

**COMMUNITY LIBRARY OF  
DEWITT & JAMESVILLE**

**FINANCIAL STATEMENTS  
(and Independent Auditors' Report Thereon)**

**For the Years Ended December 31, 2020 and 2019**

# Community Library of DeWitt & Jamesville

## Table of Contents

Independent Auditors' Report.....	1-2
Financial Statements	
Statements of Financial Position, December 31, 2020 and 2019 .....	3
Statements of Activities, For the Years Ended December 31, 2020 and 2019 .....	4
Statement of Functional Expenses, For the Year Ended December 31, 2020 .....	5
Statement of Functional Expenses, For the Year Ended December 31, 2019 .....	6
Statements of Cash Flows, For the Years Ended December 31, 2020 and 2019 .....	7
Notes to Financial Statements .....	8-14

## INDEPENDENT AUDITORS' REPORT

**Board of Trustees  
Community Library of DeWitt & Jamesville  
DeWitt, New York**

### Report on the Financial Statements

We have audited the accompanying financial statements of Community Library of DeWitt & Jamesville (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

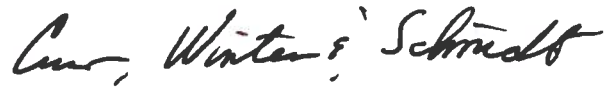
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Library of DeWitt & Jamesville as of December 31, 2020 and 2019, and the results

of its activities and changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads 'Carl Winter & Schmidt'.

East Syracuse, New York  
May 20, 2021

**Community Library of DeWitt & Jamesville**  
**Statements of Financial Position**  
**December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents (\$406,813 board designated for 2020 and \$417,089 for 2019)	\$ 1,623,425	\$ 1,511,245
Grants receivable	-	125,000
Pledges receivable	-	700
Prepaid expenses	<u>19,713</u>	<u>20,438</u>
<b>Total current assets</b>	<u>1,643,138</u>	<u>1,657,383</u>
<b>Property and Equipment, net:</b>		
Property and equipment (less accumulated depreciation of \$951,046-2020, \$682,683-2019)	<u>7,086,280</u>	<u>7,348,308</u>
<b>Total property and equipment</b>	<u>7,086,280</u>	<u>7,348,308</u>
<b>Total assets</b>	<u>\$ 8,729,418</u>	<u>\$ 9,005,691</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Mortgage - current portion, net of debt closing costs \$10,045	\$ 92,445	\$ 88,355
Accounts payable and accrued expense	22,621	27,586
Accrued payroll	22,135	18,775
Accrued benefits payable	<u>21,403</u>	<u>14,606</u>
<b>Total current liabilities</b>	<u>158,604</u>	<u>149,322</u>
<b>Long-term Liabilities:</b>		
Mortgage - net of current portion and debt closing costs ( \$61,944 for 2020 and \$71,989 for 2019)	<u>3,398,258</u>	<u>3,488,091</u>
<b>Total long-term liabilities</b>	<u>3,398,258</u>	<u>3,488,091</u>
<b>Total liabilities</b>	<u>3,556,862</u>	<u>3,637,413</u>
<b>Net Assets:</b>		
<b>With donor restrictions:</b>		
Capital campaign	<u>-</u>	<u>125,700</u>
<b>Without donor restrictions:</b>		
Board designated for building expenditures	406,813	417,089
Undesignated	<u>4,765,743</u>	<u>4,825,489</u>
<b>Total without donor restrictions</b>	<u>5,172,556</u>	<u>5,242,578</u>
<b>Total net assets</b>	<u>5,172,556</u>	<u>5,368,278</u>
<b>Total liabilities and net assets</b>	<u>\$ 8,729,418</u>	<u>\$ 9,005,691</u>

The accompanying notes are an integral part of these financial statements.

**Community Library of DeWitt & Jamesville**  
**Statements of Activities**  
**For the Years Ended December 31, 2020 and 2019**

	2020		2019	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>
	Total	Total	Total	Total
<b>Revenues, gains and other support:</b>				
Public tax levy	\$ 1,460,202	\$ -	\$ 1,460,202	\$ -
Other gifts and grants	10,144	-	25,368	-
Interest income	1,254	-	3,172	-
Fundraising income less expenses of \$1,599	15,745	-	18,276	-
Other income	7,288	-	17,684	-
Net assets released from restrictions satisfaction of time and purpose	125,700	(125,700)	147,714	(147,714)
<b>Total revenues, gains, and other support</b>	<u>1,620,333</u>	<u>(125,700)</u>	<u>1,672,416</u>	<u>(147,714)</u>
				<u>1,524,702</u>
<b>Expenses and losses:</b>				
Program expense	1,357,400	-	1,398,548	-
Management and administrative	307,224	-	318,642	-
Fund raising	25,731	-	25,959	-
<b>Total expenses and losses</b>	<u>1,690,355</u>	<u>-</u>	<u>1,743,149</u>	<u>-</u>
				<u>1,743,149</u>
<b>Decrease in net assets</b>	<u>(70,022)</u>	<u>(125,700)</u>	<u>(70,733)</u>	<u>(147,714)</u>
Net assets - beginning of year	<u>5,242,578</u>	<u>125,700</u>	<u>5,313,311</u>	<u>273,414</u>
<b>Net assets - end of year</b>	<u>\$ 5,172,556</u>	<u>\$ -</u>	<u>\$ 5,242,578</u>	<u>\$ 125,700</u>
				<u>\$ 5,368,278</u>

**Community Library of DeWitt & Jamesville**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2020**

**SUPPORT SERVICES**

	<u>Program</u> <u>Services</u>	<u>Management &amp;</u> <u>Administrative</u>	<u>Fund</u> <u>Raising</u>	<u>Total</u>
Payroll				
Librarians	\$ 314,818	\$ 115,285	\$ 13,302	\$ 443,405
Support staff	230,117	26,450	7,935	264,502
Payroll service	-	2,098	-	2,098
FICA	39,445	9,608	1,517	50,570
Health insurance	26,367	8,195	1,069	35,631
Retirement	19,076	4,955	743	24,774
Insurance	22,410	5,260	851	28,521
Telephone	4,960	1,164	188	6,313
Utilities	26,135	6,134	-	32,269
Custodial	45,571	10,695	-	56,266
Postage	3,254	763	126	4,142
Supplies	4,727	1,109	-	5,836
Collection agency fees	-	143	-	143
Books	72,121	-	-	72,121
Electronic resources	42,001	-	-	42,001
Periodicals	7,703	-	-	7,703
Audios and CDs	8,766	-	-	8,766
Videos and DVDs	25,773	-	-	25,773
Kits and nontraditional	10,020	-	-	10,020
Library system	29,752	-	-	29,752
Programming	10,744	-	-	10,744
Continuing education	1,412	-	-	1,412
Miscellaneous	2,006	471	-	2,477
Public relations	3,760	-	-	3,760
Repairs and maintenance	50,468	11,846	-	62,314
Computer and support	9,035	2,121	-	11,156
Bank charges	-	86	-	86
Audit fee	-	11,250	-	11,250
Consulting fees	-	8,176	-	8,176
Interest expense	121,472	28,494	-	149,966
<b>Expenses before depreciation and     loss on disposition of assets</b>	<b>1,131,913</b>	<b>254,303</b>	<b>25,731</b>	<b>1,411,947</b>
Depreciation and amortization	225,487	52,921	-	278,408
<b>Total</b>	<b>\$ 1,357,400</b>	<b>\$ 307,224</b>	<b>\$ 25,731</b>	<b>\$ 1,690,355</b>

The accompanying notes are an integral part of the these financial statements.

**Community Library of DeWitt & Jamesville**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2019**

**SUPPORT SERVICES**

	<u>Program</u> <u>Services</u>	<u>Management &amp;</u> <u>Administrative</u>	<u>Fund</u> <u>Raising</u>	<u>Total</u>
Payroll				
Librarians	\$ 312,493	\$ 114,434	\$ 13,204	\$ 440,131
Support staff	233,376	26,825	8,047	268,248
Payroll service	-	2,234	-	2,234
FICA	40,858	9,953	1,571	52,382
Health insurance	26,238	8,155	1,064	35,457
Retirement	24,254	6,300	945	31,499
Insurance	21,845	5,128	829	27,802
Telephone	5,305	1,245	201	6,751
Utilities	25,352	5,951	-	31,303
Custodial	45,723	10,731	-	56,454
Postage	2,533	594	98	3,225
Supplies	9,684	2,272	-	11,956
Collection agency fees	-	340	-	340
Books	80,977	-	-	80,977
Electronic resources	32,897	-	-	32,897
Periodicals	7,689	-	-	7,689
Audios and CDs	14,167	-	-	14,167
Videos and DVDs	33,157	-	-	33,157
Kits and nontraditional	4,476	-	-	4,476
Library system	29,168	-	-	29,168
Programming	15,645	-	-	15,645
Continuing education	4,000	-	-	4,000
Miscellaneous	7,821	1,835	-	9,656
Public relations	5,838	-	-	5,838
Repairs and maintenance	56,426	13,244	-	69,670
Computer and support	9,112	2,139	-	11,251
Bank charges	-	181	-	181
Audit fee	-	6,500	-	6,500
Consulting fees	-	18,567	-	18,567
Interest expense	124,169	29,126	-	153,295
<b>Expenses before depreciation and     loss on disposition of assets</b>	<u>1,173,203</u>	<u>265,754</u>	<u>25,959</u>	<u>1,464,916</u>
Depreciation and amortization	225,345	52,888	-	278,233
<b>Total</b>	<u>\$ 1,398,548</u>	<u>\$ 318,642</u>	<u>\$ 25,959</u>	<u>\$ 1,743,149</u>

The accompanying notes are an integral part of these financial statements.



**Community Library of DeWitt & Jamesville**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash flow from operating activities:</b>		
Change in total in net assets	\$ (195,722)	\$ (218,447)
Adjustments to reconcile net cash provided by operating activities:		
Depreciation and amortization	278,408	278,233
Decrease (increase) in operating assets:		
Grants receivable	125,000	143,994
Pledges receivable	700	3,720
Prepaid expenses	725	(3,087)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expense	(4,965)	(53,169)
Accrued payroll	3,360	2,421
Accrued benefits payable	6,797	(3,939)
<b>Net cash provided by operating activities</b>	<u>214,303</u>	<u>149,726</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property and improvements	<u>(6,335)</u>	<u>(3,585)</u>
<b>Net cash used in investing activities</b>	<u>(6,335)</u>	<u>(3,585)</u>
<b>Cash flows from financing activities:</b>		
Payments on long term debt	<u>(95,788)</u>	<u>(92,330)</u>
<b>Net cash used in financing activities</b>	<u>(95,788)</u>	<u>(92,330)</u>
<b>Net increase in cash, cash equivalents and restricted cash</b>	<b>112,180</b>	<b>53,811</b>
<b>Cash, cash equivalents and restricted cash, beginning of year</b>	<u>1,511,245</u>	<u>1,457,434</u>
<b>Cash, cash equivalents and restricted cash, end of year</b>	<u>\$ 1,623,425</u>	<u>\$ 1,511,245</u>
<b>Supplemental disclosures of cash flows:</b>		
<b>Cash paid during the year for:</b>		
Interest	<u>\$ 149,966</u>	<u>\$ 153,295</u>

The accompanying notes are an integral part of the these financial statements.

# Community Library of DeWitt & Jamesville

## Notes to Financial Statements

---

### Note 1 – Nature of Operations

The Community Library of DeWitt & Jamesville (formerly the DeWitt Community Library Association, Inc.) is a nonprofit organization, chartered by the State of New York as a free association library and is a member library of the Onondaga County Public Library System whose purpose is to provide quality library service to the communities of DeWitt, Jamesville, and the surrounding Central New York area. In August 2017, the Community Library of DeWitt & Jamesville (the Library) moved from its long-standing mall location where it had been a tenant for over 50 years and into a new 23,700 square foot building. The Library's charter, issued by the NYS Board of Regents and on behalf of the New York State Education Department, was amended on June 12, 2018, to officially change the name of the Library to "Community Library of DeWitt & Jamesville."

### Note 2 – Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements of the Library have been prepared utilizing the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

#### Financial Statement Presentation

Financial statement presentation follows the recommendation of FASB ASC 958-205-05-6 *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205-05-6, the Library is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Library is required to present a statement of cash flows.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Library uses the indirect method of reporting net cash flows from operating activities and considers all short-term investments with an original maturity of three months or less to be cash equivalents.

#### Library Collections

Library books, periodicals, and other library materials are charged to operations in the year in which they are acquired.

# Community Library of DeWitt & Jamesville

## Notes to Financial Statements

---

### Note 2 – Summary of Significant Accounting Policies (continued)

#### Fair Value Measurement

Accounting guidance establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 – Quoted market prices in active markets for identical assets or liabilities
- Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3 – Unobservable inputs

The respective carrying value of certain financial instruments approximated their fair value. These instruments include cash and cash equivalents, accounts receivable, accounts payable and notes payable. Fair values were assumed to approximate carrying values for these financial instruments since they are short-term in nature or the interest rates earned or paid approximate current market rates.

#### Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. It is the Library's policy to capitalize all property and equipment with a useful life of more than one year. Depreciation is provided using the straight-line method based on the estimated useful lives, as follows:

	<u>Years</u>
Land and land improvements	0 – 15
Building and improvements	15 - 40
Equipment and furnishings	5 - 10

Depreciation expense of \$268,363 and \$268,188 has been recorded for 2020 and 2019, respectively.

#### Donor Restricted Activity

Restricted Activity – The Library had net assets with donor restrictions due to gifts and grants that were received.

A capital campaign “for a New Library for Jamesville and DeWitt” raised \$119,760 of donor pledges in 2016, of which \$42,991 remained uncollected at December 31, 2016. To that was added \$56,323 of 2017 pledges, with \$14,803 of total pledges remaining at December 31, 2017. An additional \$1,000 was added to the campaign as a matching gift in 2018. The Library had \$700 of total pledges remaining at December 31, 2019. The Library had \$0 of total pledges remaining at December 31, 2020.

# Community Library of DeWitt & Jamesville

## Notes to Financial Statements

### Note 2 – Summary of Significant Accounting Policies (continued)

#### Donor Restricted Activity (continued)

In 2017, the Library had two grants approved by New York State agencies associated with the building project for the new Library. One State and Municipal Facilities Program (SAM) grant for \$250,000 was approved in 2017 and received from the Dormitory Authority of NYS in January 2018. A Public Library Construction grant was awarded for \$317,473 toward HVAC equipment related to the new building. The Library received 90% of this grant in 2017 and the remainder of \$31,748 was received in November of 2018.

The Library was also awarded a capital campaign related foundation grant of \$500,000, payable in four annual installments of \$125,000 commencing February 2017. The Library received the second installment in 2018. The Library received the third installment in 2019. The remaining \$125,000 was received in 2020.

#### Money Market Account for Board Designated Purposes and Restricted Activity

The Library ended 2020 and 2019 with a balance of \$406,813 and \$417,089, respectively in a board designated fund for the Library building expansion. Such funds that are called Board Designated are not legally restricted but are internally intended for designated purposes. The Board periodically votes to release earnings from these funds for operations but otherwise the earnings remain with the designated funds. The funds were substantially released as the building project was completed and final retention payments were made in 2018.

The activity of the money market account that holds restricted and board designated funds for the years ended December 31, follows:

	<u>2020</u>	<u>2019</u>
January 1 investments	\$ 417,089	\$ 448,749
Board Designated activity, January 1	\$ 417,089	\$ 448,749
Budgeted allocation/transfers	(10,276)	(34,832)
Board approved expenditures	-	-
Net earnings retained	-	3,172
Board Designated, December 31	<u>406,813</u>	<u>417,089</u>
Restricted activity, January 1	125,700	273,414
Donations and pledges for building	-	-
Portion of restricted funds fully expended	(125,700)	(147,714)
Restricted grants and pledges not yet received	-	(125,700)
Restricted investments, December 31	-	-
Total investments, December 31	<u>\$ 406,813</u>	<u>\$ 417,089</u>

#### Concentration of Revenue

The Library's principal source of funding is through a tax levy on residents in the Library's service area and other residents paying tax to the Jamesville-DeWitt School District. The tax is collected by the Jamesville-DeWitt School District on behalf of the Library in accordance with section 259 of the New York State Education Law.

# Community Library of DeWitt & Jamesville

## Notes to Financial Statements

---

### **Note 2 – Summary of Significant Accounting Policies (continued)**

#### **Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include employee salaries and benefits and other administrative expenses such as system-wide automation services, insurances, depreciation and facility maintenance costs. Employee benefits were allocated based on payroll paid and employee census in the functional areas and the administrative expenses were allocated based on estimates of program usage.

#### **Donated Services**

The Library receives donated services from unpaid volunteers who assist with Library routine functions. No amounts have been recognized in the statement of activities since the criteria for recognition under FASB ASC 958-605 have not been satisfied. However, volunteers provided approximately 445 and 1,402 hours of service in 2020 and 2019, respectively, and the Library would have had to pay clerks approximately \$5,600 and \$16,500 for December 31, 2020 and 2019, respectively, if volunteers were not available.

### **Note 3 – Liquidity and Availability of Financial Assets**

The Library has \$1,623,425 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$1,623,425. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Library has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Library has a \$50,000 line of credit available to supplement its cash need.

### **Note 4 – Grants Receivable**

The Library solicited both public and private grant funding for its building project. A private foundation \$500,000 grant was received, payable in four installments, with the last annual installment being received in 2020.

### **Note 5 – Pledges Receivable**

The Organization received pledges in support of the new facility project. As of December 31, 2020, the balance of pledges receivable is \$0.

# Community Library of DeWitt & Jamesville

## Notes to Financial Statements

---

### Note 6 – Property and Equipment

Land, buildings, and equipment and the related accumulation of depreciation consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 831,850	\$ 831,850
Land improvements	184,358	184,358
Building and improvements	6,137,479	6,137,479
Equipment and furnishings	<u>883,639</u>	<u>877,304</u>
Total	8,037,326	8,030,991
Less accumulated depreciation	<u>(951,046)</u>	<u>(682,683)</u>
Property and equipment, net	<u>\$ 7,086,280</u>	<u>\$ 7,348,308</u>

### Note 7 – Line of Credit

The Library has a bank line of credit for \$50,000 bearing interest at the prime rate (3.25% at December 31, 2020). The line was not used in either 2020 or 2019; the balance on the line of credit at December 31, 2020 and 2019 was \$0.

### Note 8 – Mortgage

On November 16, 2016, the Library closed on financing for the construction and mortgage of its new facility. The aggregate amount of the financing was to be \$5,150,000 divided between a construction loan of \$4,300,000 at 4.08% and an excess mortgage of \$850,000 at 3.37%, both convertible to a permanent mortgage. At December 31, 2016, \$100,450 of the construction loan had been drawn to pay the November 16th closing costs.

During 2017, the construction loan was used for the general contractor's payments and at December 31, 2017, the balance of the construction loan was \$3,782,024. Subsequent to year end, and after additional construction payments were financed, the Library and lender agreed to paydown and convert the loan to a permanent mortgage of \$3,825,000. The first payment was due March 1, 2018, maturing after ten years on February 1, 2028, amortized over 300 months at \$20,471 per month including interest at 4.08%.

Included as an offset to the mortgage payable is the \$100,450 closing costs that will be amortized over a ten-year period, beginning March 1, 2018. The balance of the closing costs at December 31, 2020 is \$71,989. The annual amortization was \$10,045 for 2020 and 2019. The closing costs are netted against the current and non-current portions of the mortgage.

# Community Library of DeWitt & Jamesville

## Notes to Financial Statements

### Note 8 – Mortgage (continued)

Approximate principal payments on the mortgage and amortization of the debt closing costs are as follows:

2021 .....	\$ 102,490
2022 .....	106,751
2023 .....	111,189
2024 .....	115,811
2025 .....	120,625
Thereafter .....	<u>3,005,826</u>
Loan balance at December 31	3,562,692
Less: debt closing costs	<u>(71,989)</u>
Loan balance, less debt closing costs	\$ 3,490,703
Presented as: Current portion	<u>(92,445)</u>
Long term	<u>\$ 3,398,258</u>

Interest expense at December 31, 2020 and 2019 was \$149,966 and \$153,295, respectively.

The mortgage is secured by the property at 5110 Jamesville Road in the Town of DeWitt.

### Note 9 – Income Tax Status

The Library is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. The Library is obligated to pay income tax on its unrelated business income (as defined), if any. The Library had no unrelated business income for the years ended December 31, 2020 or 2019. As a not-for-profit organization, the Library is required to file federal tax returns annually. These returns may be selected for examination by the Internal Revenue Service, subject to a statute of limitations, to determine whether or not the Library has properly maintained its tax-exempt status. The Library's tax returns for the years 2017 and beyond remain subject to examination by the Internal Revenue Service.

### Note 10 – Retirement Plan

The Library has a retirement plan covering eligible employees with over 1,000 hours of annual service whereby the Library contributes 5% of eligible wages. Contributions for 2020 and 2019 amounted to approximately \$24,800 and \$31,500, respectively. The Library has adopted a TIAA-CREF prototype plan that additionally permits employee contributions through payroll reduction.

### Note 11 – Vacation Accrual

Employees of the Library are entitled to paid vacation depending on length of service and other factors. On termination, any accrued vacation is payable to the terminating employee. Sick leave is not accrued because it does not vest; employees are not paid for any sick leave balance at termination of employment. The balance of the vacation accrual at December 31, 2020 and 2019 is \$18,373 and \$11,654, respectively.

# Community Library of DeWitt & Jamesville

## Notes to Financial Statements

---

### **Note 12 – Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**

At December 31, 2020, the Library had a balance in a money market and checking account with one financial institution of \$1,670,556. At December 31, 2020, the composition of the deposits held exceeded the FDIC limit of \$250,000 by \$1,420,556. Management believes there is no significant risk with respect to such deposits.

### **Note 13 – COVID-19 Impact**

The Library's public building operations were suspended in March 2020 to comply with New York State's mandatory shut-down of non-essential businesses due to COVID-19. During this time, the Library continued to offer virtual services, collections, and programming. The Library commenced with curbside pickup in June 2020 and browsing appointments in March 2021. The Library continues to evaluate and expand services offered while monitoring requirements and recommendations that protect the health of employees and the community.

The Library made significant reductions in certain areas of operating expenses while increasing purchases of electronic resources, kits and nontraditional Library materials to meet the changing needs of its members. Additionally, the Library suspended its charging of fines resulting in a decrease of \$7,600 of other income in 2020.

### **Note 14 – Subsequent Events**

In accordance with FASB Accounting Standards Codification Topic 855, Subsequent Events, the Organization has evaluated subsequent events through May 20, 2021, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of May 20, 2021, have been incorporated into these financial statements herein.