

**CRANDALL PUBLIC LIBRARY  
GLENS FALLS, NEW YORK**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

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## **INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
of the Crandall Public Library  
Glens Falls, New York

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the Crandall Public Library (the "Library"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Library, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The Library's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of local government's proportionate share of the net pension liability and contributions on pages 4 through 7 and 30 through 33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The supplemental information on page 34 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2022, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

*WEST & COMPANY CPAs PC*

Gloversville, New York  
March 16, 2022

# CRANDALL PUBLIC LIBRARY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### FOR THE YEAR ENDED DECEMBER 31, 2021

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*This discussion and analysis is intended to be an easily readable analysis of Crandall Public Library's financial activities during the calendar year ended December 31, 2021. This information is presented in conjunction with the audited financial statements which follow this section.*

#### **FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2021:**

- Total revenues decreased by \$778,444 or 12.83% from \$6,065,999 for the year ended December 31, 2020 to \$5,287,555 for the year ended December 31, 2021. The decrease was due to the receipt of a \$1 million bequest during the year ended December 31, 2020.
- The General Fund revenues totaled \$4,620,164, while General Fund expenditures were \$3,765,505 for the year ended December 31, 2021.
- Property tax revenues increased by \$7,138 for the year ended December 31, 2021, or 0.19% from \$3,688,977 for 2020 to \$3,696,115 for 2021.
- Total expenses decreased by \$381,234 or 7.94% from \$4,800,235 for the year ended December 31, 2020 to \$4,419,001 for the year ended December 31, 2021.

#### **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 in the basic financial statements.

#### **BASIC FINANCIAL STATEMENTS**

- The Statement of Net Position 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 year.

A condensed version of the Statement of Net Position at December 31, 2021 and 2020 is as follows:

	<b>Fiscal Year 2021</b>	<b>Fiscal Year 2020</b>	<b>Change Increase, (Decrease)</b>	<b>% Change Increase, (Decrease)</b>
<b>Assets</b>				
Cash and investments	\$ 5,798,314	\$ 5,264,548	\$ 533,766	10.14
Other assets	101,176	121,081	(19,905)	(16.44)
Restricted assets	2,605,025	2,367,108	237,917	10.05
Capital assets	9,185,228	9,620,737	(435,509)	(4.53)
<b>Total Assets</b>	<b>17,689,743</b>	<b>17,373,474</b>	<b>316,269</b>	<b>1.82</b>
<b>Deferred Outflows of Resources</b>				
Pensions	1,299,540	1,093,771	205,769	18.81
<b>Total Deferred Outflows of Resources</b>	<b>1,299,540</b>	<b>1,093,771</b>	<b>205,769</b>	<b>18.81</b>
<b>Liabilities</b>				
Other liabilities	220,541	1,625,764	(1,405,223)	(86.43)
Deferred revenues	50,090	3,578	46,512	1,299.94
Bonds payable	8,050,000	8,405,000	(355,000)	(4.22)
<b>Total Liabilities</b>	<b>8,320,631</b>	<b>10,034,342</b>	<b>(1,713,711)</b>	<b>(17.08)</b>
<b>Deferred Inflows of Resources</b>				
Pensions	1,396,270	23,190	1,373,080	5,921.00
Deferred bond premium	88,273	94,158	(5,885)	(6.25)
<b>Total Deferred Inflows of Resources</b>	<b>1,484,543</b>	<b>117,348</b>	<b>1,367,195</b>	<b>1,165.08</b>
<b>Net Position</b>				
Net investment in capital assets	1,074,698	1,120,053	(45,355)	(4.05)
Restricted	3,277,622	3,003,592	274,030	9.12
Unrestricted	4,831,789	4,191,910	639,879	15.26
<b>Total Net Position</b>	<b>\$ 9,184,109</b>	<b>\$ 8,315,555</b>	<b>\$ 868,554</b>	<b>10.44</b>

A condensed version of the Statement of Activities for the years ending December 31, 2021 and 2020 is as follows:

	<b>Fiscal Year 2021</b>	<b>Fiscal Year 2020</b>	<b>Change Increase, (Decrease)</b>	<b>% Change Increase, (Decrease)</b>
<b>Revenues</b>				
Real property taxes	\$ 3,696,115	\$ 3,688,977	\$ 7,138	0.19
Library charges	28,156	21,541	6,615	30.71
Investment income	802,651	712,227	90,424	12.70
Contributions and bequests	470,043	1,421,393	(951,350)	(66.93)
Grants and state aid	270,067	217,468	52,599	24.19
Other revenue	20,523	4,393	16,130	367.18
<b>Total Revenue</b>	<b>5,287,555</b>	<b>6,065,999</b>	<b>(778,444)</b>	<b>(12.83)</b>
<b>Expenses</b>				
Personal services	1,881,988	2,022,173	(140,185)	(6.93)
Employee benefits	705,862	1,026,234	(320,372)	(31.22)
Contractual expenses	1,831,151	1,751,828	79,323	4.53
<b>Total Expenses</b>	<b>4,419,001</b>	<b>4,800,235</b>	<b>(381,234)</b>	<b>(7.94)</b>
<b>Change in Net Position</b>	<b>868,554</b>	<b>1,265,764</b>	<b>(397,210)</b>	<b>(31.38)</b>
<b>Other Change in Net Position</b>	<b>0</b>	<b>1,547,820</b>	<b>(1,547,820)</b>	<b>100.00</b>
<b>Total Change in Net Position</b>	<b>\$ 868,554</b>	<b>\$ 2,813,584</b>	<b>\$ (1,945,030)</b>	<b>(69.13)</b>

#### CAPITAL ASSETS

At December 31, 2021 and 2020, the Library had \$9,185,228 and \$9,620,737, (net of accumulated depreciation) respectively, invested in capital assets consisting primarily of building improvements, furniture, fixtures and equipment.

	<b>Fiscal Year 2021</b>	<b>Fiscal Year 2020</b>	<b>Change Increase, (Decrease)</b>	<b>% Change Increase, (Decrease)</b>
Building improvements	\$ 13,931,117	\$ 13,927,099	\$ 4,018	0.03
Furniture, fixtures and equipment	3,620,467	3,602,682	17,785	0.49
Less: accumulated depreciation	(8,366,356)	(7,909,044)	(457,312)	(5.78)
<b>Net Capital Assets</b>	<b>\$ 9,185,228</b>	<b>\$ 9,620,737</b>	<b>\$ (435,509)</b>	<b>(4.53)</b>



## LONG-TERM DEBT

At December 31, 2021 and 2020, the Library had \$8,050,000 and \$8,405,000 of bonds outstanding, respectively. During 2019 the Library entered into an installment purchase contract payable for a new phone system. During 2020 the Library entered into an installment purchase contract payable related to a lighting upgrade. The Library owes \$60,530 and \$95,684 on the installment purchase contracts payable as of December 31, 2021 and 2020, respectively. More detailed information about the Library's long-term liabilities is presented in the notes to the financial statements.

### Outstanding Long-Term Debt

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Change Increase, (Decrease)</u>	<u>% Change Increase, (Decrease)</u>
Bonds Payable	\$8,050,000	\$8,405,000	\$ (355,000)	(4.22)
Installment Purchase Contracts Payable	<u>60,530</u>	<u>95,684</u>	<u>(35,154)</u>	<u>(36.74)</u>
Total	<u>\$8,110,530</u>	<u>\$8,500,684</u>	<u>\$ (390,154)</u>	<u>(4.59)</u>

## GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund is the only fund for which a budget is legally adopted. There were no major variances between budgeted and actual revenues or expenses for the general fund for the year ended December 31, 2021.

## CONCLUSION

The Library looks forward to 2022 as they continue to serve the public.

## 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**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**ASSETS:**

Cash		
Unrestricted	\$ 670,646	
Restricted	161,665	
Investments		
Unrestricted	5,127,668	
Restricted	2,443,360	
Receivables	9,019	
Prepaid expenses and other assets	92,157	
Capital Assets		
Building improvements	13,931,117	
Furniture, fixtures and equipment	3,620,467	
Less: accumulated depreciation	(8,366,356)	
<b>Net Capital Assets</b>	<b>9,185,228</b>	
<b>Total Assets</b>	<b>17,689,743</b>	

**DEFERRED OUTFLOWS OF RESOURCES:**

Pensions		1,299,540
<b>Total Deferred Outflows of Resources</b>		<b>1,299,540</b>

**LIABILITIES:**

Accounts payable		83,983
Accrued expenses		71,228
Deferred revenues		50,090
Bonds payable - due and payable within one year		370,000
Current portion of installment purchase contracts		34,301
Long-term liabilities		
Net pension liability - proportionate share		4,800
Installment purchase contracts due and payable after one year		26,229
Bonds payable due and payable after one year		7,680,000
<b>Total Liabilities</b>		<b>8,320,631</b>

**DEFERRED INFLOWS OF RESOURCES:**

Pensions		1,396,270
Deferred bond premium		88,273
<b>Total Deferred Inflows of Resources</b>		<b>1,484,543</b>

**NET POSITION:**

Net investment in capital assets		1,074,698
Restricted		
Library		770,141
Capital reserve fund		2,507,481
Unrestricted		4,831,789
<b>Total Net Position</b>		<b>\$ 9,184,109</b>

See notes to financial statements.

CRANDALL PUBLIC LIBRARY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

**REVENUES**

Real property taxes	\$ 3,696,115
Library charges	28,156
Investment income	170,112
Gain on investments	632,539
Gifts and donations	105,378
Legacies and bequests	364,665
Library system grants	251,466
State aid	18,601
Special events	11,440
Other revenue	9,083
<b>Total Revenues</b>	<u>5,287,555</u>

**EXPENDITURES**

Personnel services	
Certified librarians	683,715
Para-professionals	700,903
Non-professionals	497,370
<b>Total Personnel Services</b>	<u>1,881,988</u>

Employee benefits	
State retirement system	160,414
Payroll taxes	129,573
Workers compensation	9,044
Disability insurance	6,549
Medical insurance	397,411
Other employee benefits	2,871
<b>Total Employee Benefits</b>	<u>705,862</u>

Contractual expenditures	
Books and audio visual materials	256,358
Serials	133,552
Automation expenses	90,160
Rental, repair and maintenance of office equipment	22,755
Fuel and utilities	105,019
Telephone	8,292
Repairs to building and building equipment	82,448
Insurance	33,127
Office and library supplies	38,600
Postage and freight	4,612
Publicity and printing	6,424
Travel	272
Membership dues	3,501
Professional fees	145,012
Miscellaneous	5,449
Programming costs	200
Other operation and administrative expenses	19,870
Bond interest expense	291,311
Special programs and grant related expenses	79,847
Special events expenses	4,347
Friends expenses	24,511
Depreciation expense	475,484
<b>Total Contractual Expenditures</b>	<u>1,831,151</u>

<b>Total Expenditures</b>	<u>4,419,001</u>
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**CHANGE IN NET POSITION** 868,554

**TOTAL NET POSITION - BEGINNING OF YEAR** 8,315,555

**TOTAL NET POSITION - END OF YEAR** \$ 9,184,109

See notes to financial statements.

**CRANDALL PUBLIC LIBRARY**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Governmental Funds</u>
<b>ASSETS</b>				
Cash				
Unrestricted	\$ 458,495	\$ 212,151	\$ 0	\$ 670,646
Restricted	161,665	0	0	161,665
Investments				
Unrestricted	0	5,127,668	0	5,127,668
Restricted	2,443,360	0	0	2,443,360
Receivables	9,019	0	0	9,019
Due from other funds	49,950	0	0	49,950
Prepaid expenses and other assets	92,157	0	0	92,157
<b>TOTAL ASSETS</b>	<u>\$ 3,214,646</u>	<u>\$ 5,339,819</u>	<u>\$ 0</u>	<u>\$ 8,554,465</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 83,983	\$ 0	\$ 0	\$ 83,983
Accrued expenses	71,228	0	0	71,228
Due to other funds	34,475	0	15,475	49,950
Deferred revenue	50,090	0	0	50,090
<b>Total liabilities</b>	239,776	0	15,475	255,251
<b>FUND BALANCES</b>				
Nonspendable - prepaid expenses	72,136	0	0	72,136
Restricted - Reserved for library purposes	97,544	672,597	0	770,141
Restricted - Capital reserve fund	2,507,481	0	0	2,507,481
Assigned	5,357	0	0	5,357
Unassigned				
Board designated for unemployment	33,188	0	0	33,188
Undesignated	259,164	4,667,222	(15,475)	4,910,911
<b>Total fund balances</b>	<u>2,974,870</u>	<u>5,339,819</u>	<u>(15,475)</u>	<u>8,299,214</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,214,646</u>	<u>\$ 5,339,819</u>	<u>\$ 0</u>	<u>\$ 8,554,465</u>

See notes to financial statements.

**CRANDALL PUBLIC LIBRARY**

**RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION**

**DECEMBER 31, 2021**

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Total fund balance - governmental funds balance sheet	\$ 8,299,214
Add:	
Capital assets, net of accumulated depreciation	9,185,228
Pensions	1,299,540
Total	<u>10,484,768</u>
Less:	
Bonds payable	8,050,000
Installment purchase contracts payable	60,530
Net pension liability - proportionate share	4,800
Pensions	1,396,270
Deferred bond premium	88,273
Total	<u>9,599,873</u>
<b>NET POSITION, GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 9,184,109</u></u>

See notes to financial statements.

**CRANDALL PUBLIC LIBRARY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Real property taxes	\$ 3,696,115	\$ 0	\$ 0	\$ 3,696,115
Library charges	28,156	0	0	28,156
Investment income	50,860	119,252	0	170,112
Gain on investments	163,900	468,639	0	632,539
Gifts and donations	105,378	0	0	105,378
Legacies and bequests	285,165	79,500	0	364,665
Library system grants	251,466	0	0	251,466
State aid	18,601	0	0	18,601
Special events	11,440	0	0	11,440
Other revenue	9,083	0	0	9,083
<b>Total Revenues</b>	<b>4,620,164</b>	<b>667,391</b>	<b>0</b>	<b>5,287,555</b>
<b>EXPENDITURES</b>				
Personnel services				
Certified librarians	683,715	0	0	683,715
Para-professionals	700,903	0	0	700,903
Non-professionals	497,370	0	0	497,370
<b>Total Personnel Services</b>	<b>1,881,988</b>	<b>0</b>	<b>0</b>	<b>1,881,988</b>
Employee benefits				
State retirement system	258,736	0	0	258,736
Payroll taxes	129,573	0	0	129,573
Workers compensation	9,044	0	0	9,044
Disability insurance	6,549	0	0	6,549
Medical insurance	397,411	0	0	397,411
Other employee benefits	2,871	0	0	2,871
<b>Total Employee Benefits</b>	<b>804,184</b>	<b>0</b>	<b>0</b>	<b>804,184</b>

See notes to financial statements.

**CRANDALL PUBLIC LIBRARY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS – (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>EXPENDITURES (CONTINUED)</b>	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Total Governmental Funds</b>
Capital and equipment outlays	39,975	0	0	39,975
Contractual expenditures				
Books and audio visual materials	256,358	0	0	256,358
Serials	133,552	0	0	133,552
Automation expenses	90,160	0	0	90,160
Rental, repair and maintenance of office equipment	22,755	0	0	22,755
Fuel and utilities	105,019	0	0	105,019
Telephone and website	8,292	0	0	8,292
Repairs to building and building equipment	82,448	0	0	82,448
Insurance	33,127	0	0	33,127
Office and library supplies	38,600	0	0	38,600
Postage and freight	4,612	0	0	4,612
Publicity and printing	6,424	0	0	6,424
Travel	272	0	0	272
Membership dues	3,501	0	0	3,501
Professional fees	120,014	24,998	0	145,012
Miscellaneous	5,449	0	0	5,449
Programming costs	200	0	0	200
Other operation and administrative expenses	19,870	0	0	19,870
Debt principal payments	0	0	390,154	390,154
Debt interest expense	0	0	297,196	297,196
Special programs and grant related expenses	79,847	0	0	79,847
Special events expenses	4,347	0	0	4,347
Friends expenses	24,511	0	0	24,511
<b>Total Contractual Expenditures</b>	<b>1,039,358</b>	<b>24,998</b>	<b>687,350</b>	<b>1,751,706</b>
<b>Total Expenditures</b>	<b>3,765,505</b>	<b>24,998</b>	<b>687,350</b>	<b>4,477,853</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>854,659</b>	<b>642,393</b>	<b>(687,350)</b>	<b>809,702</b>
<b>OTHER FINANCING SOURCES AND USES</b>				
Interfund transfers	(580,170)	(70,693)	650,863	0
<b>Total Other Financing Sources and Uses</b>	<b>(580,170)</b>	<b>(70,693)</b>	<b>650,863</b>	<b>0</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>274,489</b>	<b>571,700</b>	<b>(36,487)</b>	<b>809,702</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>2,700,381</b>	<b>4,768,119</b>	<b>21,012</b>	<b>7,489,512</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 2,974,870</b>	<b>\$ 5,339,819</b>	<b>\$ (15,475)</b>	<b>\$ 8,299,214</b>

See notes to financial statements

**CRANDALL PUBLIC LIBRARY**

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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<b>REVENUES - STATEMENT OF ACTIVITIES</b>		<b>\$ 5,287,555</b>
<b>EXPENDITURES</b>	<b>\$ 4,477,853</b>	
Add:		
Depreciation	475,484	
Deduct:		
Principal payments on long term debt	390,154	
Change in fixed assets	39,975	
Pensions	98,322	
Amortization of bond premium	5,885	
	<u>534,336</u>	
<b>EXPENDITURES - STATEMENT OF ACTIVITIES</b>		<b><u>4,419,001</u></b>
<b>CHANGE IN NET POSITION</b>		<b><u>\$ 868,554</u></b>

See notes to financial statements.



# CRANDALL PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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### **NOTE 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 tax exempt status.

### **NOTE 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 Position and the Statement of Activities.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The Library reports only governmental type funds. The Library had no 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. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library defined the length of time used available for purposes of revenue recognition in the governmental funds financial statements to be 60 days. Expenditures are recorded when the related fund liability is incurred.

**CRANDALL PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation – (Continued)**

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.

Special Revenue 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.

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 of 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.

CRANDALL PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**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.

**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, 2021 are as follows:

Fine Arts	\$ 532,895
Books and Individual Pages	<u>281,375</u>
TOTAL	<u>\$ 814,270</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 or more 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 asset 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. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. There is one item that qualifies for reporting in this category. This item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the Library's proportion of the collective net pension asset or liability and difference during the measurement period between the Library's contributions and its proportionate share of total contributions to the pension system not included in pension expense.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Library has two items that qualify for reporting in this category. The first item is related to the deferred bond premium on the Library's bonds payable. The second item is related to pensions reported in the Library's proportion of the collective net pension liability (ERS system) and difference during the measurement periods between the Library's contributions and its proportionate share of the total contributions to the pension system not included in pension expense.

**CRANDALL PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**J. Deferred Outflows and Inflows of Resources – (Continued)**

**Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2021, the Library reported the following (liability) for its proportionate share of the net pension (liability) of the New York State Employees' Retirement System (ERS). The net pension (liability) was measured as of March 31, 2021. The total pension (liability) used to calculate the net pension (liability) was determined by an actuarial valuation. The Library's proportion of the net pension (liability) was based on a projection of the Library's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Library.

	<b><u>ERS</u></b>
Measurement date	March 31, 2021
Net pension asset (liability)	\$ (4,800)
Library's portion of the Plan's total net pension asset (liability)	0.0048207%
Change in proportion since the prior measurement date	0.0000231%

For the year ended December 31, 2021, the Library recognized its proportionate share of pension expense of \$258,736. At December 31, 2021, the Library's reported deferred outflows and deferred inflows of resources related to pensions were:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
	<b><u>ERS</u></b>	<b><u>ERS</u></b>
Differences between expected and actual experience	\$ 58,623	\$ 0
Changes of assumptions	882,595	16,646
Net difference between projected and actual earnings on pension plan investments	0	1,378,889
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	99,586	735
Library's contributions subsequent to the measurement date	<u>258,736</u>	<u>0</u>
<b>Total</b>	<b><u>\$ 1,299,540</u></b>	<b><u>\$ 1,396,270</u></b>

**CRANDALL PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**J. Deferred Outflows and Inflows of Resources – (Continued)**

**Pension Assets (Liabilities), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – (Continued)**

Library contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

	<b><u>ERS</u></b>
Year ended:	
2022	\$ (41,472)
2023	1,737
2024	(56,789)
2025	(258,943)
2026	0
Thereafter	0

**Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	<b><u>ERS</u></b>
Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015 - March 31, 2020
	System's experience
Inflation rate	2.7%
Projected cost of living adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015 through March 31, 2020, System's experience with adjustments for mortality improvements based on MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 through March 31, 2020.

**CRANDALL PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**J. Deferred Outflows and Inflows of Resources – (Continued)**

**Actuarial Assumptions – (Continued)**

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>ERS</u>
Measurement date	March 31, 2021
 <u>Asset type</u>	
Domestic equity	4.05%
International equity	6.30
Global equities	0
Real estate	4.95
Domestic fixed income securities	0
Global fixed income securities	0
High-yield fixed income securities	0
Mortgages	0
Private debt	0
Credit	3.63
Private equity/alternative investments	6.75
Absolute return strategies	4.50
Opportunistic portfolio	4.50
Cash	0.50
Real assets	5.95

**Discount Rate**

The discount rate used to calculate the total pension asset (liability) was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

**CRANDALL PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**J. Deferred Outflows and Inflows of Resources – (Continued)**

**Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption**

The following presents the Library’s proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9%, as well as what the Library’s proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

<u>ERS</u>	<u>1% Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1% Increase (6.9%)</u>
Employer’s proportionate share of the net pension asset (liability)	\$(1,332,340)	\$ (4,800)	\$ 1,219,502

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension asset (liability) of the employers as of the respective valuation dates were as follows:

	<b>(Dollars in thousands)</b>
Measurement date	<u>ERS</u> March 31, 2021
Employers’ total pension asset (liability)	\$(220,680,157)
Plan fiduciary net position asset (liability)	220,580,583
Employers’ net pension asset (liability)	(99,574)
Ratio of plan fiduciary net position to the employers’ total pension asset (liability)	99.95%

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System’s fiscal year which ends on March 31. Accrued retirement contributions as of December 31, 2021, amounted to \$-0-.

Additional pension information can be found in Note 8.

**K. Employee Benefits**

**Compensated Absences**

The Library accrues vacation time for employees based on current salary rates. Up to 70 vacation hours may be carried forward to the next year unless special permission is given by the Board to allow the employee to carry over more.

The balance of this liability was \$47,195 as of December 31, 2021 and is included in accrued expenses.

**CRANDALL PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**K. Employee Benefits – (Continued)**

**Health Insurance Benefits**

The Library offers health insurance to its current employees and pays a portion of the cost of premiums based on the coverage type selected. The Library is not contractually required to provide health insurance to retirees and, therefore, does not have a GASB 75 valuation completed.

**L. Equity Classifications**

**Library-Wide Statements**

In the Library-wide statements, there are three classes of net position:

**i) Net Investment in Capital Assets**

Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvement of those assets.

**ii) Restricted Net Position**

Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**iii) Unrestricted Net Position**

Reports the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Library.

**Funds Statements**

In the fund basis statements, there are four classifications of fund balance:

**1. Nonspendable Fund Balance**

Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes the prepaid expenses of \$72,136 in the General Fund.

**2. Restricted**

Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.



**CRANDALL PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**L. Equity Classifications – (Continued)**

**Funds Statements – (Continued)**

**3. Assigned**

Includes amounts that are constrained by the Library's intent to be used for specific purposes but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

**4. Unassigned**

Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the Library and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

**M. 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.

**N. 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.

**O. 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.

**P. Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Library's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

**CRANDALL PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Q. New Accounting Pronouncements**

There were no new accounting standards adopted for the year ended December 31, 2021.

**R. Future Impacts of Accounting Pronouncements**

GASB has issued Statement No. 87, *Leases*, effective for the year ending December 31, 2022. This statement requires the recognition of certain lease assets and liabilities for leases previously classified as operating leases along with recognition of inflows and outflows of resources, as appropriate.

GASB has issued Statement No. 89, *Accounting Interest Cost Incurred before the End of a Construction Period*, effective for the year ending December 31, 2022. This statement requires that interest cost incurred during construction be expensed in that period rather than being included in the cost of the capital asset.

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending December 31, 2023. This statement establishes new financial disclosure requirements for debt. The Library will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending December 31, 2023. This statement improves the financial reporting related to Public-Private and Public-Public Partnerships to provide services.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023. This statement requires the recognition of a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability for subscription-based information technology arrangements for government end users.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, portions of the statement are effective for the year ending December 31, 2022. This statement increases consistency and comparability related to the reporting of fiduciary component units which do not have a governing board.

**NOTE 3 – CASH AND CASH EQUIVALENTS - RESTRICTED**

The Library had the following cash and cash equivalents restricted by Donor/Grantor at December 31, 2021:

**General Fund:**

Glens Falls National Bank – Newburger Trust	\$ 47,454
Glens Falls National Bank – Capital Reserve Cash	64,121
Glens Falls National Bank – Savings	<u>50,090</u>
	<u>\$ 161,665</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**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 4 – INVESTMENTS**

<u>General Fund:</u>	<u>MARKET VALUE</u>	<u>COST</u>	<u>UNREALIZED GAINS (LOSSES)</u>
Government Obligations	\$ 595,420	\$ 576,177	\$ 19,243
Corporate Obligations	576,789	584,785	(7,996)
Corporate Stocks	753,588	275,685	477,903
Mutual Funds	<u>517,563</u>	<u>320,308</u>	<u>197,255</u>
<b>TOTAL GENERAL FUND</b>	<b><u>\$ 2,443,360</u></b>	<b><u>\$ 1,756,955</u></b>	<b><u>\$ 686,405</u></b>

  

<u>Special Revenue Fund:</u>	<u>MARKET VALUE</u>	<u>COST</u>	<u>UNREALIZED GAINS (LOSSES)</u>
Government Obligations	\$ 775,004	\$ 761,075	\$ 13,929
Corporate Obligations	1,012,841	1,021,018	(8,177)
Corporate Stocks	2,126,900	1,168,233	958,667
Mutual Funds	<u>1,212,923</u>	<u>741,017</u>	<u>471,906</u>
<b>TOTAL SPECIAL REVENUE FUND</b>	<b><u>\$ 5,127,668</u></b>	<b><u>\$ 3,691,343</u></b>	<b><u>\$ 1,436,325</u></b>

**NOTE 5 – CASH (AND CASH EQUIVALENTS) – CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS**

Custodial credit risk is the risk that in the event of a bank failure, the Library’s deposits may not be returned to it. While the Library does not have a specific policy for custodial credit risk, New York State statutes govern the Library’s investment policies.

The Library’s aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ 0
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Library’s name	354,515

**CRANDALL PUBLIC LIBRARY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 6 – CAPITAL ASSETS**

Capital asset balances and activity for the year ended December 31, 2021 were as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements/ Reclassifications</b>	<b>Ending Balance</b>
Building and Improvements	\$ 13,927,099	\$ 4,018	\$ 0	\$ 13,931,117
Furniture, Fixtures and Equipment	3,602,682	35,957	18,172	3,620,467
Total depreciable historical cost	<u>17,529,781</u>	<u>39,975</u>	<u>18,172</u>	<u>17,551,584</u>
Building and Improvements	4,780,259	351,238	0	5,131,497
Furniture, Fixtures and Equipment	3,128,785	124,246	18,172	3,234,859
Total accumulated depreciation	<u>7,909,044</u>	<u>475,484</u>	<u>18,172</u>	<u>8,366,356</u>
Total historical cost, net	<u>\$ 9,620,737</u>	<u>\$ (435,509)</u>	<u>\$ 0</u>	<u>\$ 9,185,228</u>

**NOTE 7 – FAIR VALUE MEASUREMENTS**

As required by FASB ASC, *Fair Value Measurement*, the Library is required to value investment and debt securities based on the valuation measurement techniques and hierarchy established by the FASB ASC.

There are three general valuation techniques that may be used to measure fair value, as described below:

- (A) Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades or other sources.
- (B) Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- (C) Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Fair values of assets and liabilities measured on a recurring basis are as follows:

	<b><u>Fair Value Measurements Using</u></b>			
	<b><u>Fair Value</u></b>	<b><u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u></b>	<b><u>Significant Other Observable Inputs (Level 2)</u></b>	<b><u>Significant Unobservable Inputs (Level 3)</u></b>
<b><u>December 31, 2021</u></b>				
Trading securities	\$ 7,571,028	\$ 4,610,974	\$ 2,960,054	\$ 0

**CRANDALL PUBLIC LIBRARY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 8 – PENSION PLAN**

**Plan Description and Benefits Provided**

The 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. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The New York State Retirement and Social Security Law (NYSRSSL) govern obligations of employers and employees to contribute, and benefits to employees. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Library also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. 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 System, Office of the State Comptroller, 110 State Street, Albany, NY 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

**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 for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

The Crandall Public Library is required to contribute at a rate determined actuarially by the System. The Library's contributions made to the System were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

	<b><u>ERS</u></b>
2021	\$ 258,736
2020	229,089
2019	232,091

**NOTE 9 – 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 is subject to voter approval. A significant reduction in the level of this support may have an effect on the Library's programs and activities.

**CRANDALL PUBLIC LIBRARY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**NOTE 10 – 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 \$79,059 for the purchase of books, periodicals and other library materials, which remain the property of, and are insured by, the Southern Adirondack Library System.

**NOTE 11 – SHORT-TERM DEBT**

The Library had no short-term debt activity and no short-term debt outstanding for the year ending December 31, 2021.

**NOTE 12 – 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. During 2016, the Library refunded those bonds. A summary of the bonds payable balance and activity for the year is below:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds payable	\$ 8,405,000	\$ 0	\$ 355,000	\$ 8,050,000	\$ 370,000

The following is a summary of the maturity of long-term bonds payable:

	<u>Issuance Amount</u>	<u>Installments</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Debt Outstanding</u>
Tax Exempt Revenue Bonds	\$ 10,110,000	\$ 305,000 - 635,000	10/1/2037	2% - 5%	\$ 8,050,000

Annual debt service requirements to maturity for the tax-exempt revenue bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31,			
2022	\$ 370,000	\$ 281,663	\$ 651,663
2023	390,000	263,163	653,163
2024	400,000	247,563	647,563
2025	425,000	227,563	652,563
2026	445,000	206,313	651,313
2027 - 2031	2,475,000	777,288	3,252,288
2032 - 2036	2,910,000	346,225	3,256,225
2037	635,000	17,463	652,463
<b>Totals</b>	<u>\$ 8,050,000</u>	<u>\$ 2,367,241</u>	<u>\$ 10,417,241</u>

**CRANDALL PUBLIC LIBRARY**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 12 – BONDS PAYABLE – (CONTINUED)**

Interest on long-term debt for the year consisted of:

Interest paid	\$ 297,196
Less: amortization of bond premium	<u>(5,885)</u>
<b>Total expense</b>	<b><u>\$ 291,311</u></b>

In 2016, the Library defeased their outstanding bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Library's financial statements.

**NOTE 13 – INSTALLMENT PURCHASE CONTRACTS PAYABLE**

The Library has entered into two installment purchase contract agreements under which the related equipment, a telephone system and a lighting upgrade, will become the property of the Library when all terms of the purchase contract agreement are met. Assets under these agreements total \$118,068 at December 31, 2021. That amount is net of amortization of \$27,489, which is included with depreciation expense. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum payments as of December 31, 2021:

2022	\$ 36,669
2023	<u>24,060</u>
Minimum payments	60,729
Less: Amount representing interest	<u>(199)</u>
Present value – payments	<b><u>\$ 60,530</u></b>

**NOTE 14 – SUBSEQUENT EVENTS**

The Library has evaluated subsequent events through the issuance date of the financial statements. The Library was informed during 2019 that they are a beneficiary of a will which will pay out to the Library over \$2 million. \$1 million of this bequest was received in 2020. Receipt of the remaining funds is expected during 2022. No other subsequent events were considered material to the issued financial statements.

**CRANDALL PUBLIC LIBRARY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE – BUDGET (NON GAAP BASIS) AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Real property taxes	\$ 3,695,912	\$ 3,696,114	\$ 3,696,115	\$ 1
Library charges	73,500	73,500	28,156	(45,344)
Investment income	1,800	1,800	50,860	49,060
Gain (loss) on investments	0	0	163,900	163,900
Gifts and donations	143,500	176,200	105,378	(70,822)
Legacies and bequests	240,300	289,181	285,165	(4,016)
Library system grants	122,334	256,466	251,466	(5,000)
State aid	56,500	56,500	18,601	(37,899)
Special events	10,000	11,048	11,440	392
Other revenue	6,300	7,900	9,083	1,183
<b>Total Revenues</b>	<u>4,350,146</u>	<u>4,568,709</u>	<u>4,620,164</u>	<u>51,455</u>
<b>EXPENDITURES</b>				
Personnel services				
Certified librarians	784,492	784,492	683,715	100,777
Para-professionals	712,435	712,435	700,903	11,532
Non-professionals	644,259	629,888	497,370	132,518
<b>Total Personnel Services</b>	<u>2,141,186</u>	<u>2,126,815</u>	<u>1,881,988</u>	<u>244,827</u>
Employee benefits				
State retirement system	245,000	258,736	258,736	0
Payroll taxes	163,801	163,801	129,573	34,228
Workers compensation	15,000	15,000	9,044	5,956
Unemployment benefits paid	1,000	1,000	0	1,000
Disability insurance	7,600	8,427	6,549	1,878
Medical insurance	400,000	400,000	397,411	2,589
Other employee benefits	1,620	3,200	2,871	329
<b>Total Employee Benefits</b>	<u>834,021</u>	<u>850,164</u>	<u>804,184</u>	<u>45,980</u>

See paragraph on supplemental schedules included in independent auditors' report.



**CRANDALL PUBLIC LIBRARY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – BUDGET (NON GAAP BASIS) AND ACTUAL – GENERAL FUND - (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>EXPENDITURES (CONTINUED)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
Capital and equipment outlays	0	39,975	39,975	0
Contractual expenditures				
Books, records and audio visual materials	263,050	263,050	256,358	6,692
Serials	119,500	133,552	133,552	0
Automation expenses	88,596	90,160	90,160	0
Bookbinding	1,500	1,500	0	1,500
Rental, repair and maintenance of office equipment	86,750	52,900	22,755	30,145
Fuel and utilities	114,000	115,467	105,019	10,448
Telephone and website	6,900	9,252	8,292	960
Repairs to building and building equipment	131,000	106,427	82,448	23,979
Insurance	30,000	33,127	33,127	0
Office and library supplies	45,840	45,490	38,600	6,890
Postage and freight	7,000	7,000	4,612	2,388
Publicity and printing	8,000	8,000	6,424	1,576
Travel	7,500	5,400	272	5,128
Membership dues	5,000	5,000	3,501	1,499
Professional fees	99,500	99,780	120,014	(20,234)
Miscellaneous	16,000	16,000	5,449	10,551
Programming costs	5,000	5,000	200	4,800
Other operation and administrative expenses	17,700	18,808	19,870	(1,062)
Special programs and grant related expenses	141,000	262,335	79,847	182,488
Special events expenses	10,000	10,000	4,347	5,653
Friends expenses	30,000	30,000	24,511	5,489
<b>Total Contractual Expenses</b>	<u>1,233,836</u>	<u>1,318,248</u>	<u>1,039,358</u>	<u>278,890</u>
<b>Total Expenditures</b>	<u>4,209,043</u>	<u>4,335,202</u>	<u>3,765,505</u>	<u>569,697</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	141,103	233,507	854,659	621,152
<b>OTHER FINANCING SOURCES AND USES</b>				
Interfund transfers	(296,863)	(389,267)	(580,170)	(190,903)
<b>NET CHANGE IN FUND BALANCE</b>	<u>(155,760)</u>	<u>(155,760)</u>	<u>274,489</u>	<u>\$ 430,249</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>2,700,381</u>	<u>2,700,381</u>	<u>2,700,381</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,544,621</u>	<u>\$ 2,544,621</u>	<u>\$ 2,974,870</u>	

See paragraph on supplemental schedules included in independent auditors' report.

**CRANDALL PUBLIC LIBRARY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE LOCAL GOVERNMENTS PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY**

**FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015**

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<b>New York State Employees' Retirement System</b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Library's proportion of the net pension liability (asset)	0.0048207%	0.0047976%	0.0045498%	0.0045835%	0.0045465%	0.0044308%	0.0045869%
Library's proportionate share of the net pension liability (asset)	\$ 4,800	\$ 1,270,433	\$ 322,366	\$ 147,929	\$ 427,196	\$ 711,158	\$ 154,958
Library's covered-employee payroll	1,695,639	1,648,224	1,618,010	1,520,038	1,497,988	1,403,910	1,327,210
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.3%	77.1%	19.9%	9.7%	28.5%	50.7%	11.7%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

See paragraph on supplemental schedules included in independent auditors' report.

**CRANDALL PUBLIC LIBRARY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS**

**FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, 2019, 2018, 2017, 2016 AND 2015**

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<b>New York State Employees' Retirement System</b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Contractually required contribution	\$ 258,736	\$ 229,089	\$ 232,091	\$ 240,910	\$ 224,751	\$ 215,101	\$ 264,006
Contributions in relation to the contractually required contribution	<u>258,736</u>	<u>229,089</u>	<u>232,091</u>	<u>240,910</u>	<u>224,751</u>	<u>215,101</u>	<u>264,006</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Library's covered-employee payroll	\$ 1,695,639	\$ 1,648,224	\$ 1,618,010	\$ 1,520,038	\$ 1,497,988	\$ 1,403,910	\$ 1,327,210
Contribution as a percentage of covered-employee payroll	15.26%	13.90%	14.34%	15.85%	15.00%	15.32%	19.89%

**CRANDALL PUBLIC LIBRARY**  
**SUPPLEMENTARY INFORMATION**  
**NET INVESTMENT IN CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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<b>CAPITAL ASSETS, NET</b>	\$ 9,185,228
<b>DEDUCT:</b>	
Bonds payable	8,050,000
Installment purchase debt payable	<u>60,530</u>
<b>NET INVESTMENT IN CAPITAL ASSETS</b>	<u><u>\$ 1,074,698</u></u>

See paragraph on supplemental schedules included in independent auditors' report.



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

To the Board of Trustees  
of the Crandall Public Library  
Glens Falls, New York

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Crandall Public Library, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Crandall Public Library's basic financial statements, and have issued our report thereon dated March 16, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Crandall Public Library's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crandall Public Library's internal control. Accordingly, we do not express an opinion on the effectiveness of Crandall Public Library's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Crandall Public Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*WEST & COMPANY CPAs PC*

Gloversville, New York  
March 16, 2022