

**Poughkeepsie Public Library District,
New York**

Financial Statements And
Supplementary Information

Year Ended December 31, 2012

Poughkeepsie Public Library District, New York

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Independent Auditors' Report

The Board of Trustees of the Poughkeepsie Public Library District, New York

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Poughkeepsie Public Library District, New York ("Library District") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Library District's basic financial statements as listed in the table of contents.

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 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 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 Library District'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 Library District'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 respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Library District as of December 31, 2012, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress - Other Post Employment Benefits be presented to supplement the basic financial statements. Such information, 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library District's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

O'Connor Davies, LLP

O'Connor Davies, LLP
New Windsor, New York
March 26, 2013

**Poughkeepsie Public Library District, New York
Management's Discussion and Analysis (MD&A)
December 31, 2012**

Introduction

Our discussion and analysis of the Poughkeepsie Public Library District's ("Library District") financial performance provides readers an overview of the Library District's financial activities for the year ended December 31, 2012. It is a summary of the Library District's current financial activities based on facts, decisions and conditions known as of March 26, 2013. It is also based on the Library District's government-wide and fund-based financial statements.

The Management's Discussion and Analysis is required supplementary information that should be read in conjunction with the Library District's financial statements.

Financial Highlights

The Library District's net assets increased from \$4,102,702 at December 31, 2011 to \$4,344,107 at December 31, 2012. The Library District's total governmental funds reported an ending fund balance of \$1,871,297 compared to last year's balance of \$1,728,696. The Library District's total bonded debt decreased \$440,000 from principal payments made in 2012.

Overview of the Financial Statements

The financial report begins with management's discussion and analysis which gives an overview of the Library District's financial performance as of the date of the financial statements. It is intended to be an introduction to the financial statements. The statement of net position and the statement of activities provide information about the Library District's activities and a long-term view of its financial position. The fund-financial statements provide detail of the Library District's operations.

The financial statements also include notes that explain some of the information in the statements with more detailed data. The notes are necessary for fair presentation of the financial statements. Required supplementary information provides further explanation and support for the financial statements.

Statements of Net Assets and Statements of Activities

The statement of net position and the statement of activities provide information about the Library District as a whole and its activities. These statements include all assets and liabilities using the accrual method of accounting. The statement of net position includes all of the Library District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Library District's net assets and how they have changed. Net position, the Library District's assets minus its liabilities, are one way to measure the Library District's financial position over time. To assess the Library District's overall financial health, other non-financial factors need to be considered, such as changes in the tax base and condition of or improvements to buildings.

Fund-Financial Statements

The fund-financial statements provide detailed information about the Library District's major funds, not the Library District as a whole. The Library District's services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and current assets (assets easily converted to cash). This provides a short-term view of the Library District's general operations and services it provides. The Library District maintains 5 individual government funds(a General Fund, Capital Projects Fund, a Special Revenue Fund, Permanent Fund and a Debt Service Fund) The latter three funds are presented as Non-major Governmental Funds. The reconciliation statements explain the relationship between the governmental funds (short-term view) and the statements of net assets and statement of activities (overall financial position).

Financial Analysis of the District as a Whole

These statements include all assets and liabilities using the full accrual basis of accounting, showing all the current year activity regardless of when cash was received or paid. The Library District's net position increased by \$241,405. Comparative analysis is provided below.

Statements of Net Position

	Primary Government		Change
	Governmental Activities		
	December 31,		
	2012	2011	
Current and Other Assets	\$ 2,798,158	\$ 2,369,522	\$ 428,636
Capital Assets, net	16,335,876	16,650,395	(314,519)
Total Assets	19,134,034	19,019,917	114,117
Current Liabilities	641,429	534,844	106,585
Long-term Liabilities	14,148,498	14,382,371	(233,873)
Total Liabilities	14,789,927	14,917,215	(127,288)
Net Assets:			
Invested in Capital Assets, net of debt	3,890,424	3,770,474	119,950
Restricted for Capital	194,867	299,958	(105,091)
Restricted for Debt	298,105	304,317	(6,212)
Restricted for Special Revenue	307,492	287,912	19,580
Restricted for Permanent Fund	468,853	468,853	-
Unrestricted (deficit)	(815,634)	(1,028,812)	213,178
Total Net Assets	\$ 4,344,107	\$ 4,102,702	\$ 241,405

Governmental Activities

Total revenues increased from 2012 mainly from increases in grants as well as a 2% increase in the property tax revenue, the Library District's main source of revenue. Since the Library District must rely heavily on voter approval for funding levels, management of the resources is of paramount concern to the Library District's administration and the voting public.

The table below reflects revenue and costs of providing library services. General revenue including tax revenue, use of money and property, and State, County and Federal sources, primarily support the cost of providing services. Local property taxes constituted 89.6% of the Library District's total revenue in 2012; in 2011 it was 87%. In the Library District's 2013 budget local property taxes will drop to 87% of total revenue.

	December 31,		Change
	2012	2011	
Program Revenues:			
Charges for Services	\$ 173,336	\$ 219,825	\$ (46,489)
Operating Grants and Contributions	575,269	590,737	(15,468)
Capital Grants	238,064	121,373	116,691
Total Program Revenues	986,669	931,935	54,734
General Revenues:			
Property Taxes	5,573,526	5,358,564	214,962
Other Tax Items	8,165	9,390	(1,225)
Use of Money and Property	13,177	10,900	2,277
Total General Revenues	5,594,868	5,378,854	216,014
Total Revenues	6,581,537	6,310,789	365,904
Expenses:			
General Support	8,486	8,403	83
Culture and Recreation	5,789,620	5,743,854	45,766
Interest	542,026	553,048	(11,022)
Total Expenses	6,340,132	6,305,305	34,827
Change in net Assets	241,405	5,484	235,921
Net Assets beginning of year	4,102,702	4,097,218	5,484
Net Assets at End of Year	\$ 4,344,107	\$ 4,102,702	\$ 241,405

Library District's Government Funds

The total assets and liabilities of the Library District changed from 2011 as follows:

	December 31,		Change
	2012	2011	
Assets:			
General Fund	\$ 1,097,172	\$ 835,331	\$ 261,841
Capital Projects Fund	410,099	329,100	80,999
Special Revenue Fund	398,714	331,797	66,917
Permanent Funds	486,314	488,453	(2,139)
Debt Service Funds	298,105	304,317	(6,212)
Total Assets	2,690,404	2,288,998	401,406
Liabilities:			
General Fund	495,192	467,675	27,517
Capital Projects Fund	215,232	29,142	186,090
Special Revenue Fund	91,222	43,885	47,337
Permanent Funds	17,461	19,600	(2,139)
Total Liabilities	819,107	560,302	258,805
Fund Balance:			
General Fund	601,980	367,656	234,324
Capital Projects Fund	194,867	299,958	(105,091)
Special Revenue Fund	307,492	287,912	19,580
Permanent Funds	468,853	468,853	-
Debt Service Funds	298,105	304,317	(6,212)
Total Fund Balance	1,871,297	1,728,696	142,601
Total Liabilities and Fund Balance	\$ 2,690,404	\$ 2,288,998	\$ 401,406

As shown in the table above, assets and liabilities increased. In the general fund, assets increased as revenues exceeded expenses. The General Fund unassigned Fund Balance is 11% of its operating budget, exclusive of debt service. The NYS Government Finance Officers Association and the NYS Comptroller's Office recommend a 2 month budget reserve as insurance against unanticipated expenditures or revenue shortfalls. The Library District's unassigned fund balance is 1 month of expenditures. Total governmental funds revenue and expenditures changed from the prior year as follows:

	December 31,		Change
	2012	2011	
Revenue and Other Sources:			
Real Property Taxes	\$ 5,573,526	\$ 5,358,564	\$ 214,962
Other Tax Items	8,165	9,390	(1,225)
Departmental Income	80,650	86,040	(5,390)
Use of Money and Property	21,593	30,613	(9,020)
State Aid	260,098	305,235	(45,137)
Federal Aid	77,050	126,250	(49,200)
Local Sources-County	91,760	89,744	2,016
Gifts and Donations	143,293	150,395	(7,102)
Health Insurance Reimbursement	-	61,889	(61,889)
Miscellaneous Local Sources	139,823	97,381	42,442
Total Revenue	6,395,958	6,315,501	80,457
Expenditures:			
General Support - MTA Tax	8,486	8,403	83
Personal Services	2,606,434	2,583,943	22,491
Employee Benefits	1,180,155	1,086,600	93,555
Equipment	42,254	32,638	9,616
Contractual	1,282,919	1,399,327	(116,408)
Capital Outlay	155,787	20,164	135,623
Debt Service	977,322	973,264	4,058
Total Expenditures	6,253,357	6,104,339	149,018
Excess of Revenue Over Expenditures	142,601	211,162	(68,561)
Other Financing Sources (Uses):			
Interfund Transfers In	18,695	66,496	(47,801)
Intefund Transfers Out	(18,695)	(66,496)	47,801
Total Other Financing Sources	-	-	-
Net Change in Fund Balance	\$ 142,601	\$ 211,162	\$ (68,561)

Financial Analysis of the District's Funds

General Fund Budgetary Highlights

The Library District's budget is prepared in accordance with New York State statute and is based upon the modified accrual basis of accounting. The measurement focus is consistent with recognition of cash assets and liabilities as well as those assets and liabilities that can be readily converted into cash within a reasonable period of time. This method utilizes cash receipts, disbursements and encumbrances. The only legally adopted budget in the Library District is the budget for the general fund.

The governmental funds report a combined surplus of Revenues over Expenditures of \$142,601, a decrease of \$68,561 from 2011. This decrease was primarily in the Capital project and Debt Service Fund as reserves are spent down.

Capital Asset and Debt Administration

Capital Assets

Acquisitions of library materials and equipment throughout the Library District totaled \$475,977 in 2012. Depreciation expense for 2012 was \$683,457.

Debt

The Library District ended 2012 with no balance on its tax anticipation line of credit, but extended the agreement until 2013.

Notable Events of 2012

- The Library District's circulation of materials, program attendance continues to increase. Program attendance increased 47% from 2011 to 38,914 attendees.
- The two year Adult Literacy Grant ends in 2013. This grant funded one part-time Spanish speaking library assistant and educational literacy programs. The Library District held 146 Adult Literacy programs in 2012 with 1500 attendees.
- The Library District completed the second year of the NYS Library Broadband Technology Opportunity Program in September 2012. A local grant was procured to keep the program going through the end of 2013. This program funds education, support and training relevant to community needs and has served over 6,000 patrons since its inception.
- The Library District again received a grant to participate in the National Arts Midwest Big Read Program. The program has been a huge public success and the Library District has applied again for 2013 funding.
- The Library District hosted 2,797 programs in 2012, a 44% increase from 2011. Jewish Songwriters was a huge success with over 2,800 attendees at the 6 programs and exhibit. Over the summer 4,500 children and teens visit the library and attended programs in 2012.

Economic Factors Bearing on the District's Future

The Library District's management considers many factors when setting the 2012 and 2013 budgets.

- Decisions to continue existing grant funded programs or to create new programs will have an impact on the Library District's financial position. Many of these programs are affected by cutbacks in state and federal funding. The Library District continues to measure the performance and financial viability of its programs.
- Program attendance increased 47% in 2012 and the trend is not declining.
- The reduction of state aid for libraries and federal funding cutbacks continue to be a negative impact on our operating revenue.
- Approximately 53% of the existing full-time workforce falls within five years of the expected retirement age and will be eligible to draw accrued postemployment benefits.
- The Library District has purchased a site in the Town of Poughkeepsie to replace the present leased Arlington branch. Construction will begin in May 2013. The Library district expects to occupy the new site in October 2014. The approved cost of the project is \$6,547,848.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Library District's finances and to show the Library District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administrative Office, Poughkeepsie Public Library District, 93 Market Street, Poughkeepsie, New York 12601.

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Poughkeepsie Public Library District, New York

Statement of Net Position
December 31, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 1,450,026
Investments	988,576
Receivables	
Accounts	39,053
Pledges, net	195,288
Deferred charges	125,215
Capital assets	
Not being depreciated	641,009
Being depreciated, net	<u>15,694,867</u>
 Total Assets	 <u>19,134,034</u>
LIABILITIES	
Accounts payable	50,524
Accrued liabilities	121,839
Due to retirement systems	353,995
Unearned revenues	80,000
Accrued interest payable	35,071
Non-current liabilities	
Due within one year	497,000
Due in more than one year	<u>13,651,498</u>
 Total Liabilities	 <u>14,789,927</u>
NET POSITION	
Net investment in capital assets	3,890,424
Restricted for	
Capital projects	194,867
Debt service	298,105
Special revenue	307,492
Permanent Fund	468,853
Unrestricted	<u>(815,634)</u>
 Total Net Position	 <u>\$ 4,344,107</u>

The notes to the financial statements are an integral part of this statement.

Poughkeepsie Public Library District, New York

Statement of Activities
Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General support	\$ 8,486	\$ -	\$ -	\$ -
Culture and recreation	5,789,620	173,336	575,269	236,276
Interest	542,026	-	-	1,788
Total Governmental Activities	\$ 6,340,132	\$ 173,336	\$ 575,269	\$ 238,064

General revenues
 Real property taxes
 Other tax items
 Payments in lieu of taxes
 Unrestricted use of money and property

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense)
Revenue and
Changes in
Net Assets

\$ (8,486)
(4,804,739)
(540,238)

(5,353,463)

5,573,526

8,165

13,177

5,594,868

241,405

4,102,702

\$ 4,344,107

Poughkeepsie Public Library District, New York

Balance Sheet
 Governmental Funds
 December 31, 2012

	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue</u>
ASSETS			
Cash and equivalents	\$ 605,857	\$ 214,811	\$ 331,253
Investments	452,262	-	50,000
Receivables			
Accounts	39,053	-	-
Pledges, net	-	195,288	-
Due from other funds	-	-	17,461
	<u>39,053</u>	<u>195,288</u>	<u>17,461</u>
Total Assets	<u>\$ 1,097,172</u>	<u>\$ 410,099</u>	<u>\$ 398,714</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 30,580	\$ 19,944	\$ -
Accrued liabilities	118,537	-	3,302
Due to retirement systems	346,075	-	7,920
Due to other funds	-	-	-
Unearned revenues	-	195,288	80,000
Total Liabilities	<u>495,192</u>	<u>215,232</u>	<u>91,222</u>
Fund balances			
Nonspendable	-	-	-
Restricted	20,000	194,867	-
Assigned	92,863	-	307,492
Unassigned	489,117	-	-
Total Fund Balances	<u>601,980</u>	<u>194,867</u>	<u>307,492</u>
Total Liabilities and Fund Balances	<u>\$ 1,097,172</u>	<u>\$ 410,099</u>	<u>\$ 398,714</u>

The notes to the financial statements are an integral part of this statement.

<u>Permanent</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
\$ -	\$ 298,105	\$ 1,450,026
486,314	-	988,576
-	-	39,053
-	-	195,288
-	-	17,461
-	-	251,802
<u>\$ 486,314</u>	<u>\$ 298,105</u>	<u>\$ 2,690,404</u>
\$ -	\$ -	\$ 50,524
-	-	121,839
-	-	353,995
17,461	-	17,461
-	-	275,288
<u>17,461</u>	<u>-</u>	<u>819,107</u>
468,853	-	468,853
-	298,105	512,972
-	-	400,355
-	-	489,117
<u>468,853</u>	<u>298,105</u>	<u>1,871,297</u>
<u>\$ 486,314</u>	<u>\$ 298,105</u>	<u>\$ 2,690,404</u>

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Poughkeepsie Public Library District, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position - Governmental Activities
December 31, 2012

Fund Balances - Total Governmental Funds	<u>\$ 1,871,297</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>16,335,876</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. Pledges receivable	<u>195,288</u>
Government funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Deferred charges	<u>125,215</u>
Long-term liabilities are not due and payable in the current period and are not reported in the funds. Accrued interest payable	(35,071)
Bonds payable	(12,570,667)
Compensated absences	(417,628)
Other post employment benefit obligations payable	<u>(1,160,203)</u>
	<u>(14,183,569)</u>
Net Position of Governmental Activities	<u>\$ 4,344,107</u>

The notes to the financial statements are an integral part of this statement.

Poughkeepsie Public Library District, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2012

	General	Capital Projects	Special Revenue
REVENUES			
Real property taxes	\$ 5,573,526	\$ -	\$ -
Other tax items	8,165	-	-
Departmental income	80,650	-	-
Use of money and property	13,177	1,021	5,607
State aid	242,280	-	17,818
Federal aid	-	-	77,050
Local sources-County	91,760	-	-
Gifts and donations	143,293	-	-
Miscellaneous	55,648	49,675	34,500
Total Revenues	6,208,499	50,696	134,975
EXPENDITURES			
Current			
General support			
Metropolitan commuter transportation mobility tax	8,486	-	-
Culture and recreation			
Personal services	2,535,789	-	70,645
Equipment	27,250	-	15,004
Contractual	1,282,919	-	-
Employee benefits	1,161,104	-	19,051
	5,007,062	-	104,700
Debt service			
Principal			
Principal	440,000	-	-
Interest			
Interest	537,322	-	-
	977,322	-	-
Capital outlay			
	-	155,787	-
Total Expenditures	5,992,870	155,787	104,700
Excess (Deficiency) of Revenues Over Expenditures	215,629	(105,091)	30,275
OTHER FINANCING SOURCES (USES)			
Transfers in	18,695	-	-
Transfers out	-	-	(10,695)
Total Other Financing Sources (Uses)	18,695	-	(10,695)
Net Change in Fund Balances	234,324	(105,091)	19,580
Fund Balances - Beginning of Year	367,656	299,958	287,912
Fund Balances - End of Year	\$ 601,980	\$ 194,867	\$ 307,492

The notes to the financial statements are an integral part of this statement.

Permanent	Debt Service	Total Governmental Funds
\$ -	\$ -	\$ 5,573,526
-	-	8,165
-	-	80,650
-	1,788	21,593
-	-	260,098
-	-	77,050
-	-	91,760
-	-	143,293
-	-	139,823
-	1,788	6,395,958
-	-	8,486
-	-	2,606,434
-	-	42,254
-	-	1,282,919
-	-	1,180,155
-	-	5,111,762
-	-	440,000
-	-	537,322
-	-	977,322
-	-	155,787
-	-	6,253,357
-	1,788	142,601
-	-	18,695
-	(8,000)	(18,695)
-	(8,000)	-
-	(6,212)	142,601
468,853	304,317	1,728,696
<u>\$ 468,853</u>	<u>\$ 298,105</u>	<u>\$ 1,871,297</u>

Poughkeepsie Public Library District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2012

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds \$ 142,601

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital outlay expenditures	475,977
Depreciation expense	<u>(683,455)</u>
	<u>(207,478)</u>

The statement of activities reports losses arising from the disposal of existing capital assets whose net realizable value is less than the carrying value of the asset. Conversely, governmental funds do not report any gain or loss on the disposal of capital assets

Loss on disposal	<u>(107,041)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Pledges	<u>185,580</u>
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities

Principal paid on bonds	440,000
Amortization of issuance costs	(6,957)
Amortization of issuance premium	<u>1,426</u>
	<u>434,469</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	827
Compensated absences	(13,643)
Other post employment benefit obligations	<u>(193,910)</u>
	<u>(206,726)</u>

Change in Net Position of Governmental Activities \$ 241,405

The notes to the financial statements are an integral part of this statement.

Poughkeepsie Public Library District, New York

General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 5,576,111	\$ 5,573,525	\$ 5,573,526	\$ 1
Other tax items	7,500	8,165	8,164	(1)
Departmental income	75,320	65,763	80,650	14,887
Use of money and property	10,500	11,900	13,177	1,277
State aid	230,623	242,280	242,280	-
Local sources-County	84,081	78,081	91,760	13,679
Gifts and donations	148,983	145,483	143,293	(2,190)
Health insurance reimbursement	81,961	-	-	-
Miscellaneous	88,180	94,682	55,648	(39,034)
Total Revenues	<u>6,303,259</u>	<u>6,219,879</u>	<u>6,208,498</u>	<u>(11,381)</u>
EXPENDITURES				
Current				
General support				
Metropolitan commuter transportation mobility tax	8,739	8,825	8,486	339
Culture and recreation				
Personal services	2,550,297	2,547,045	2,535,788	11,257
Equipment	21,500	38,874	27,250	11,624
Contractual	1,483,824	1,504,505	1,282,919	221,586
Employee benefits	1,379,024	1,248,395	1,161,104	87,291
	<u>5,434,645</u>	<u>5,338,819</u>	<u>5,007,061</u>	<u>331,758</u>
Debt service				
Principal	450,000	450,000	440,000	10,000
Interest	530,233	530,234	537,322	(7,088)
	<u>980,233</u>	<u>980,234</u>	<u>977,322</u>	<u>2,912</u>
Total Expenditures	<u>6,423,617</u>	<u>6,327,878</u>	<u>5,992,869</u>	<u>335,009</u>
Excess (Deficiency) of Revenues Over Expenditures	(120,358)	(107,999)	215,629	323,628
OTHER FINANCING SOURCES (USES)				
Transfers in	13,000	18,000	18,695	(695)
Net Change in Fund Balance	<u>(107,358)</u>	<u>(89,999)</u>	<u>234,324</u>	<u>324,323</u>
Fund Balance - Beginning of Year	<u>107,358</u>	<u>89,999</u>	<u>367,656</u>	<u>277,657</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,980</u>	<u>\$ 601,980</u>

The notes to the financial statements are an integral part of this statement.

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Poughkeepsie Public Library District, New York

Notes to Financial Statements
December 31, 2012

Note 1 - Summary of Significant Accounting Policies

The Poughkeepsie Public Library District, New York ("Library District") was established in 1987 and operates in accordance with the applicable laws of the State of New York. The Board of Trustees is the legislative body responsible for overall operation of the Library District and is elected by the voters of the Library District. The Executive Director serves as the chief executive officer.

The accounting policies of the Library District conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Library District's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Library District; b) organizations for which the Library District is financially accountable; and c) other organizations for which the nature and significance of their relationship with the Library District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Library District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Library District's reporting entity was made by applying the criteria set forth by GASB including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Library District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Library District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Other items not identified as program revenues are reported as general revenues. The Library District does not allocate indirect expenses to functions in the Statement of Activities.

C. Fund Financial Statements

The accounts of the Library District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures. Fund accounting segregates funds according

Note 1 - Summary of Significant Accounting Policies (Continued)

to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Library District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Library District's resources are reflected in the fund financial statements in one broad fund category, in accordance with generally accepted accounting principles as follows:

Fund Categories

Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for, through governmental funds. The following represents the Library Districts major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Library District and is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major revenues of this fund are federal aid, state aid and local grants.

Permanent Fund - The Permanent Fund is used to account for assets that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the Library District's programs. Investment income earned on these funds is reported in the Special Revenue Fund.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the flow of *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However debt service expenditures, as well as, expenditures related to compensated absences and other post employment benefit obligations payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Library District's investment policies are governed by State statutes. The Library District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Library District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Library

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Library District's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Library District's name. The Library District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2012.

Investments - All investments are stated at fair value. Investments consist of certificates of deposit which are fixed rate investments maturing in more than three months and are secured by FDIC coverage, with collateral posted by the respective depository.

Investments in the Permanent Fund are stated at fair value. Investments consist of U.S. Treasury securities and certificates of deposit.

The Library District was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate risk or credit risk.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of January 1st and are levied and payable by April 1st. The City of Poughkeepsie, New York ("City") and the Town of Poughkeepsie, New York ("Town") are responsible for the billing and collection of the taxes. The City and the Town guarantee the full payment of the Library District's warrant and assumes responsibility for uncollected taxes.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Library District. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Pledges Receivable - Pledges receivable represent unconditional promises to give to the Library District by a related entity and other entities and are restricted to the payment of costs for the expansion of programs, services and facilities of the Library District. Discounts are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Library District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2012, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the Library District. Purchases of inventoriable items are recorded as expenditures at the time of purchase and year end balances are not material.

Deferred Charges - Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over the term of the respective bond issue.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Library District as assets with an initial cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

The costs associated with the acquisition or construction of capital assets are shown as expenditures in the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Land is not depreciated. Property, plant and equipment of the Library District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	50
Equipment	5-25
Library Books	5

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Library District has reported unearned revenues in the Capital Projects fund of \$195,288 for pledges. The Library District has also reported unearned revenues of \$80,000 for grants received in advance in the Special Revenue Fund. These amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of December 31, 2012, no amounts were required to be reported as deferred outflows/inflows of resources.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated time is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Library District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position include, net investment in capital assets, restricted for capital projects, debt service, special revenue and permanent fund. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Library District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Library District Board is the highest level of decision making authority for the Library District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Library District removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Library District Board.

Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Library District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Library District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 1 - Summary of Significant Accounting Policies (Continued)

amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 26, 2013.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Library District generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) The proposed annual budget and supplemental propositions for the Library District as established by the trustees shall be placed before the voters in the general election.
- b) All budget propositions require approval by a majority of voters in the City and a majority of voters in the Town.
- c) Upon approval of such proposed operating budget and of the propositions, the proposed budget becomes the budget of the Library District.
- d) In the event that the proposed budget is not approved the budget is deemed amended so that the portion of the budget providing for real property tax revenue to be received from the City and Town be changed to equal the real property tax revenue provided for in the Library District budget in effect as of the time of the vote as amended by supplemental appropriations if approved.
- e) In the event that the voters do not approve the proposed budget as aforesaid and upon the proposed budget being deemed amended as aforesaid, the real property taxes to be levied by the City and the Town for the Library District are levied in the amount required to provide the City and Town contribution as set forth in the proposed budget.
- f) After the annual budgets for the City and Town have been adopted the City and Town assess and levy upon the taxable real property within the Library District the amounts to be raised by tax for the purpose of the Library District as specified in the Library District's annual budget and cause the amount so assessed and levied to be collected, in the same manner and at the same time and by the same officers as City taxes and Town taxes are assessed, levied and collected.

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 2 - Stewardship, Compliance and Accountability (Continued)

- g) The General Fund budget is legally adopted annually on a basis consistent with generally accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board does not adopt an annual budget for the Special Revenue, Permanent and Debt Service funds.
- h) The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding fiscal year pursuant to the Uniform System of Accounts as promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

B. Property Tax Limitation

The Library District is not limited as to the amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments.

The Tax Levy Limitation Law (the 2% Cap) restricts the amount of real property taxes that may be levied by a library district in a particular year, beginning with the 2012-2013 fiscal year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Library District to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Library District is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 2 - Stewardship, Compliance and Accountability (Continued)

Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Library District, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Library District. The Library District Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Library District Board first enacts, by a vote of at least sixty percent of the total voting power of the Library District Board, a local law to override such limit for such coming fiscal year.

C. Application of Accounting Standards

For the year ended December 31, 2012, the Library District implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" ("GASB Statement No. 63"). This statement provides financial reporting guidance for these elements first introduced in GASB Concept Statement No. 4, "Elements of Financial Statements". Previous financial reporting standards did not include guidance for reporting these financial statement elements, which are distinct from assets and liabilities.

Note 3 - Detailed Notes on All Funds

A. Investments

Investments of the Library District consisted of the following at December 31, 2012:

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>
Permanent Fund			
U.S. Treasury Note	01/31/2013	2.88 %	\$ 56,791
U.S. Treasury Note	01/31/2014	1.75	68,605
U.S. Treasury Note	02/15/2015	4.00	84,414
U.S. Treasury Note	01/31/2016	2.00	97,949
U.S. Treasury Note	01/31/2017	3.13	81,874
ML Bank Deposit Program	-	0.02	4,858
Certificates of Deposit	03/30/2013	1.00	2,775
Certificates of Deposit	07/30/2013	0.75	50,000
Certificates of Deposit	03/30/2013	1.00	1,000
Certificates of Deposit	06/27/2013	1.00	1,000
Certificates of Deposit	08/03/2013	0.75	37,048
			<u>486,314</u>
Special Revenue Fund			
Certificates of Deposit	11/02/2013	0.75	50,000
General Fund			
Certificates of Deposit	01/09/2013	0.75	452,262
			<u>\$ 988,576</u>

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

B. Pledges Receivable, net

Pledges receivable, net consists of the following at December 31, 2012:

	<u>Capital Projects Fund</u>
Pledges receivable in less than one year	\$ 55,000
Pledges receivable in one to five years	<u>150,000</u>
	205,000
Discount to present value	<u>(9,712)</u>
	<u>\$ 195,288</u>

Pledges due in more than one year have been discounted using an interest rate of 2%.

C. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2012 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Special Revenue	\$ 17,461	\$ -
Permanent	-	<u>17,461</u>
	<u>\$ 17,461</u>	<u>\$ 17,461</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

D. Capital Assets

Changes in the Library District's capital assets are as follows:

	<u>Balance January 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2012</u>
Capital Assets, not being depreciated				
Land	\$ 641,009	\$ -	\$ -	<u>\$ 641,009</u>

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)

December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Capital Assets, being depreciated				
Building and improvements	\$ 15,111,533	\$ -	\$ -	\$ 15,111,533
Equipment	1,868,027	109,192	1,340	1,975,879
Library books	2,796,037	366,785	294,967	2,867,855
Total Capital Assets, being depreciated	<u>19,775,597</u>	<u>475,977</u>	<u>296,307</u>	<u>19,955,267</u>
Less Accumulated Depreciation for				
Buildings and improvements	1,089,036	324,223	-	1,413,259
Equipment	541,773	140,034	59	681,748
Library books	2,135,402	219,198	189,207	2,165,393
Total Accumulated Depreciation	<u>3,766,211</u>	<u>683,455</u>	<u>189,266</u>	<u>4,260,400</u>
Total Capital Assets, being depreciated, net	<u>\$ 16,009,386</u>	<u>\$ (207,478)</u>	<u>\$ 107,041</u>	<u>\$ 15,694,867</u>
Capital Assets, net	<u>\$ 16,650,395</u>	<u>\$ (207,478)</u>	<u>\$ 107,041</u>	<u>\$ 16,335,876</u>

Depreciation expense of \$683,455 was charged to the culture and recreation function.

E. Accrued Liabilities

Accrued liabilities at December 31, 2012 were as follows:

	General Fund	Special Revenue Fund	Total
Payroll and Employee Benefits	<u>\$ 118,537</u>	<u>\$ 3,302</u>	<u>\$ 121,839</u>

F. Pension Plan

The Library District participates in the New York State and Local Employees' Retirement System ("ERS") ("System"). This System is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Funding Policy - The System is non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary and employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan's year ended March 31, 2013 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
1/75I 41J	25.4%
2/75I 41J	23.2
3/A14 41J	18.6
4/A15 41J	18.6
5/A15 41J	15.1
6/A15 41J2	10.1

Contributions made or accrued to the System for the current and two preceding years were as follows:

2012	\$	495,592
2011		359,589
2010		273,851

These contributions were equal to 100% of the actuarially required amounts.

The current year contribution was charged to the funds identified below:

<u>Fund</u>	<u>Amount</u>
General	\$ 485,275
Special Revenue	<u>10,317</u>
	<u>\$ 495,592</u>

G. Line of Credit

On January 23, 2012 the Library District executed a line of credit (the "Line") enabling the Library District to borrow up to a maximum of \$650,000. The Line bears interest at 3.25% plus prime on any outstanding balance and expires on January 23, 2013. The Line is collateralized by a security interest in all assets and equipment of the Library District. The Library District did not access the line of credit and as of December 31, 2012 there was no balance outstanding.

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

H. Long-Term Liabilities

The changes in the Library District's long-term liabilities during the year ended December 31, 2012 are summarized as follows:

	Balance January 1, 2012	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2012	Due Within One Year
Bonds Payable	\$ 12,985,000	\$ -	\$ 440,000	\$ 12,545,000	\$ 455,000
Add-Unamortized premium on bonds	27,093	-	1,426	25,667	-
	<u>13,012,093</u>	<u>-</u>	<u>441,426</u>	<u>12,570,667</u>	<u>455,000</u>
Other Non-Current Liabilities					
Compensated Absences	403,985	53,643	40,000	417,628	42,000
Other Post Employment Benefit Obligations Payable	966,293	246,568	52,658	1,160,203	-
	<u>1,370,278</u>	<u>300,211</u>	<u>92,658</u>	<u>1,577,831</u>	<u>42,000</u>
Total Long-Term Liabilities	<u>\$ 14,382,371</u>	<u>\$ 300,211</u>	<u>\$ 534,084</u>	<u>\$ 14,148,498</u>	<u>\$ 497,000</u>

Each governmental fund's liability for bonds, compensated absences and other post employment benefit obligations is liquidated by the General Fund.

Bonds Payable

Bonds payable consists of bonds issued by the City of Poughkeepsie, New York and the Town of Poughkeepsie, New York on behalf of the Library District and are comprised of the following:

Description	Issue Date	Original Issue Amount	Final Maturity	Interest Rate	Outstanding at December 31, 2012
Library Improvements					
City of Poughkeepsie	4/2009	\$ 6,049,852	12/15/2030	2.0-5.0 %	\$ 5,230,000
Town of Poughkeepsie	6/2008	8,465,148	12/01/2031	3.0-5.0	7,315,000
					<u>\$ 12,545,000</u>

Interest expenditures of \$537,322 were recorded in the fund financial statements in the General Fund. Interest expense of \$542,026 was recorded in the government-wide financial statements for governmental activities.

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2012, including interest payments of \$5,824,491 are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 455,000	\$ 525,073	\$ 980,073
2014	475,000	508,985	983,985
2015	495,000	492,010	987,010
2016	515,000	473,960	988,960
2017	535,000	452,429	987,429
2018-2022	3,065,000	1,869,669	4,934,669
2023-2027	3,785,000	1,173,581	4,958,581
2028-2031	3,220,000	328,784	3,548,784
	<u>\$ 12,545,000</u>	<u>\$ 5,824,491</u>	<u>\$ 18,369,491</u>

The above general obligations bonds are direct obligations of the Library District, for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Library District.

Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreement. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in the contract. The value of all compensated absences has been reflected in the government-wide financial statements.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Library District provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Library District may vary according to length of service. The cost of providing post employment health care benefits is shared between the Library District and the retired employee. Substantially all of the Library District's employees may become eligible for those benefits if they reach normal retirement age while working for the Library District. The cost of retiree health care benefits is recognized as an expenditure as claims are paid. The Library District has recognized revenues and expenditures of \$8,500 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

The Library District's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Library District is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in post retirement benefits are as follows:

<u>Year Ended December 31,</u>	<u>Assumed Increase</u>
2013	6.0 %
2014	6.0
2015	6.0
2016	6.0
2017 +	5.0

The amortization basis is the level dollar method with an open amortization approach with 27 years remaining in the amortization period. The actuarial assumptions included a 4% investment rate of return. The Library District currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of December 31, 2012 was as follows:

Active Employees	41
Retired Employees	<u>11</u>
Total	<u><u>52</u></u>

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2012	\$ 2,297,906
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 2,297,906</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 2,104,006</u>
UAAL as a Percentage of Covered Payroll	<u>109.22%</u>
Annual Required Contribution	\$ 255,320
Interest on Net OPEB Obligation	30,893
Adjustment to Annual Required Contribution	<u>(39,645)</u>
Annual OPEB Cost	246,568
Contributions Made	<u>(52,658)</u>
Increase in Net OPEB Obligation	193,910
Net OPEB Obligation - Beginning of Year	<u>966,293</u>
Net OPEB Obligation - End of Year	<u>\$ 1,160,203</u>

The Library District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding year is as follows:

<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 246,568	21.36 %	\$ 1,160,203
2011	246,568	21.34	966,293
2010	454,349	11.58	772,335

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

I. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reported as transfers.

<u>Transfers Out</u>	<u>Transfers In</u> General Fund
Special Revenue Fund	\$ 10,695
Debt Service Fund	8,000
	<u>\$ 18,695</u>

Transfers are used to move amounts from the operating funds to fulfill commitments for General Fund expenditures.

J. Net Position

The components of net position are detailed below:

Net investment in capital assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Special Revenue - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

Restricted for Permanent Fund - the component of net position that reports the difference between assets and liabilities of the non-expendable trust with constraints placed on their use by external parties.

Unrestricted - all other net assets that do not meet the definition of "restricted" or "net investment in capital assets".

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Continued)
December 31, 2012

Note 3 - Detailed Notes on All Funds (Continued)

K. Fund Balances

	2012						2011					
	General Fund	Capital Projects Fund	Special Revenue Fund	Permanent Fund	Debt Service Fund	Total	General Fund	Capital Projects Fund	Special Revenue Fund	Permanent Fund	Debt Service Fund	Total
Nonspendable Permanent Fund	\$ -	\$ -	\$ -	\$ 468,853	\$ -	\$ 468,853	\$ -	\$ -	\$ -	\$ 468,853	\$ -	\$ 468,853
Restricted												
Employee benefit accrued liability	20,000	-	-	-	-	20,000	-	-	-	-	-	-
Debt service	-	-	-	-	298,105	298,105	-	-	-	-	304,317	304,317
Capital projects	-	194,867	-	-	-	194,867	-	299,958	-	-	-	299,958
	20,000	194,867	-	-	298,105	512,972	-	299,958	-	-	304,317	604,275
Assigned												
Purchases on order	92,863	-	-	-	-	92,863	107,358	-	-	-	-	107,358
Culture and recreation	-	-	307,492	-	-	307,492	-	-	287,912	-	-	287,912
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-	-	-
	92,863	-	307,492	-	-	400,355	107,358	-	287,912	-	-	395,270
Unassigned	489,117	-	-	-	-	489,117	260,298	-	-	-	-	260,298
Total Fund Balance	\$ 601,980	\$ 194,867	\$ 307,492	\$ 468,853	\$ 298,105	\$ 1,871,297	\$ 367,656	\$ 299,958	\$ 287,912	\$ 468,853	\$ 304,317	\$ 1,728,696

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Purchases on order are assigned and represent the Library District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are currently pending tax certiorari proceedings, the results of which could require the payment of future tax refunds by the Library District, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year in which the payment is made.

B. Risk Management

The Library District purchases various conventional insurance policies to reduce its exposure to loss. The Library District maintains general liability coverage with policy limits of \$2 million. In addition, the Library District maintains an umbrella liability policy which provides coverage up to \$10 million. The Library District also purchases conventional workers' compensation and medical insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

C. Contingencies

The Library District participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Library District's compliance with applicable grant requirements may be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Library District anticipates such amounts, if any, to be immaterial.

Poughkeepsie Public Library District, New York

Notes to Financial Statements (Concluded)
December 31, 2012

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

D. Operating Lease

The Library District leases a building for use in its operations under an operating lease agreement. Total rental expense under the operating lease for 2012 was \$119,301. The minimum annual lease payments as of December 31, 2012 are payable as follows:

2013	\$	111,977
2014		113,096
2015		114,793
	\$	<u>339,866</u>

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Poughkeepsie Public Library District, New York

Required Supplementary Information - Schedule of Funding Progress
 Other Post Employment Benefits
 Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2010	\$ -	\$ 3,695,885	\$ 3,695,885	- %	\$ 2,564,860	144.10 %
January 1, 2011	-	2,297,906	2,297,906	-	2,088,000	110.05
January 1, 2012	-	2,297,906	2,297,906	-	2,104,006	109.22

Poughkeepsie Public Library District, New York

General Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 605,857	\$ 766,282
Investments	452,262	-
Receivables		
Accounts	39,053	37,748
Due from other funds	-	31,301
	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,097,172</u>	<u>\$ 835,331</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 30,580	\$ 41,981
Accrued liabilities	118,537	143,198
Due to retirement systems	346,075	282,496
	<u> </u>	<u> </u>
Total Liabilities	<u>495,192</u>	<u>467,675</u>
Fund balance		
Restricted	20,000	-
Assigned	92,863	107,358
Unassigned	489,117	260,298
	<u> </u>	<u> </u>
Total Fund Balance	<u>601,980</u>	<u>367,656</u>
Total Liabilities and Fund Balance	<u>\$ 1,097,172</u>	<u>\$ 835,331</u>

Poughkeepsie Public Library District, New York

General Fund
 Comparative Schedule of Revenues, Expenditures
 and Changes in Fund Balance - Budget and Actual
 Years Ended December 31,

	2012			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 5,576,111	\$ 5,573,525	\$ 5,573,526	\$ 1
Other tax items	7,500	8,165	8,165	-
Departmental income	75,320	65,763	80,650	14,887
Use of money and property	10,500	11,900	13,177	1,277
State aid	230,623	242,280	242,280	-
Local sources-County	84,081	78,081	91,760	13,679
Gifts and donations	148,983	145,483	143,293	(2,190)
Health insurance reimbursement	81,961	-	-	-
Miscellaneous	88,180	94,682	55,648	(39,034)
Total Revenues	6,303,259	6,219,879	6,208,499	(11,380)
EXPENDITURES				
Current				
General support				
Metropolitan commuter transportation mobility tax	8,739	8,825	8,486	339
Culture and recreation				
Personal services	2,550,297	2,547,045	2,535,789	11,256
Equipment	21,500	38,874	27,250	11,624
Contractual	1,483,824	1,504,505	1,282,919	221,586
Employee benefits	1,379,024	1,248,395	1,161,104	87,291
	5,434,645	5,338,819	5,007,062	331,757
Debt service				
Principal	442,912	442,912	440,000	2,912
Interest	537,321	537,322	537,322	-
	980,233	980,234	977,322	2,912
Total Expenditures	6,423,617	6,327,878	5,992,870	335,008
Excess (Deficiency) of Revenues Over Expenditures	(120,358)	(107,999)	215,629	323,628
OTHER FINANCING SOURCES (USES)				
Transfers in	13,000	18,000	18,695	(695)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	18,695	(695)
Net Change in Fund Balance	(107,358)	(89,999)	234,324	324,323
Fund Balance - Beginning of Year, as reported	107,358	89,999	367,656	277,657
Prior Period Adjustment	-	-	-	-
Fund Balance - Beginning of Year, as restated	107,358	89,999	367,656	277,657
Fund Balance - End of Year	\$ -	\$ -	\$ 601,980	\$ 601,980

2011

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,358,564	\$ 5,358,564	\$ 5,358,564	\$ -
5,000	9,389	9,390	1
80,000	80,000	86,040	6,040
20,000	10,500	10,900	400
247,224	230,576	227,043	(3,533)
105,160	74,081	89,744	15,663
156,060	166,060	150,395	(15,665)
60,277	62,346	61,889	(457)
71,300	70,500	46,244	(24,256)
<u>6,103,585</u>	<u>6,062,016</u>	<u>6,040,209</u>	<u>(21,807)</u>
<u>8,525</u>	<u>8,526</u>	<u>8,403</u>	<u>123</u>
2,496,960	2,487,290	2,480,305	6,985
16,500	34,207	32,638	1,569
1,677,165	1,541,024	1,399,327	141,697
1,122,341	1,190,405	1,064,467	125,938
<u>5,312,966</u>	<u>5,252,926</u>	<u>4,976,737</u>	<u>276,189</u>
425,000	425,000	425,000	-
550,425	550,425	548,264	2,161
975,425	975,425	973,264	2,161
6,296,916	6,236,877	5,958,404	278,473
<u>(193,331)</u>	<u>(174,861)</u>	<u>81,805</u>	<u>256,666</u>
-	4,000	4,000	-
-	-	(62,496)	(62,496)
-	-	(58,496)	(62,496)
<u>(193,331)</u>	<u>(170,861)</u>	<u>23,309</u>	<u>194,170</u>
193,331	170,861	307,702	136,841
-	-	36,645	36,645
<u>193,331</u>	<u>170,861</u>	<u>344,347</u>	<u>173,486</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367,656</u>	<u>\$ 367,656</u>

Poughkeepsie Public Library District, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash		
Demand deposits	\$ 214,811	\$ 312,392
Receivables		
Accounts	-	2,000
Pledges, net	195,288	14,708
	<u>195,288</u>	<u>16,708</u>
Total Assets	<u>\$ 410,099</u>	<u>\$ 329,100</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 19,944	\$ 19,434
Unearned revenues	195,288	9,708
	<u>215,232</u>	<u>29,142</u>
Total Liabilities	215,232	29,142
Fund balance		
Restricted	<u>194,867</u>	<u>299,958</u>
Total Liabilities and Fund Balance	<u>\$ 410,099</u>	<u>\$ 329,100</u>

Poughkeepsie Public Library District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
Revenues		
Use of money and property	\$ 1,021	\$ 1,263
State aid	-	78,192
Miscellaneous	<u>49,675</u>	<u>40,037</u>
Total Revenues	50,696	119,492
EXPENDITURES		
Capital outlay	<u>155,787</u>	<u>20,164</u>
Excess (Deficiency) of Revenues over Expenditures	(105,091)	99,328
Fund Balance - Beginning of Year	<u>299,958</u>	<u>200,630</u>
Fund Balance - End of Year	<u><u>\$ 194,867</u></u>	<u><u>\$ 299,958</u></u>

Poughkeepsie Public Library District, New York

Capital Projects Fund
Project-Length Schedule
Inception of Project through December 31, 2012

<u>Project</u>	<u>Authorization</u>	<u>Expenditures</u>	<u>Unexpended Balance</u>	<u>Total Revenue</u>	<u>Fund Balance at December 31, 2011</u>
Supplemental Appropriation for Planning	\$ 721,612	\$ 564,462	\$ 157,150	\$ 721,612	\$ 157,150
Miscellaneous Capital Projects	101,869	64,152	37,717	101,869	37,717
Totals	<u>\$ 823,481</u>	<u>\$ 628,614</u>	<u>\$ 194,867</u>	<u>\$ 823,481</u>	<u>\$ 194,867</u>

Poughkeepsie Public Library District, New York

Special Revenue Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and equivalents	\$ 331,253	\$ 262,197
Investments	50,000	50,000
Due from other funds	<u>17,461</u>	<u>19,600</u>
Total Assets	<u>\$ 398,714</u>	<u>\$ 331,797</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accrued liabilities	\$ 3,302	\$ 3,286
Due to retirement systems	7,920	8,551
Due to other funds	-	32,048
Unearned revenue	<u>80,000</u>	<u>-</u>
Total Liabilities	91,222	43,885
Fund balance		
Assigned	<u>307,492</u>	<u>287,912</u>
Total Liabilities and Fund Balance	<u>\$ 398,714</u>	<u>\$ 331,797</u>

Poughkeepsie Public Library District, New York

Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
REVENUES		
Use of money and property	\$ 5,607	\$ 16,569
State aid	17,818	15,213
Federal aid	77,050	111,037
Miscellaneous	<u>34,500</u>	<u>11,100</u>
Total Revenues	<u>134,975</u>	<u>153,919</u>
EXPENDITURES		
Current		
Culture and recreation	85,649	103,638
Employee benefits	<u>19,051</u>	<u>22,133</u>
Total Expenditures	<u>104,700</u>	<u>125,771</u>
Excess of Revenues Over Expenditures	30,275	28,148
OTHER FINANCING USES		
Transfers out	<u>(10,695)</u>	<u>(4,000)</u>
Net Change in Fund Balance	19,580	24,148
Fund Balance - Beginning of Year	<u>287,912</u>	<u>263,764</u>
Fund Balance - End of Year	<u>\$ 307,492</u>	<u>\$ 287,912</u>

Poughkeepsie Public Library District, New York

Permanent Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Investments	<u>\$ 486,314</u>	<u>\$ 488,453</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ 17,461	\$ 19,600
Fund balance		
Nonspendable	<u>468,853</u>	<u>468,853</u>
Total Liabilities and Fund Balance	<u>\$ 486,314</u>	<u>\$ 488,453</u>

Poughkeepsie Public Library District, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 298,105	\$ 303,570
Due from other funds	-	747
	<hr/>	<hr/>
Total Assets	<u>\$ 298,105</u>	<u>\$ 304,317</u>
 FUND BALANCE		
Restricted	<u>\$ 298,105</u>	<u>\$ 304,317</u>

Poughkeepsie Public Library District, New York

Debt Service Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2012</u>	<u>2011</u>
REVENUES		
Use of money and property	\$ 1,788	\$ 1,881
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>1,788</u>	<u>1,881</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	62,496
Transfers out	<u>(8,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>62,496</u>
Net Change in Fund Balance	(6,212)	64,377
Fund Balance - Beginning of Year	<u>304,317</u>	<u>239,940</u>
Fund Balance - End of Year	<u>\$ 298,105</u>	<u>\$ 304,317</u>

