

**SOUTHERN ADIRONDACK
LIBRARY SYSTEM**

AUDITED FINANCIAL STATEMENTS-CASH BASIS

Years ended December 31, 2023 and 2022

SOUTHERN ADIRONDACK LIBRARY SYSTEM

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Southern Adirondack Library System

Opinion

We have audited the accompanying statements of the Southern Adirondack Library System (a non-profit organization), which comprise the statements of cash receipts and disbursements of the General Fund and Trust and Agency Fund for the years ended December 31, 2023 and 2022 and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph presents fairly, in all material respects, the cash receipts and disbursements of the Southern Adirondack Library System for the years ended December 31, 2023 and 2022, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Southern Adirondack Library System 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 opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's 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 auditor's report that includes our opinion. 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 generally accepted 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 generally accepted 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 Southern Adirondack Library System'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 Southern Adirondack Library System'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.

UHY LLP

Saratoga Springs, New York
May 17, 2024

SOUTHERN ADIRONDACK LIBRARY SYSTEM
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS – GENERAL FUND
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
RECEIPTS		
State aid	\$ 1,715,437	\$ 1,725,480
Federal aid	17,000	-
Interest income	54,089	993
Private aid	59,500	-
Miscellaneous	6,815	3,083
Local government aid	103,000	83,779
Reimbursement of expenses	56	4,688
Reimbursement of joint automation fees - member libraries	<u>470,587</u>	<u>510,195</u>
Total receipts	<u>2,426,484</u>	<u>2,328,218</u>
DISBURSEMENTS		
Transfers to trust and agency fund	1,351,016	1,275,219
Joint automation fees - joint automation project	480,558	445,020
General	<u>778,050</u>	<u>678,631</u>
Total disbursements	<u>2,609,624</u>	<u>2,398,870</u>
NET CASH DECREASE	(183,140)	(70,652)
CASH BALANCES, January 1	<u>2,214,293</u>	<u>2,284,945</u>
CASH BALANCES, December 31	<u>\$ 2,031,153</u>	<u>\$ 2,214,293</u>
CASH BALANCES, December 31		
Checking and petty cash	\$ 74,219	\$ 8,421
Money market and cash equivalent	<u>1,956,934</u>	<u>2,205,872</u>
	<u>\$ 2,031,153</u>	<u>\$ 2,214,293</u>

See notes to financial statements.

SOUTHERN ADIRONDACK LIBRARY SYSTEM
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS –
TRUST AND AGENCY FUND
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
RECEIPTS		
Transfers from general fund	\$ 1,351,016	\$ 1,275,219
Aflac premium refund deposit	-	20
	<u>1,351,016</u>	<u>1,275,239</u>
DISBURSEMENTS		
	<u>1,351,027</u>	<u>1,277,205</u>
NET CASH DECREASE	(11)	(1,966)
CASH BALANCES, January 1	<u>8,120</u>	<u>10,086</u>
CASH BALANCES, December 31	<u>\$ 8,109</u>	<u>\$ 8,120</u>

See notes to financial statements.

SOUTHERN ADIRONDACK LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Southern Adirondack Library System is a non-profit organization that seeks to extend and improve library service for those areas not having public libraries, and to supplement the services of the local member libraries. Funds are received from New York State, local municipalities as well as member libraries as part of the joint automation project (automation of card catalogs and computer services for member libraries).

Basis of Presentation

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized in the financial statement. The cash basis differs from generally accepted accounting principles primarily because revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when an obligation is incurred.

Receipts Recognition

Receipts primarily consists of state aid, local public funds and reimbursement of fees which are recorded as such in the statement of cash receipts and disbursements. The performance obligations relate to extending, improving and supplementing the services of local member libraries which are satisfied in a consistent and ongoing basis.

Depreciation

The Southern Adirondack Library System expenses property, plant and equipment as purchased. Accordingly, there is no provision for depreciation in these financial statements.

Tax Status

The Southern Adirondack Library System is exempt from income taxes because it qualifies as part of a governmental unit.

Subsequent Events

Management has evaluated subsequent events through May 17, 2024, the date which the financial statements were available to be issued.

NOTE 2 — CASH BALANCES

Cash balances consist of demand deposits, money market funds and certificates of deposit including interest earned to date.

Total cash balances at banks on December 31, 2023 and 2022 were \$2,083,975 and \$2,281,335, respectively.

SOUTHERN ADIRONDACK LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 2 — CASH BALANCES (Continued)

For such deposits, collateral is required for the amount that is in excess of Federal Deposit Insurance coverage. Investments that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and School Districts. The Federal Deposit Insurance and the collateral held by the custodial banks in the Library's name met the requirements at December 31, 2023 and 2022.

NOTE 3 — RELATED PARTY TRANSACTIONS AND CONCENTRATIONS

- A) During the years ended December 31, 2023 and 2022, Southern Adirondack Library System was reimbursed by the Joint Automation Council of Southern Adirondack Library System/Mohawk Valley Library System. It is the Library's accounting policy to reduce disbursements for such reimbursements. However, the Southern Adirondack Library System did not receive reimbursement for December 2023 expenses (\$81,569) until January 2024 and December 2022 expenses (\$48,855) until January 2023. The reimbursements shown below reflect 12 months of reimbursements for both the years ended December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Building maintenance	\$ 337	\$ 450
Disability	1,043	2,278
Health insurance	76,435	55,735
Insurance	7,717	3,459
Mileage	-	197
New York State Retirement	35,005	74,719
Other employee benefits	93	589
Payroll processing fees	2,693	2,398
Payroll taxes	41,184	25,468
Salaries	441,980	436,625
Telephone	1,735	1,752
Utilities	11,669	14,345
Workers compensation	600	630
	<u>\$ 620,491</u>	<u>\$ 618,645</u>

Additionally, Southern Adirondack Library System is reimbursed for expenses from member libraries (\$242,996 and \$169,156 for the years ended December 31, 2023 and 2022, respectively). It is the Library's accounting policy to reduce disbursements for such reimbursements.

- B) A majority of the cash receipts for Southern Adirondack Library System are derived from New York State and local governments. As such, a curtailment of funds by any of these governmental entities could have a material impact on the operations of the Organization.

The Joint Automation Council of the Southern Adirondack Library System/Mohawk Valley Library System bills Southern Adirondack Library System for the services provided to its member libraries. The Southern Adirondack Library System, in turn, invoices its member libraries for reimbursement.

SOUTHERN ADIRONDACK LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 4 — GENERAL AND TRUST AND AGENCY FUND DISBURSEMENTS

General Fund disbursements include, but are not limited to, pass through aid to member libraries, office expenses, delivery, professional fees, insurance, repairs and maintenance, grants to member libraries, professional memberships, equipment, fees for system automation and continuing education.

The Trust and Agency fund disbursements are utilized to pay salaries, payroll taxes, health insurance and retirement benefits for Southern Adirondack Library System and The Joint Automation Council. See Note 3 for the Organizations policy to reduce expenses for reimbursements.