBLIC LIBRARY  
GLENS FALLS, NEW YORK

GENERAL PURPOSE FINANCIAL  
STATEMENTS AND OTHER  
FINANCIAL INFORMATION

DECEMBER 31, 2013

## TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 6
Financial Statements	
Statement of Net Assets	7
Statement of Activities	8 - 9
Balance Sheet – Governmental Funds	10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	11 - 12
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	13 - 14
Notes to Financial Statements	15 - 23
Required Supplementary Information: Budgetary Comparison Schedule – General and Capital Projects Funds	24 - 25

INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Crandall Public Library  
Glens Falls, NY 12801

I have audited the accompanying general purpose financial statements of Crandall Public Library as of and for the year ended December 31, 2013. These financial statements are the responsibility of the Library's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Crandall Public Library as of December 31, 2013, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 21, 2014 on my consideration of Crandall Public Library's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Board of Trustees  
Crandall Public Library

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules accompanying the financial statements are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Joseph P. LaFiura*  
Certified Public Accountant P.C.

May 21, 2014

Page 2

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis is intended to be an easily readable analysis of the Crandall Public Library's financial activities during the calendar year ended December 31, 2013. This information is presented in conjunction with the audited financial statements which follow this section.

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2013:**

- Total revenues decreased by \$22,808 or 0.5% from \$4.513 million to \$4.490 million.

General Fund	Capital Projects Fund	Expendable Trust Fund	Debt Service Fund	TOTAL
\$16,706	\$38,153	\$(77,658)	\$(9)	\$(22,808)

The General Fund increase relates to increased real property taxes. The increase in the Capital Projects Fund is due to unrealized investment gains. The Expendable Trust Fund revenue decreased due to reduced contributions and bequests.

- Property tax revenues increased by \$51,000 or 1.6% from \$3.162 million to \$3.213 million. The majority of that increase is related to normal increases in operational expenses.
- Investment Income increased by \$143,000 from \$376,000 to \$519,000. The increase was due to favorable investment gains during the year.
- Contributions and Bequests decreased by \$121,000 or 24.0% from \$504,000 to \$383,000. The decrease was due to a large bequest in the prior year.

- Total expenses decreased by \$128,000 or 2.79% from \$4.581 million to \$4.453 million.

General Fund	Capital Projects Fund	Expendable Trust Fund	Debt Service Fund	Depreciation	TOTAL
\$(135,384)	\$3,461	\$2,310	\$(10,040)	\$11,635	\$(128,018)

- The General Fund decrease relates to reduction in grant expenditures.

CRANDALL PUBLIC LIBRARY  
GLENS FALLS, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**OVERVIEW OF THE FINANCIAL STATEMENTS:**

This annual report consists of the following three parts: Management's Discussion and Analysis, Financial Statements, and Other Required Supplementary Information. The Financial Statements include notes which explain in detail some of the information included in the basic financial statements.

**BASIC FINANCIAL STATEMENTS:**

- The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets of the Library, the liabilities it owes, and the net difference. The net difference is further separated in amounts invested in capital assets, restricted for specific purposes and unrestricted amounts.
- The Statement of Activities focuses on the revenue and expenses of the Library. This statement summarizes and simplifies the user's analysis to determine the extent to which the Library's programs are self-supporting and/or subsidized by general revenues.
- Fund Financial Statements focus separately on governmental funds. Government fund financial statements follow the more traditional presentation of financial statements.
- The notes to the financial statements provide additional discussions required by governmental accounting standards and provide information to assist the reader in understanding the Library's financial condition.

This Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operations between the current and prior years.

A condensed version of the Statement of Net Assets at December 31, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
Cash and Investments	\$ 4,298,901	\$ 4,049,026	\$ 249,875	6.17
Other Assets	35,024	81,501	(46,477)	(57.03)
Restricted Assets	1,860,059	1,650,840	209,219	12.67
Capital Assets	12,141,199	12,786,971	(645,772)	(5.05)
Total Assets	<u>\$18,335,183</u>	<u>\$18,568,338</u>	<u>\$(233,155)</u>	<u>(1.26)</u>
Other Liabilities	\$ 91,713	\$ 89,270	\$ 2,443	2.74
Deferred Revenue	1,609,296	1,615,475	(6,179)	(0.38)
Bonds Payable	11,605,604	11,871,981	(266,377)	(2.24)
Total Liabilities	<u>\$13,306,613</u>	<u>\$13,576,726</u>	<u>\$(270,113)</u>	<u>(1.99)</u>
Inv. in Capital Assets	\$ 1,356,265	\$ 1,735,577	\$(379,312)	(21.86)
Restricted	2,106,109	1,884,765	221,344	11.74
Unrestricted	1,566,196	1,371,270	194,926	14.21
Total Net Assets	<u>\$ 5,028,570</u>	<u>\$ 4,991,612</u>	<u>\$ 36,958</u>	<u>0.74</u>

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 MANAGEMENT'S DISCUSSION AND ANALYSIS

A condensed version of the Statement of Activities for the years ending December 31, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
Real Property Taxes	\$3,213,110	\$3,162,311	\$ 50,799	1.61
Library Charges	116,536	123,904	(7,368)	(5.95)
Investment Income	519,175	375,886	143,289	38.12
Contributions & Bequests	382,985	504,215	(121,230)	(24.04)
Grants & State Aid	214,874	293,314	(78,440)	(26.74)
Other Revenue	43,330	53,188	(9,858)	(18.53)
Total Revenue	<u>\$4,490,010</u>	<u>\$4,512,818</u>	<u>\$ (22,808)</u>	<u>(0.51)</u>
Personal Services	\$1,614,834	\$1,590,587	\$ 24,247	1.52
Employee Benefits	635,130	622,118	13,012	2.09
Contractual Expenses	2,203,088	2,368,365	(165,277)	(6.98)
Total Expenses	<u>\$4,453,052</u>	<u>\$4,581,070</u>	<u>\$(128,018)</u>	<u>(2.79)</u>
Change in Net Assets	<u>\$ 36,958</u>	<u>\$ (68,252)</u>	<u>\$ 105,210</u>	<u>(154.15)</u>

	<u>2013</u>	<u>2012</u>
<b><u>General Fund</u></b> – is the principal operating fund of the Library District and is used to account for all financial resources except those required to be accounted for in another fund.	\$125,228	\$110,451
<b><u>Capital Projects Fund</u></b> – is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities and equipment.	(455,516)	(523,420)
<b><u>Expendable Trust Fund</u></b> – is used to account for endowment fund investments owned by the Library District.	100,786	88,247
<b><u>Debt Service Fund</u></b> – is used to account for the bond proceeds and debt repayment of the Library District.	<u>266,460</u>	<u>256,470</u>
Change in Net Assets	<u>\$36,958</u>	<u>\$(68,252)</u>

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 MANAGEMENT'S DISCUSSION AND ANALYSIS

**CAPITAL ASSETS:**

At December 31, 2013 and 2012 the Library had \$12,141,199 and \$12,786,971 invested in capital assets consisting primarily of building improvements, furniture, fixtures and equipment.

	<u>2013</u>	<u>2012</u>	<u>\$ Change</u>	<u>% Change</u>
Building Improvements	\$13,756,964	\$13,756,964	\$ 0	0.00
Furniture, Fixtures & Equipment	2,981,723	2,929,919	51,804	1.77
Less: Accumulated Depreciation	<u>(4,597,488)</u>	<u>(3,899,912)</u>	<u>(697,576)</u>	<u>17.89</u>
Net Capital Assets	<u>\$12,141,199</u>	<u>\$12,786,971</u>	<u>\$(645,772)</u>	<u>(5.05)</u>

**ADDITIONAL FINANCIAL INFORMATION:**

This financial report is designed to provide the Library's users (citizens, taxpayers, customers, donors and creditors) with an overview of the Library's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional information, please contact the Library Director at 251 Glen Street, Glens Falls, New York 12801.

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2013

Governmental  
 Activities

ASSETS

Cash & Cash Equivalents		1,335,070
Investments		2,963,831
Receivables:		
Other		3,751
Prepaid Expenses		31,273
Restricted Assets:		
Cash & Cash Equivalents		216,801
Investments		1,643,258
Capital Assets:		
Building Improvements	13,756,964	
Furniture, Fixtures & Equipment	2,981,723	
Less: Accumulated Depreciation	<u>(4,597,488)</u>	
Net Capital Assets		<u>12,141,199</u>
 TOTAL ASSETS		 <u><u>18,335,183</u></u>

LIABILITIES

Accounts Payable		33,779
Accrued Expenses		57,934
Deferred Revenue		1,609,296
Bonds Payable:		
Due within one year	270,000	
Due in more than one year	<u>11,335,604</u>	
Total Bonds Payable		<u>11,605,604</u>
 TOTAL LIABILITIES		 <u><u>13,306,613</u></u>

NET ASSETS

Investment in Capital Assets		1,356,265
Restricted for:		
Library Purposes		1,081,193
Unemployment		27,487
Capital Projects		997,429
Unrestricted		<u>1,566,196</u>
 TOTAL NET ASSETS		 <u><u>5,028,570</u></u>
 TOTAL LIABILITIES & NET ASSETS		 <u><u>18,335,183</u></u>

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 STATEMENT OF ACTIVITIES  
 DECEMBER 31, 20123

	<u>Governmental Activities</u>
<b>REVENUES</b>	
Real Property Taxes	3,213,110
Library Charges	116,536
Investment Income	71,342
Gain(Loss) on Investments	447,833
Gifts & Donations	104,388
Legacies & Bequests	278,597
Library System Grants	121,755
State Aid	93,119
Special Events	39,025
Other Revenue	<u>4,305</u>
<b>TOTAL REVENUES</b>	<u><b>4,490,010</b></u>
 <b>EXPENDITURES</b>	
<b>PERSONAL SERVICES:</b>	
Certified Librarians	604,280
Para-Professionals	513,763
Non-Professionals	<u>496,791</u>
<b>TOTAL PERSONAL SERVICES</b>	<u><b>1,614,834</b></u>
 <b>EMPLOYEE BENEFITS:</b>	
State Retirement System	273,231
Payroll Taxes	116,351
Workers Compensation	5,463
Unemployment Benefits Paid	0
Disability Insurance	6,264
Medical Insurance	232,170
Other Employee Benefits	<u>1,651</u>
<b>TOTAL EMPLOYEE BENEFITS</b>	<u><b>635,130</b></u>
 Sub-total Expenditures	
Carried Forward	<u><b>2,249,964</b></u>

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 STATEMENT OF ACTIVITIES  
 DECEMBER 31, 2013

	<u>Governmental Activities</u>
Sub-total Expenditures	
Carried Forward	<u>2,249,964</u>
 CONTRACTUAL EXPENDITURES:	
Books, Records & Audio Visual Materials	228,451
Serials	31,502
Automation Expenses	89,190
Bookbinding	598
Rental, Repair & Maintenance of Office Equipment	14,383
Fuel & Utilities	105,795
Telephone	3,608
Repairs to Building & Building Equipment	116,133
Insurance	25,282
Office & Library Supplies	32,733
Postage & Freight	7,917
Publicity & Printing	8,162
Travel	3,781
Membership Dues	1,746
Professional Fees	117,362
Miscellaneous	4,630
Programming Costs	1,699
Other Operation & Maintenance Expenses	11,656
Bond Interest Expense	549,960
Special Programs & Grant Related Expenses	114,268
Special Event Expenses	15,326
Friends Expenses	21,330
Depreciation Expense	<u>697,576</u>
 TOTAL CONTRACTUAL EXPENDITURES	 <u>2,203,088</u>
 TOTAL EXPENDITURES	 <u>4,453,052</u>
 CHANGE IN NET ASSETS	 36,958
 NET ASSETS - BEGINNING OF YEAR	 <u>4,991,612</u>
 NET ASSETS - END OF YEAR	 <u><u>5,028,570</u></u>

CRANDALL PUBLIC LIBRARY  
GLENS FALLS, NEW YORK  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

	General Fund	Capital Projects Fund	Expendable Trust Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	439,790	156	74,454	820,670	1,335,070
Investments	11,707	0	2,952,124	0	2,963,831
Receivables:					
Other	3,751	0	0	0	3,751
Prepaid Expenses	31,273	0	0	0	31,273
Restricted Assets:					
Cash and Cash Equivalents	105,299	111,502	0	0	216,801
Investments	0	1,643,258	0	0	1,643,258
<b>TOTAL ASSETS</b>	<b>591,820</b>	<b>1,754,916</b>	<b>3,026,578</b>	<b>820,670</b>	<b>6,193,984</b>
<b>LIABILITIES</b>					
Accounts Payable	33,779	0	0	0	33,779
Accrued Expenses	57,934	0	0	0	57,934
Deferred Revenue	31,139	1,578,157	0	0	1,609,296
<b>TOTAL LIABILITIES</b>	<b>122,852</b>	<b>1,578,157</b>	<b>0</b>	<b>0</b>	<b>1,701,009</b>
<b>FUND BALANCES</b>					
Reserve for Library Purposes	105,299	0	975,894	0	1,081,193
Unreserved:					
Designated for Unemployment	27,487	0	0	0	27,487
Designated for Capital Projects	0	176,759	0	820,670	997,429
Undesignated	336,182	0	2,050,684	0	2,386,866
<b>TOTAL FUND BALANCES</b>	<b>468,968</b>	<b>176,759</b>	<b>3,026,578</b>	<b>820,670</b>	<b>4,492,975</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>591,820</b>	<b>1,754,916</b>	<b>3,026,578</b>	<b>820,670</b>	<b>6,193,984</b>

RECONCILIATION TO THE STATEMENT OF NET ASSETS:

Total Fund Balance - Governmental Funds	4,492,975
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds:	
Building Improvements	13,756,964
Furniture, Fixtures & Equipment	2,981,723
Less: Accumulated Depreciation	(4,597,488)
Net Capital Assets	12,141,199
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:	
Bonds Payable	(11,605,604)
Total Net Assets - Governmental Activities	5,028,570

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Expendable Trust Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Real Property Taxes	3,213,110	0	0	0	3,213,110
Library Charges	116,536	0	0	0	116,536
Investment Income	1,347	33,067	36,845	83	71,342
Gain (Loss) on Investments	0	157,753	290,080	0	447,833
Gifts and Donations	94,538	9,850	0	0	104,388
Legacies and Bequests	278,597	0	0	0	278,597
Library System Grant	121,755	0	0	0	121,755
State Aid	93,119	0	0	0	93,119
Special Events	39,025	0	0	0	39,025
Other Revenue	4,305	0	0	0	4,305
<b>TOTAL REVENUES</b>	<u>3,962,332</u>	<u>200,670</u>	<u>326,925</u>	<u>83</u>	<u>4,490,010</u>
<b>EXPENDITURES:</b>					
<b>PERSONAL SERVICES:</b>					
Certified Librarians	604,280	0	0	0	604,280
Para-Professionals	513,763	0	0	0	513,763
Non-Professionals	496,791	0	0	0	496,791
<b>TOTAL PERSONAL SERVICES</b>	<u>1,614,834</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,614,834</u>
<b>EMPLOYEE BENEFITS:</b>					
State Retirement System	273,231	0	0	0	273,231
Payroll Taxes	116,351	0	0	0	116,351
Workers Compensation	5,463	0	0	0	5,463
Unemployment Benefits Paid	0	0	0	0	0
Disability Insurance	6,264	0	0	0	6,264
Medical Insurance	232,170	0	0	0	232,170
Other Employee Benefits	1,651	0	0	0	1,651
<b>TOTAL EMPLOYEE BENEFITS</b>	<u>635,130</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>635,130</u>
<b>CAPITAL AND EQUIPMENT OUTLAYS:</b>					
Current Expenditures	51,804	0	0	0	51,804
<b>SUB-TOTAL EXPENDITURES CARRIED FORWARD</b>	<u>2,301,768</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,301,768</u>

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Capital Projects Fund	Expendable Trust Fund	Debt Service Fund	Total Governmental Funds
SUB-TOTAL EXPENDITURES CARRIED FORWARD	2,301,768	0	0	0	2,301,768
CONTRACTUAL EXPENDITURES:					
Books, Records & Audio Visual Materials	228,451	0	0	0	228,451
Serials	31,502	0	0	0	31,502
Automation Expenses	89,190	0	0	0	89,190
Bookbinding	598	0	0	0	598
Rental, Repair and Maintenance of Office Equipment	14,383	0	0	0	14,383
Fuel and Utilities	105,795	0	0	0	105,795
Telephone	3,608	0	0	0	3,608
Repairs to Building and Building Equipment	116,133	0	0	0	116,133
Insurance	25,282	0	0	0	25,282
Office and Library Supplies	32,733	0	0	0	32,733
Postage and Freight	7,917	0	0	0	7,917
Publicity and Printing	8,162	0	0	0	8,162
Travel	3,781	0	0	0	3,781
Membership Dues	1,746	0	0	0	1,746
Professional Fees	82,223	17,225	17,914	0	117,362
Miscellaneous	4,630	0	0	0	4,630
Programming Costs	1,699	0	0	0	1,699
Other Operation and Maintenance Expenses	11,656	0	0	0	11,656
Bond Payment	0	0	0	816,337	816,337
Special Programs & Grant Related Expenses	114,268	0	0	0	114,268
Special Event Expenses	15,326	0	0	0	15,326
Friends Expenses	21,330	0	0	0	21,330
 TOTAL CONTRACTUAL EXPENDITURES	920,413	17,225	17,914	816,337	1,771,889
 TOTAL EXPENDITURES	3,222,181	17,225	17,914	816,337	4,073,657
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	740,151	183,445	309,011	(816,254)	416,353
 OTHER FINANCING SOURCES (USES): Interfund Transfers	(614,923)	6,811	(208,225)	816,337	0
 EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXP. & OTHER USES	125,228	190,256	100,786	83	416,353
 Fund Balance: Beginning of Year	343,740	(13,497)	2,925,792	820,587	4,076,622
 Fund Balance: End of Year	468,968	176,759	3,026,578	820,670	4,492,975
 RECONCILIATION TO THE STATEMENT OF ACTIVITIES: Change in Fund Balances - Governmental Funds					416,353
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:					
Add - Capital Outlay				51,804	
Deduct - Depreciation Expense				(697,576)	
Net Capital Outlays					(645,772)
 Bond payments use current financial resources for governmental funds, but debt decreases long-term liabilities in the statement of net assets.					
Add - Bond Payment				816,337	
Deduct - Bond Interest Expense				(549,960)	
Net Payment					266,377
 Change in Net Assets - Governmental Activities					36,958

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Crandall Public Library  
Glens Falls, New York 12801

I have audited the financial statements of Crandall Public Library as of and for the year ended December 31, 2013, and have issued my report thereon dated May 21, 2014. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Crandall Public Library's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Crandall Public Library's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

Board of Directors  
Crandall Public Library

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and the New York State Comptroller, and is not intended to be and should not be used by anyone other than these specified parties.

*Joseph P. LaFiura*  
Certified Public Accountant P.C.

May 21, 2014

Page 14

CRANDALL PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

1. REPORTING ENTITY

The Crandall Public Library is a special library district governed by the laws of the State of New York. On November 3, 1992 the voters of the City of Glens Falls, Town of Moreau and Town of Queensbury approved the special library district. The governing body is the Board of Trustees.

The scope of activities included within the financial statements are those transactions which comprise the library district operations and are governed by, or significantly influenced by, the Board of Trustees. Essentially, the primary function of the library district is to provide library services to the residents of the City of Glens Falls, Town of Moreau, and Town of Queensbury.

The Crandall Public Library is an organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The creation of the special library district does not affect the Library's exempt tax status.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIC FINANCIAL STATEMENTS

Basic financial statements are prepared at both the government-wide and fund financial level.

Government-wide financial statements report information about the reporting unit as a whole. For the most part, the effect of internal activity has been removed from these statements. These statements focus on the sustainability of the Library as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

CRANDALL PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIC FINANCIAL STATEMENTS

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The Library reports both governmental and fiduciary type funds.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

The government-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 when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Expenditures are recorded when the related fund liability is incurred.

The Library reports the following funds:

General Fund – is the principal operating fund of the Library District and is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund – is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities and equipment.

Expendable Trust Fund – is used to account for endowment fund investments owned by the Library District.

Debt Service Fund – is used to account for the bond proceeds and debt repayment of the Library District.

C. BUDGET AND BUDGETARY ACCOUNTING

As required by the special legislation enacting the special taxing district for Crandall Public Library, the Library adopts an annual budget encompassing all of its governmental funds. The annual budget is prepared in accordance with the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

CRANDALL PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. BUDGET AND BUDGETARY ACCOUNTING

The annual budget is legally enacted through passage by vote of the taxpayers of the three municipalities which support the special taxing district. The annual vote on the budget takes place on election day in November of the preceding year.

Once a budget is approved, it can be amended by a majority vote of the Board of Trustees. Amendments are presented to the Board at their regular meeting and are reflected in the official minutes of the Board.

D. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve applicable appropriations, is employed by the Library.

E. CASH AND CASH EQUIVALENTS

For financial statement purposes, all highly liquid investments purchased with a maturity of three months or less are considered to be cash equivalents.

F. INVESTMENTS

Investments are stated at fair market value as of the end of the year. Gifts and bequests are recorded at fair market value at the date of the donation.

G. INEXHAUSTIBLE COLLECTIONS AND BOOKS

The values of existing inexhaustible collections, including research books, are not readily determinable and have not been capitalized. Books used in the circulating library have not been capitalized because their estimated useful lives are less than one year.

CRANDALL PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. FINE ARTS COLLECTION

The Library maintains a fine arts collection of Pictures, Books and Individual Pages, and miscellaneous articles. At the present time, an inventory listing is maintained on the fine arts collection; however, the value of the collection has not been reflected on the Library's Balance Sheet. Estimated market values at December 31, 2013 are as follows:

Fine Arts	\$433,148
Books and Individual Pages	<u>263,524</u>
TOTAL	<u>\$696,672</u>

I. CAPITAL ASSETS

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial cost of \$500 and an estimated useful life in excess of two years. Capital assets are recorded at cost if purchased or constructed and at fair market value if donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of exhaustible assets is provided on the straight-line basis over the following estimated useful lives:

Building Improvements	10 – 40 years
Furniture, Fixtures & Equipment	5 – 10 years

J. CONTRIBUTED FACILITY

Crandall Public Library occupies, without charge, real property located at 251 Glen Street, City Park, Glens Falls, New York, owned by the Crandall Trust, an independent not-for-profit organization. The value of this contributed facility is not reflected in these statements. The approximate value of the annual rental of the contributed facility is \$787,500.

CRANDALL PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. CONTRIBUTED SERVICES

A number of unpaid volunteers have contributed their time to the Library. The value of this contributed time is not reflected in these statements as it has been determined that these volunteers have not replaced actual paid personnel.

L. UNEMPLOYMENT INSURANCE

The Crandall Public Library elected to discharge its liability under the New York State Unemployment Law by reimbursement to the Insurance Fund of benefits paid to former employees. Therefore, it is no longer liable to pay contributions to the New York State Unemployment Insurance Fund.

3. CASH AND CASH EQUIVALENTS - RESTRICTED

The Library had the following cash and cash equivalents restricted by Donor/Grantor at December 31, 2013:

General Fund:

Glens Falls National Bank – Newburger Trust	\$ 74,160
Glens Falls National Bank – Savings	<u>31,139</u>
	<u>\$105,299</u>

Funds in the Glens Falls National Bank - Newburger Trust are restricted for the purchase of books and library materials.

Funds in the Glens Falls National Bank – Savings are restricted for various grants.

CRANDALL PUBLIC LIBRARY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013

3. CASH AND CASH EQUIVALENTS - RESTRICTED

Capital Projects Fund:

Glens Falls National Bank – Savings	<u>\$111,502</u>
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Funds in the Glens Falls National Bank - Savings are restricted for capital improvements.

4. INVESTMENTS

<u>Capital Projects Fund:</u>	<u>MARKET VALUE</u>	<u>COST</u>
Government Obligations	\$ 322,641	\$ 326,433
Corporate Obligations	308,183	303,485
Corporate Stocks	476,878	337,236
Mutual Funds	<u>535,556</u>	<u>486,798</u>
 TOTAL CAPITAL PROJECTS FUND	 <u>\$1,643,258</u>	 <u>\$1,453,952</u>

<u>Expendable Trust Fund:</u>	<u>MARKET VALUE</u>	<u>COST</u>
Government Obligations	\$ 842,772	\$ 850,479
Corporate Obligations	419,056	408,935
Corporate Stocks	572,524	348,556
Mutual Funds	<u>1,117,772</u>	<u>925,539</u>
 TOTAL EXPENDABLE TRUST FUND	 <u>\$2,952,124</u>	 <u>\$2,533,509</u>

CRANDALL PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

5. PENSION PLAN

A. PLAN DESCRIPTION

The Crandall Public Library participates in the New York State and Local Employees' Retirement System (ERS). This 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). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds. 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 Employees' Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

B. FUNDING POLICY

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. 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.

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

	<u>ERS</u>
2013	\$273,231
2012	\$276,882
2011	\$206,502

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

CRANDALL PUBIC LIBRARY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2013

6. COMMITMENTS AND CONTINGENCIES

The Library receives a substantial amount of its support and revenue from New York State, Local Governments and other Not-for-Profit Organizations. As a special library district, the Library's annual budget for 2014 and future years will be subject to voter approval. A significant reduction in the level of this support may have an effect on the Library's programs and activities.

7. GENERAL FUND – BOOK GRANTS

Due to Crandall Public Library's designation as Central Reference Library for the Southern Adirondack Library System, the Library is provided with a credit up to 100% of the Southern Adirondack Library System's central book aid grant amount of \$71,500 for the purchase of books, periodicals and other library materials, which remain the property of, and are insured by, the Southern Adirondack Library System.

8. BONDS PAYABLE

In 2007, the Library issued \$12,875,000 in civic facility revenue bonds to provide funds for the construction of major capital facilities.

	<u>Issuance Amount</u>	<u>Installments</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Debt Outstanding</u>
Civic Facility Revenue Bonds	\$12,875,000	\$215,000 - \$780,000	10/1/2037	4% - 5%	\$11,450,000

CRANDALL PUBIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013

Annual debt service requirements to maturity for the civic facility revenue bonds are as follows:

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2014	270,000	545,938	815,938
2015	285,000	535,138	820,138
2016	295,000	520,888	815,888
2017	310,000	506,138	816,138
2018-2037	10,290,000	6,066,433	16,356,433
	<u>\$11,450,000</u>	<u>\$8,174,535</u>	<u>\$19,624,535</u>

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	GENERAL FUND			CAPITAL PROJECTS FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Real Property Taxes	3,213,109	3,213,110	1	0	0	0
Library Charges	133,233	116,536	(16,697)	0	0	0
Investment Income	2,800	1,347	(1,453)	0	33,067	33,067
Gain (Loss) on Investments	0	0	0	0	157,753	157,753
Gifts and Donations	131,014	94,538	(36,476)	0	9,850	9,850
Legacies and Bequests	275,623	278,597	2,974	0	0	0
Library System Grants	121,755	121,755	0	0	0	0
State Aid	59,666	93,119	33,453	0	0	0
Special Events	58,000	39,025	(18,975)	0	0	0
Other Revenue	4,464	4,305	(159)	0	0	0
<b>TOTAL REVENUES</b>	<b>3,999,664</b>	<b>3,962,332</b>	<b>(37,332)</b>	<b>0</b>	<b>200,670</b>	<b>200,670</b>
<b>EXPENDITURES:</b>						
<b>PERSONAL SERVICES:</b>						
Certified Librarians	626,372	604,280	22,092	0	0	0
Para-Professionals	557,066	513,763	43,303	0	0	0
Non-Professionals	505,819	496,791	9,028	0	0	0
<b>TOTAL PERSONAL SERVICES</b>	<b>1,689,257</b>	<b>1,614,834</b>	<b>74,423</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EMPLOYEE BENEFITS:</b>						
State Retirement System	277,000	273,231	3,769	0	0	0
Payroll Taxes	126,856	116,351	10,505	0	0	0
Workers Compensation	6,000	5,463	537	0	0	0
Unemployment Benefits Paid	5,000	0	5,000	0	0	0
Disability Insurance	6,508	6,264	244	0	0	0
Medical Insurance	230,566	232,170	(1,604)	0	0	0
Other Employee Benefits	1,800	1,651	149	0	0	0
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>653,730</b>	<b>635,130</b>	<b>18,600</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CAPITAL AND EQUIPMENT OUTLAYS:</b>						
Current Expenditures	19,087	51,804	(32,717)	0	0	0
<b>SUB-TOTAL EXPENDITURES</b>	<b>2,362,074</b>	<b>2,301,768</b>	<b>60,306</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CARRIED FORWARD</b>	<b>2,362,074</b>	<b>2,301,768</b>	<b>60,306</b>	<b>0</b>	<b>0</b>	<b>0</b>

CRANDALL PUBLIC LIBRARY  
 GLENS FALLS, NEW YORK  
 STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	GENERAL FUND			CAPITAL PROJECTS FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
SUB-TOTAL EXPENDITURES CARRIED FORWARD	<u>2,362,074</u>	<u>2,301,768</u>	<u>60,306</u>	<u>0</u>	<u>0</u>	<u>0</u>
CONTRACTUAL EXPENDITURES						
Books, Records and Audio Visual Materials	315,054	228,451	86,603	0	0	0
Serials	33,193	31,502	1,691	0	0	0
Automation Expenses	98,500	89,190	9,310	0	0	0
Bookbinding	1,015	598	417	0	0	0
Rental, Repair and Maintenance of Office Equipment	21,513	14,383	7,130	0	0	0
Fuel and Utilities	144,000	105,795	38,205	0	0	0
Telephone	4,500	3,608	892	0	0	0
Repairs to Building and Building Equipment	137,500	116,133	21,367	0	0	0
Insurance	27,000	25,282	1,718	0	0	0
Office and Library Supplies	37,749	32,733	5,016	0	0	0
Postage and Freight	8,500	7,917	583	0	0	0
Publicity and Printing	11,000	8,162	2,838	0	0	0
Travel	4,500	3,781	719	0	0	0
Membership Dues	2,225	1,746	479	0	0	0
Professional Fees	89,300	82,223	7,077	0	17,225	(17,225)
Miscellaneous	7,500	4,630	2,870	0	0	0
Programming Costs	9,500	1,699	7,801	0	0	0
Other Operation and Maintenance Expenses	14,120	11,656	2,464	0	0	0
Special Programs & Grant Related Expenses	225,513	114,268	111,245	0	0	0
Special Event Expenses	21,500	15,326	6,174	0	0	0
Friends Expenses	30,000	21,330	8,670	0	0	0
TOTAL CONTRACTUAL EXPENDITURES	<u>1,243,682</u>	<u>920,413</u>	<u>323,269</u>	<u>0</u>	<u>17,225</u>	<u>(17,225)</u>
TOTAL EXPENDITURES	<u>3,605,756</u>	<u>3,222,181</u>	<u>383,575</u>	<u>0</u>	<u>17,225</u>	<u>(17,225)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	393,908	740,151	346,243	0	183,445	183,445
OTHER FINANCING SOURCES (USES): Interfund Transfers	<u>(420,418)</u>	<u>(614,923)</u>	<u>(194,505)</u>	<u>0</u>	<u>6,811</u>	<u>6,811</u>
EXCESS OF REVENUES & OTHER SOURCES OVER (UNDER) EXP. & OTHER USES	(26,510)	125,228	151,738	0	190,256	190,256
Fund Balance: Beginning of Year	<u>343,740</u>	<u>343,740</u>		<u>0</u>	<u>(13,497)</u>	
Fund Balance: End of Year	<u>317,230</u>	<u>468,968</u>		<u>0</u>	<u>176,759</u>	