

FINANCIAL REPORT
Audited
BEEKMAN LIBRARY ASSOCIATION
December 31, 2020

Audited for:

Board of Trustees
Beekman Library Association

Audited by:
RBT CPAs, LLP
11 Racquet Road
Newburgh, NY 12550
(845) 567-9000

BEEKMAN LIBRARY ASSOCIATION

TABLE OF CONTENTS

	Page
Independent Auditor's Report on the Financial Statements	1 – 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 12



LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Beekman Library Association
11 Town Center Boulevard
Hopewell Junction, NY 12533

Report on the Financial Statements

We have audited the accompanying financial statements of Beekman Library Association (the "Library", a non-profit Organization) which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses and cash flows for the year 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the spread of the global pandemic, coronavirus disease (COVID-19), has created economic uncertainty.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Library as of December 31, 2020 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

RBT CPAs, LLP

Newburgh, NY
October 25, 2021

BEEKMAN LIBRARY ASSOCIATION

STATEMENT OF FINANCIAL POSITION

As of December 31	2020
ASSETS	
Current Assets:	
Cash and Cash Equivalents (Note 3)	\$ 270,646
Investments - Other	202,263
Accounts Receivable	500
Prepaid Expenses	7,501
Total Current Assets	480,910
Fixed Assets:	
Buildings	1,499,612
Machinery and Equipment	59,779
Furniture and Fixtures	37,697
Total Fixed Assets	1,597,088
Less: Accumulated Depreciation	641,862
Net Fixed Assets	955,226
Total Assets	\$ 1,436,136
LIABILITIES AND NET ASSETS	
Current Liabilities:	
Accounts Payable and Accrued Expenses (Note 4)	\$ 22,573
Current Portion of Long-Term Debt (Note 5)	20,911
Total Current Liabilities	43,484
Long-Term Liabilities:	
Long-Term Debt - Net of Current Portion (Note 5)	350,961
Total Liabilities	394,445
Net Assets:	
Without Donor Restrictions	1,026,769
With Donor Restrictions (Note 8)	14,922
Total Net Assets	1,041,691
Total Liabilities and Net Assets	\$ 1,436,136

See Notes to Financial Statements

BEEKMAN LIBRARY ASSOCIATION

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Revenues & Other Support:			
Revenues:			
Fundraising	\$ 14,554	\$ -	\$ 14,554
Grants and Contracts	435,936	2,080	438,016
Paycheck Protection Program (Note 10)	53,200	-	53,200
Contributions	9,290	-	9,290
In-Kind Revenue	6,000	-	6,000
Library Charges	6,131	-	6,131
Total Revenues	525,111	2,080	527,191
Other Income:			
Interest Income	5,002	-	5,002
Net Assets Released from Restrictions	1,550	(1,550)	-
Total Revenues and Other Support	531,663	530	532,193
Expenses:			
Program Services	381,935	-	381,935
Support Services	101,905	-	101,905
Fundraising	52	-	52
Total Expenses	483,892	-	483,892
Change in Net Assets	47,771	530	48,301
Prior Period Adjustments (Note 12)	(22,389)	13,889	(8,500)
Net Assets - Beginning	1,001,387	503	1,001,890
Net Assets - Ending	\$ 1,026,769	\$ 14,922	\$ 1,041,691

BEEKMAN LIBRARY ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020		Program Services	Support Services	Fundraising	Total
Salaries	A	\$ 177,061	\$ 73,633	\$ -	\$ 250,694
Employee Benefits and Payroll Taxes	A	20,073	16,173	-	36,246
		197,134	89,806	-	286,940
Dues and Subscriptions	B	10,311	-	-	10,311
Program Expenses	B	3,924	-	-	3,924
Office Expense	A	6,116	322	-	6,438
Travel	B	711	-	-	711
Occupancy	A	8,655	456	-	9,111
Printing and Publications	B	3,139	-	-	3,139
Repairs & Maintenance	B	11,395	-	-	11,395
Telephone	A	6,103	321	-	6,424
Insurance	B	6,618	-	-	6,618
Miscellaneous	B	395	-	-	395
Professional Fees	B	-	11,000	-	11,000
Postage	B	1,684	-	-	1,684
Donated Supplies	B	6,000	-	-	6,000
Library Books and Materials	B	49,957	-	-	49,957
Interest Expense	B	20,215	-	-	20,215
Fundraising	B	-	-	52	52
		332,357	101,905	52	434,314
Depreciation Expense	B	49,578	-	-	49,578
Total Expenses		\$ 381,935	\$ 101,905	\$ 52	\$ 483,892

Method of Allocation:

- A Estimated Time and Effort
- B Direct Expense

BEEKMAN LIBRARY ASSOCIATION

STATEMENTS OF CASH FLOWS

For the Year Ended December 31

2020

Cash Flows from Operating Activities:

Change in Net Assets \$ 48,301

Adjustments to Reconcile Change in Net Assets to Net Cash

Provided by/(Used in) Operating Activities:

Depreciation 49,578

Amortization of Debt Issuance Costs 628

Reinvested Interest (4,811)

Change in Working Capital Components:

(Increase)/Decrease in Accounts Receivable (500)

(Increase)/Decrease in Prepaid Expenses (1,043)

Increase/(Decrease) in Accounts Payable and Accrued Expenses 4,182

Total Adjustments 48,034

Net Cash Provided by Operating Activities **96,335**

Cash Flows from Investing Activities:

Purchase of Fixed Assets (7,750)

Net Cash Used in Investing Activities **(7,750)**

Cash Flows from Financing Activities:

Principal Payments on Long-Term Debt (20,231)

Net Cash Used in Financing Activities **(20,231)**

Net Increase in Cash and Cash Equivalents **68,354**

Cash and Cash Equivalents - Beginning 202,292

Cash and Cash Equivalents - Ending \$ 270,646

Supplemental Disclosures:

Cash Paid for Interest \$ 20,298

BEEKMAN LIBRARY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

1. Nature of Business:

The Beekman Library Association (the "Library") is a non-profit corporation operating in Dutchess County, New York. The Association is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Association operates as a full service library, serving the residents of the Town of Beekman within eastern Dutchess County.

2. Summary of Significant Accounting Policies:

Basis of Accounting

The Library uses the accrual method of accounting. This method recognizes support revenue as services are rendered or as costs are incurred on reimbursable contracts. Receivables are recorded for any uncollected revenue from services rendered or reimbursable costs incurred.

Pervasiveness of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Restricted Assets

The Library reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Library is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

The Library considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

Investments - Other

Certificates of deposit held for investment that are not debt securities are included in "Investments – Other."

Receivables

The Library provides for bad debts using the reserve method. The allowance for doubtful accounts is based on certain percentages of aged receivables, which are based on historical experience and management's assessment of the general collectability. The balance is stated at the amount management expects to collect. Management determined that no allowance was necessary as of December 31, 2020.

Fixed Assets

Fixed assets are stated at cost or, if contributed, at their estimated fair values on the date of donation. The Library has no formal capitalization policy. Depreciation is computed using the straight-line method.

BEEKMAN LIBRARY ASSOCIATION

2. Summary of Significant Accounting Policies (continued):

Advertising

Advertising expenses are charged against income as incurred. There were no advertising expenses for the year ended December 31, 2020.

Recent Accounting Standards

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." Topic 606 supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)" and requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Library adopted Topic 606 as of January 1, 2020. The Library has primarily non-exchange transactions as described below. There was no material impact on the financial statements and no cumulative effect adjustments were required as a result of the adoption of Topic 606.

Revenue Recognition

In 2020, the Library derived 99% of its revenue from non-exchange grants, contracts, contributions, and fundraising. The Library derived 1% of revenues from exchange contracts recognized at a point in time.

Customer Types

Revenue from grants and contracts are received from the Town of Beekman, Dutchess County, and various other small donors and grantors. Exchange contract customers consist of library patrons.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. A contract's price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Performance obligations are for library services, including book rental, used book purchases, room rentals, copying and fax services, and other fees.

Transaction Price

Transaction prices for library fees are based on the type of transaction and are set and approved by the Library.

Disaggregation of Revenue from Contracts with Customers

For the Year Ended December 31	2020
Non-Exchange Transactions	\$ 521,060
Performance Obligations Satisfied at a Point in Time	6,131
Total Revenues	\$ 527,191

Functional Allocation of Expenses

The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management. The methods of allocation are disclosed on the statement of functional expenses.

BEEKMAN LIBRARY ASSOCIATION

2. Summary of Significant Accounting Policies (continued):

Concentration of Credit Risk

The Library maintains its cash in accounts whose balances may exceed the insurance limits of the Federal Deposit Insurance Corporation at various times throughout the year. The Library has experienced no losses related to cash balances in excess of federally insured limits.

Paycheck Protection Program

The Library accounts for its PPP (Paycheck Protection Program) loan under the conditional contribution model in accordance with FASB ASC 958-605. Under this model, the PPP loan is accounted for as a refundable advance until the conditions have been substantially met by the recipient. These conditions, including headcount and qualifying expenses, must be met over a 24 week period. If all conditions are met, the full amount of the PPP loan is fully forgivable. See Note 10.

Subsequent Events

The date to which events occurring after December 31, 2020, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is October 25, 2021, which is the date on which the financial statements were available to be issued.

3. Cash and Cash Equivalents:

Cash and cash equivalents consisted of the following:

As of December 31	2020
Cash in Banks	\$ 268,342
Money Market Funds	1,890
Cash on Hand	414
	\$ 270,646

4. Accounts Payable and Accrued Expenses:

Accounts payable and accrued expenses consisted of the following:

As of December 31	2020
Accounts Payable	\$ 21,578
Accrued Interest Payable	995
	\$ 22,573

5. Mortgage Payable:

The Library's mortgage payable consisted of the following:

As of December 31	Principal	Unamortized Debt Issuance Costs	Net 2020
4.95% Mortgage Payable to Hudson Valley Credit Union, due in monthly payments of \$3,325, including interest, through November 2033	\$ 379,891	\$ (8,019)	\$ 371,872
Less: Current Maturities	21,539	(628)	20,911
Long-Term Portion	\$ 358,352	\$ (7,391)	\$ 350,961

BEEKMAN LIBRARY ASSOCIATION

5. Mortgage Payable (continued):

Aggregate maturities required on long-term debt at December 31, 2020 are due in future years as follows:

	Principal	Unamortized Debt Issuance Costs	Net 2020
2021	\$ 21,539	\$ (628)	\$ 20,911
2022	22,629	(628)	22,001
2023	23,775	(628)	23,147
2024	24,979	(628)	24,351
2025	26,244	(628)	25,616
Thereafter	260,725	(4,879)	255,846
	\$ 379,891	\$ (8,019)	\$ 371,872

6. Economic Dependency:

For the year ended December 31, 2020, the Library received approximately 80% its revenue from the Town of Beekman.

Pursuant to the Library's relationships with governmental units, the governments have the right to examine the books and records of the Library involving transactions relating to their contracts. The accompanying financial statements do not include any provision for possible disallowances for examinations in the future. In the opinion of management, any actual disallowances would be unlikely and immaterial.

7. Taxes:

The Library files an annual 990 as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. As such, no federal or New York State taxes are paid by the Library. The Library has been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(vi).

The Library adopted the provisions of accounting principles generally accepted in the United States of America regarding accounting for uncertain tax positions. Management evaluated the Library's tax positions and concluded that the Library had taken no uncertain tax positions that would require adjustment to the financial statements in order to comply with the provisions of this guidance. With few exceptions, the Library is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years prior to 2017.

8. Net Assets With Donor Restrictions:

Net assets with donor restrictions were available for the following purposes:

As of December 31	2020
Technology Purposes	\$ 13,889
Summer Entertainment	500
Other Purposes	500
Books	33
	\$ 14,922

Net assets were released from restrictions for the following purposes:

For the Year Ended December 31	2020
Summer Entertainment	\$ 100
Musical Arts Program	1,450
	\$ 1,550

BEEKMAN LIBRARY ASSOCIATION

9. Liquidity and Availability of Financial Assets:

The following reflects the Library's financial assets as of December 31, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

As of December 31	2020
Financial Assets at Year-End	
Cash and Cash Equivalents	\$ 270,646
Investments - Other	202,263
Accounts Receivable	500
Total Financial Assets at Year-End	473,409
Less Those Unavailable for General Expenditures Within One Year, Due to:	
Donor-Restricted for Grant Purposes	14,922
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	\$ 458,487

As of December 31, 2020, the Library had enough liquid assets to cover cash expenses for approximately one year. Management deems this sufficient.

10. Paycheck Protection Program:

During April 2020, the Library received \$53,200 under the CARES Act in response to the economic impact of the COVID-19 global pandemic. The Library's 8-week period was from April 9, 2020 to May 28, 2020. Management believed that all conditions had been substantially met as of December 31, 2020. As a result, the full amount was recorded in income for the year ended December 31, 2020.

Subsequent to year end, on February 1, 2021, the Library received forgiveness of the loan.

11. Subsequent Event:

In February of 2021, the Library received a second round of Paycheck Protection Program funding in the amount of \$52,833.

12. Prior Period Adjustments:

The Library recorded prior period adjustments as of January 1, 2020 for the following:

- a. 2019 audit fees were not accrued at December 31, 2019, resulting in net assets being overstated by \$8,500.
- b. \$13,889 of donor restricted contributions were incorrectly classified as unrestricted, resulting in net assets without donor restrictions being overstated and net assets with donor restrictions being understated.

13. New Accounting Standards:

Leases

FASB Accounting Standards Update No. 2016-02, Leases is effective, and will be adopted by the Library, for 2022. The new standard establishes two categories of leases – operating and financing – and requires lessees to recognize a right-of-use asset and a liability for all leases in both categories. Implementation of the standard will require certain retrospective adjustments at the time of application. Management is currently evaluating the impact of this standard on its financial reporting.

Contributed Nonfinancial Assets

FASB Accounting Standards Update No. 2020-07, Not-For-Profit Entities, is effective for fiscal years beginning after June 15, 2021. The new standard establishes a separate line on the Statement of Activities for contributed nonfinancial assets ("CNFA"), also known as gifts in kind, separate from contributions of cash and other financial assets. The standard also requires the categorization of CNFA and disclosures as to the monetization, utilization and valuation. The standard will be adopted by the Library and applied retrospectively.

BEEKMAN LIBRARY ASSOCIATION

14. Uncertainty:

Beginning in March 2020, local, U.S., and world governments encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries experienced disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic and its long-term economic ramifications. Accordingly, while management cannot quantify the financial and other impacts to the Library as of October 25, 2021, management believes that a material impact on the Library's financial position and results of future operations is reasonably possible.

