



## **Minutes of the May 23, 2023 RFRR Board Meeting**

Kirstin Bucci called the meeting to order at 7:39. No one from the public was in attendance.

### **Consent Agenda**

The Consent Agenda includes the April 25, 2023 meeting minutes and the April 2023 financials. Jan moved to approve the consent agenda. Jen seconded. All approved.

### **President's Report**

Kirstin had no report.

### **Staff Reports**

#### **Director's Report**

Chris reported that there had been minor budget revisions reflecting the completion of staffing changes regarding the tech clerk and building manager positions. He has completed donor outreach regarding the changes in the children's room. Boxes of shelves have begun arriving for the upcoming collection shift. Chris reports that the library will be in partnership with Harrison and Port Chester libraries on a resource table at the upcoming pRYEd event. The library has submitted a grant proposal to ConEd for phonics STEM boxes.

#### **Adult Services**

Catherine reported some programs such as Armchair Art have been rescheduled to Saturdays to help seniors with the parking issue.

#### **Teen Services**

Recruitment for the Battle of the Books has begun. There will be both a teen and a children's team.

#### **Children's Services**

The staff is still making an effort to replace books damaged in the flood. Some older titles and classics are difficult to obtain.

#### **Auxiliary Board**

Georgia reported that the Vehicle Fair had record attendance. It raised over \$30,000. The theme for Novel Night 2024 is "It Was All a Dream."

### Annual Campaign

Shelley reported that the committee had had a very productive meeting. The library's membership has dropped. Currently there are 325 households, down from around 500. The committee is brainstorming on ways to increase memberships. Some possible ideas include different tiers of membership and re-messaging the appeal to stress importance of library membership.

### Building Committee

Kirstin summarized the report from Skolnick regarding the ability of the building to support an addition. The sea wall must be reconstructed not only to permit future expansion but to better protect the existing building from flooding issues. The sea wall behind the library belongs to the library. There are grants that could possibly fund a portion of the work. Chris will meet with Skolnick regarding potential grants and the timeline. It was felt that the library's portion of the funding should come as part of a major gifts project rather than a capital campaign. The first step is to remove trees that are growing in and through the sea wall, further weakening it. Jan made a motion to allocate \$10,000 from the capital fund for the tree removal according to the proposal that had been submitted. Shelley seconded. All approved.

### AV System

Chris reported that the current projector in the meeting room is 15 years old and needs to be replaced. The proposed new laser projector could also be adapted to another space in the future. The cost of the laser projector is \$12,350. Maria moved that \$12,350 be allocated from the capital fund to purchase and install a new laser projector. Jen seconded. All approved.

### Finance Committee

Katie reported that the finance committee will be meeting soon to review the investment portfolio management. The library has increased its flood insurance.

### Mission Moments

Chris noted upcoming programs. The summer reading program kickoff will be on June 24.

There being no new business, Kirstin called for a motion to adjourn the meeting. Elizabeth so moved and Katie seconded. All approved. The meeting was adjourned at 8:57.

**Action: The Board approve the May 2023 meeting minutes**

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## **May Financials**

May annual income reflects several gifts made in support of the Mark Schenker lecture series.

In expenses, the program line includes the last of the season's Schenker program, which is \$650.

Building operations includes three large expense - \$6,000 to Regan Agency for a quarterly payment for property insurance, \$6,600 to American Bankers for Flood insurance, and \$4,800 to the County for the Sewer Bill.

The monthly salary line is slightly higher than usual, as May had three pay periods. Overall salaries are still tracking under budget.

**Action : The Board accept the May 2023 financial statements**

## Director's Report

### LIBRARY OPERATIONS:

- Budget
  - With Business Manager, moved financial data to Quickbooks online
- Strategic Planning
  - Reviewed 2024 WLS IT SLA and discussed mobile service options
  - Attended Association Roundtable to discuss Westchester library trends and best practices

### FUNDRAISING, OUTREACH & COMMUNITY RELATIONS:

- Annual Campaign
  - Refined mailing plan for 2023 campaign
- Community Relations
  - Met with Cuyler family to discuss recognition opportunities
  - Requested booksale volunteers from BSA and Leo's Club.
- Fundraising
  - Updated matching gift plugin to create automated outreach for matching gifts
  - Updated Casino Night website content for Novel Night fundrasier

### BUILDING & GROUNDS:

- Oversaw projector installation for library meeting room
- Met with architect to discuss roof and interior renovation projects
- Reviewed interior design choices for interior renovations with designer

### STAFF & PERSONNEL

- Completed Assistant Director and Business Manager reviews
- With Assistant Director, reviewed overall staff goal progress and future professional development needs

## 2023 Second Quarter Statistical Summary

Circulation has increased, despite an overall decrease in cardholder signups. Express circulation reflects the investment of 6 copies in the most in demand titles, as well as the increased investment in digital content. The increase in other content reflects the increased use of self-checkout via the library mobile app. National Library Card Sign-up month is in September, and we will be using those promotional materials to boost card sign-ups.

Adult program offerings and attendance have dropped significantly, driven by the loss of senior programming at the library. This loss was caused by the change in the municipal parking lot rules. Teen programming reflects the loss of the capstone Activist Academy Program, due to scheduling conflicts.

Despite the decrease in adult program attendance, the overall door count increased slightly. In addition, Wifi usage increased significantly over the same period last year. 245 room reservations were made from April to June, which could have impacted the Wifi use and doorcount, but there is no comparison data at this time.

Material acquisition is slightly lower, impacted by Baker and Taylor's operational issues. This could be further complicated in the future, depending on labor negotiations with UPS. A significant amount of children's material is still pending delivery.

## Adult Services

### PROGRAMMING:

- Joint soap making program with Teen Department

### COMMUNITY OUTREACH:

#### **Strategic Priority 1: Independent Reading Services**

##### Book Displays

- RFRR Off The Shelf Book Picks
- Summer Cooking

##### Programs

- Current Events Book Club has resumed in person meeting
- 30 participants registered for Summer Reading Bingo
- Pies and Pages is fully registered, with 13 people on the wait list

#### **Strategic Priority 4: Community Interest Advancement:**

- Con Edison Outreach session
- Leaders of Tomorrow and American Legio Post #128
- SPRYE Meeting

## Teen Services

### Programming and Displays:

- Summer Reading registration is up, and exceeded the goal of 40. We are currently at 47 registered users.
- Outside programmers were brought in to provide their services during times when I was away. The multigenerational soap making class received a lot of positive buzz and filled up quickly, as has the upcoming Mini Flower Garden event.
- Ice Cream making and the Paint and Sip events were well attended, with high hopes for a successful felting class as well.

### Strategic Goals

#### **1. Independent Reading and Reading Drop-off Prevention**

- Reader's Advisory services have increased greatly with positive feedback from teen readers about the local school's "free choice" assignments for the middle school and high school students.
- Reading guides and displays centered around most asked for read-alikes "like that? Try this!" displays are being picked through and checked out regularly.

#### **2. Community Interest Advancement**

- Local summer camps, Blue Skies and the Rye Rec Department, have contacted the library for special visits as well, allowing us to offer STEM programming to participants who might not otherwise know about library programming

### Materials:

- We received some box corner savers for board games from a local business to try out at no charge and are also evaluating purchasing them on an as needed basis to extend the life of our collection.
- The graphic novel collection has been shifted to allow room for more browsability and growth by changing the Off the Shelf display location to the top of the half-cases.



## Children's Services

### Community Interest Advancement

- Graham Clarke has started his weekly summer music sessions on the Village Green. We have had between 60-100 people at each of them.
- STEM Sparks Boxes on Saturdays have been drawing visitors occasionally. The boxes are filled with fun STEM activities for preschoolers and change monthly. July's box has ocean themed activities inside.
- Summer reading is in full swing. We have over 80 children signed up and many have already earned several prizes & books for their efforts.

### Independent Reading and Reading Drop-off Prevention

- The New Time Traveler's Book Club met at the end of June with a small group of passionate readers. They discussed *Ophie's Ghosts*. In July, they will meet to discuss *A Turtle in Paradise*.
- The Battle of the Books team is forming. We have 3 kids so far, and will hope to attract a few more over the summer. Practices begin in September.

### COMMUNITY OUTREACH:

- Our Summer Reading section is completed. We have the books for all of the incoming grades separated out from the regular collection so students and parents can find the books easily and quickly.
- Storytime at the Beach has started at the Pavilion on Fridays. Attendance is strong.
- Blue Skies camp has visited twice this summer Tuesdays for a craft. They will continue through the month of August.

### Materials

- Books continue to be ordered regularly. We have many boxes of books that have come in to help replace flood losses.
- The new picture book bins are very accessible and were easy to move with the threat of flooding, though not quite as easy to keep tidy.

## **New Auxiliary Board Members**

At the June Auxiliary Board meeting, the Auxiliary Board voted unanimously to approve the membership of Bettina Scott Funk, Eva Rooney, Dian Whelan, and Lydia Zolman.

**Action : The Board approve the new members to the Auxiliary Board**



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## Annual Campaign Draft Appeal

Dear [Member name X],

Doorways to strange new worlds have long been a feature of books, from “The Chronicles of Naria” to “Coraline” to “Strange the Dreamer”. Through those stories, the Library is a doorway itself, filled with other worlds we can all visit and explore. Those doors, and so much more, are open thanks to our members.

Membership support opens the door to young readers, families, teens, entrepreneurs, seniors, and so many others! As we approach the 140<sup>th</sup> anniversary of the Library, help us reach the membership goal of 1,400 members.

Did you know that each hour that the Library is open requires \$150 in support?

Your membership has a tremendous impact for all Rye residents:

- Patron (\$150 membership) – provides critical operating funds to ensure the door to the Library is open for one hour
- Sponsor (\$500 membership) – Provides 20 teens a Friday evening lock-in library experience they won't forget, with laser tag, crafts, and snacks
- Curator (\$1,000 membership) – Adds 10 print titles and 10 digital titles to the Library collection from popular authors like James Patterson and Danielle Steel to breakout stars like Jenny Jackson and Bonnie Garmus
- Scholar (\$2,500 membership) – Adds 150 titles to the children's collection, like “Dogman”, “Diary of a Wimpy Kid”, or “Babysitter's Club”
- Bibliophile (\$5,000 membership) – Makes one-on-one technology assistance available for three months, helping users of all ages navigate apps, mobile devices, and so much more

Thanks to your generous support, the Rye Free Reading Room is able to add more copies of best sellers to the shelves, bring in classes from the Flower Bar for floral arrangement lessons, and welcome authors such as Joseph Polisi, Annabel Monaghan, Deborah Royce Goodrich, and many others.

And thank you for continuing to be one of hundreds of households across Rye who are Library members. Please send the return envelope back today, or visit us online at [www.ryelibrary.org/support](http://www.ryelibrary.org/support).

**[co-chair names and signatures]**

\*PS You can make a stock donation by calling the Business Office at 914-231-3164 or e-mailing [slavelle@ryelibrary.org](mailto:slavelle@ryelibrary.org).

\*PPS Double the impact of your membership with a corporate match. Check out [www.ryelibrary.org/double](http://www.ryelibrary.org/double) to see if your employer will match a donation!

### Membership Categories

Old Member Categories	Revised Categories 6/16
President – 10,000	Bibliophile - \$5,000
Director – 5,000	Scholar – \$2,500
Sponsor – 2,500	Curator - \$1,000
Fellow – 1,000	Sponsor - \$500
Scholar - 500	Patron - \$150
Family - 250	Friends – up to \$149
Friend - 100	
Patron – 5	

#### Member benefits

- Bibliophile - \$5,000
  - Headline recognition for the Week plus previous rewards  
“Thanks to The Huber Family for opening the doors of the library this week, in recognition of Shelly’s new business venture”  
Social Media, signage at front desk
- Scholar – \$2,500
  - Benefit undefined at this time
- Curator - \$1,000
  - Recognition for a Day plus previous rewards  
“Thanks to The Shanahan Family for opening the doors of the library today, in celebration of Jacyn’s birthday”  
Social Media, signage at front desk
- Sponsor - \$500
  - Off the Shelf featured pick plus previous rewards  
(Off the Shelf is the biweekly staff pick. Donors at the \$500 level would be able to recommend a title, with a note “Off the Shelf pick by the Eroh Family” “Off the Shelf pick by Whitney W”
- Patron - \$150
  - window cling membership sticker,
  - access to Read Ready Rye program plus previous rewards
- Friends – up to \$149
  - thank you sticker in one newly added item to the library collection

## Read Ready Rye

Once a month, members may request something not in the RFRR collection and have it delivered to their home. This program is designed to supplement the library's collection, the Westchester Library System consortium, and the InterLibrary Loan program. This program helps match library users and the collections more closely.

### Guidelines

- One Read Ready Rye request per month per household
- The title cannot already be owned by Rye Free Reading Room.
- Requesting member must be a Rye Free Reading Room cardholder in good standing
- Requests for books in other languages, books on cd, or DVDs are welcome if they are available from Amazon. Out of print books may be requested if they meet the criteria. eBooks, textbooks, workbooks, and pre-order items, are not available through Read Ready Ready
- Materials must be returned to the Rye Free Reading Room with the packing slip.
- Read Ready Rye materials check out for 21 days from date of delivery. Items may be renewed so long as it has not been placed on hold. Fines will accrue on all late materials.
- Lost times will be billed to the cardholder's account.

### Funding

- \$10,000 – earned income from Fidelity Accounts in 2024
- Increased Annual Campaign revenue for 2025 onward
- \$30 for average item, 27 requests per month, 12 months

## Flood and Program Solution Expenses

In December 2021, the Board selected Skolnick Architecture and Design Partnership to address flooding solutions and program needs of the library.

Skolnick completed Phase 1 of the work in May 2022, with a building concept and space layout to address flooding and community needs. The Board approved Phase 2 – design validation in June 2022. As part of the work for Phase 2, Carlin Simpson needed to perform both a geotechnical survey to determine soil composition, and an inspection of the library foundation to determine as built conditions for supporting additional weight. At the end of Phase 2, Skolnick will have completed the structural engineering survey, and the regulatory assessment for the cantilevered corner of the library and the wet floodproofing concept.

Partner	Funds Expended
Skolnick Phase 1	\$95,000
Skolnick Phase 2	\$108,070
Carlin Simpson Geotechnical Survey	\$3,440
Carlin Simpson Foundation Survey	\$25,030
	\$231,540

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## Potential Capital Projects

The Westchester Library System has roughly \$1,000,000 available to libraries for construction projects that improve energy efficiency, the patron experience, and library services. Libraries are eligible for 50% matching grants on eligible projects, which start after October 1, 2023. Grants for WLS member libraries tend to be between \$10,000 and \$200,000, depending on the number of libraries that apply.

### HVAC

	Cost Estimate
Wall Mounted Boiler	\$52,360
HVAC Engineer	\$24,000
Air Handling Units (5)	\$19,000
Hot Water Cabinet	\$5,000
Thermostats (9)	\$2,700
Permits and Fees	\$1,000
	\$104,060
Library cost match estimate	\$52,030

In terms of intermediate steps for flood solutions, the HVAC equipment, electrical equipment, network equipment, and sewage pumps on the lower level remain at risk for flood damage. To qualify for the grant, these new mechanicals would need to be used for the next ten years.

## Library Spaces Update

In March, the board approved the proposal and the funds to move around collections and services as part of the temporary flood solution plan. The fabrication work has nearly been completed, and all necessary paperwork has been submitted to the City. Some of the work can be started while the final approval is pending. Below is a timeline for the work to be done.

### Timeline

July 31<sup>st</sup> – The Children’s Discovery Area will close. Portions of the Children’s Collection will be temporarily shelved in that area to allow for bookcases to be moved.

August 7 – The Technology Center and Teen Room will both close to allow for demolition and construction work. The Teen Collection will be relocated to the lower level.

August 21 – The relocation of the Children’s Collections to the mezzanine and first floor will be completed. Construction work will begin on the lower level.

Week of August 28 – Construction on the lower level for the Teen Room will be completed.

Week of September 4 – The Children’s Discovery Area will re-open on the lower level.

\*Additional furniture for the Children’s Room and Teen Room will be delivered in late September and mid-November.



Please be aware that there will be some construction work at the library, that there may be increased levels of noise, and that certain collections may be relocated or temporarily unavailable from July 31<sup>st</sup> through September 4<sup>th</sup>. This is a necessary disruption to protect the library building and collections as much as possible from future flood damage. Thank you for your patience and understanding!

#### FAQ

1. What is happening at the library?

In short, we are moving the children's collection out of the lower level, and relocating the teen collection to the lower level space.

2. Why is the library doing this?

While the staff and trustees of Rye Free Reading Room explores long term flood solutions, this is one immediate step that we can take to ensure that core collections are protected and available to readers of all ages.

One strategy is relocating certain materials from the lower level, and raising the height of other collections. Relocating the Children's Collections to the Mezzanine and First Floor ensure they can still be accessed by children, and are removed from the flood zone. The Teen Room and the Teen Collections will be moved to the lower level, and the bookcases will be installed a minimum of 4 feet off the ground, above the estimated water level for 100 year flood events.

3. When is the work taking place?

We will begin moving materials during the week of July 31<sup>st</sup>. Construction will begin August 7<sup>th</sup>, and should be completed by September 4<sup>th</sup>. The library will be open regular hours during that time, though there may be some additional noise while the work is being done.

4. What other steps has the library taken to keep protect the building and collection?

In addition to the collection relocations, the library raised all the electrical outlets on the lower level, and removed electrical outlets from the floor. The library has also purchased easy to install flood barriers, which will protect the electrical and mechanical equipment that cannot be raised, such as the elevator, sewage pumps, and other key infrastructure pieces.

5. Who can I contact if I have questions?

Any questions can be directed to Chris Shoemaker, [cshoemaker@ryelibrary.org](mailto:cshoemaker@ryelibrary.org)

## Landscape Update

Due to an irrigation failure, some of the front landscaping has died. The loss of the rhododendron at the center, along with some smaller plants that died off, has been noticed by members of the community.

A new overall landscape plan will be needed in the fall, and funds will need to be allocated for purchasing plants. The RGC will continue to help with decorations for holidays and the two planters on either side of the main entrance but will not help with landscape/garden maintenance or funding.

Summer Plan - approximately \$500

- Relocate mature plantings to reduce the depth of the front bed
- Add raised bed with flowers for a pollinator fairy garden, complete with tree stump seating stools
- Add netting to discourage animal and human flower harvesting
- Add sign " *Please excuse our appearance while we remodel. Enjoy our pop – up experience!*"

In addition to the now repaired irrigation system, staff time may be needed to water plants. Library staff are also developing programs to incorporate the garden into summer activities.

The raised beds are not meant to be new permanent landscape features. A landscape plan will be presented to the board later this fall, along with a budget for those improvements.

## **June Financials**

There is no significant activity to report in income. The next major activity will be in July, when we receive the second portion of the City transfer.

In adult programs, the Flower Bar program returned, and it is \$1,500 for two sessions. Auxiliary board members make small underwriting donations to assist in offering two sessions, due to popular demand.

Library operations are close to budget. The second portion of the audit expense will be paid out once the audit is accepted.

Building operations is ahead of budget, due to the capital projects transfer and the timing on certain contract renewals. \$7,700 in regular service contracts were renewed in June for W and M Fire and Aurora Pest Control.

Personnel is slightly behind budget. The major expenses paid were the workers comp and disability quarterly payments.

Rye Free Reading Room  
Income and Expense Report  
For 6 Month Ending June 30, 2023

	Current Month 2023	2023 YTD Actual	2023 YTD Budget	2023 Budget
<b>Income</b>				
City of Rye	\$ -	\$ 680,000	\$ 680,000	\$ 1,360,000
Annual Campaign	\$ 1,736	\$ 46,020	\$ 122,500	\$ 245,000
Miscellaneous Income	\$ 1,659	\$ 12,820	\$ 17,500	\$ 35,000
Osborn Branch Library	\$ 5,716	\$ 22,306	\$ 28,116	\$ 56,232
Auxiliary Board Transfer	\$ -	\$ -	\$ -	\$ 65,000
Endowment Transfer	\$ -	\$ -	\$ -	\$ 105,000
	<u>\$ 9,111</u>	<u>\$ 761,146</u>	<u>\$ 848,116</u>	<u>\$ 1,866,232</u>
<b>Expense</b>				
<b>Library Materials</b>				
Books	\$ 6,432	\$ 33,461	\$ 44,443	\$ 88,885
Audio Visual	\$ 2,277	\$ 5,202	\$ 12,970	\$ 25,940
Periodicals	\$ 619	\$ 3,690	\$ 6,450	\$ 12,900
Programs	\$ 2,352	\$ 10,489	\$ 6,250	\$ 12,500
Ebooks/ Binding	\$ 9,613	\$ 19,076	\$ 20,500	\$ 41,000
	<u>\$ 21,293</u>	<u>\$ 71,918</u>	<u>\$ 90,613</u>	<u>\$ 181,225</u>
<b>Library Operations</b>				
Supplies	\$ 1,639	\$ 9,137	\$ 7,000	\$ 14,000
Equipment & Systems - New	\$ 22	\$ 1,021	\$ 2,250	\$ 4,500
Equipment & Systems - Maintenance	\$ -	\$ -	\$ 2,500	\$ 5,000
Automated Systems	\$ 1,116	\$ 37,329	\$ 35,348	\$ 70,695
Telephone	\$ 288	\$ 1,490	\$ 2,500	\$ 5,000
Postage	\$ 782	\$ 3,994	\$ 4,500	\$ 9,000
Printing & Publicity	\$ 1,764	\$ 14,622	\$ 18,000	\$ 36,000
Auditing	\$ -	\$ 10,789	\$ 10,250	\$ 20,500
Legal Services	\$ -	\$ -	\$ 1,000	\$ 2,000
Interest	\$ -	\$ -	\$ -	\$ -
Transfer to Designated Account	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ 3,535	\$ 9,290	\$ 3,900	\$ 7,800
	<u>\$ 9,146</u>	<u>\$ 87,672</u>	<u>\$ 87,248</u>	<u>\$ 174,495</u>
<b>Building Operations</b>				
Heat	\$ 759	\$ 17,622	\$ 8,400	\$ 16,800
Light & Power	\$ 1,944	\$ 12,245	\$ 17,250	\$ 34,500
Water & Sewer	\$ 247	\$ 1,588	\$ 4,000	\$ 8,000
Fixtures, Furnishings & Equipment	\$ 1,960	\$ 3,783	\$ 2,500	\$ 5,000
Building Supplies	\$ 1,043	\$ 3,250	\$ 6,000	\$ 12,000
Contracted Services	\$ 12,298	\$ 52,731	\$ 30,780	\$ 61,560
Repairs & Maintenance	\$ 2,762	\$ 12,753	\$ 9,000	\$ 18,000
Insurance	\$ -	\$ 18,811	\$ 16,250	\$ 32,500
Capital Projects Fund Transfer	\$ -	\$ 129,000	\$ -	\$ -
Miscellaneous	\$ 100	\$ 4,687	\$ -	\$ -
	<u>\$ 21,113</u>	<u>\$ 256,470</u>	<u>\$ 94,180</u>	<u>\$ 188,360</u>
<b>Personnel</b>				
Salaries	\$ 72,999	\$ 481,964	\$ 507,646	\$ 1,015,292
Social Security	\$ 5,298	\$ 35,620	\$ 38,835	\$ 77,670
Retirement	\$ -	\$ -	\$ -	\$ 109,394
Medical Insurance	\$ 8,483	\$ 41,792	\$ 45,952	\$ 91,904
Other Insurance	\$ 3,339	\$ 6,230	\$ 8,000	\$ 16,000
Payroll Services	\$ 591	\$ 4,151	\$ 3,500	\$ 7,000
Staff Development	\$ 463	\$ 2,449	\$ 1,500	\$ 3,000
Miscellaneous	\$ -	\$ -	\$ -	\$ -
	<u>\$ 91,173</u>	<u>\$ 572,206</u>	<u>\$ 605,433</u>	<u>\$ 1,320,260</u>
<b>Total Income</b>	<u>\$ 9,111</u>	<u>\$ 761,146</u>	<u>\$ 848,116</u>	<u>\$ 1,866,232</u>
<b>Total Expense</b>	<u>\$ 142,725</u>	<u>\$ 988,266</u>	<u>\$ 877,474</u>	<u>\$ 1,864,340</u>
<b>Net Receipts (Expense)</b>	<u>\$ (133,614)</u>	<u>\$ (227,120)</u>	<u>\$ (29,358)</u>	<u>\$ 1,892</u>

**Rye Free Reading Room**  
**Annual Campaign**  
**June 2023 YTD**

<i>Donations to the Current Annual Campaign</i>		<i>2021</i>	<i>2022</i>	<i>2023</i>
Donations received & deposited in	JAN	29,771	85,387	32,982
	FEB	9,764	5,531	1,446
	MAR	4,471	5,764	2,953
	APR	7,031	3,659	4,214
	MAY	3,077	5,989	2,689
	JUN	3,820	4,953	1,736
	JUL	2,850	811	-
	AUG	1,940	203	-
	SEP	37,884	16,977	-
	OCT	50,299	81,183	-
	NOV	88,772	67,548	-
	DEC	101,425	66,435	-
	<b>Total</b>	<b>341,104</b>	<b>344,440</b>	<b>46,020</b>

Donations to *Previous or Subsequent* Annual Campaigns

Donations to <i>prior</i> Annual Campaigns	24,193	85,287	30,883
Donations to the <i>subsequent</i> Annual Campaign	0	0	0
<i>Sub-total</i>	<u>24,193</u>	<u>85,287</u>	<u>30,883</u>

Rye Free Reading Room  
Endowment Report  
June 2023

<b>Endowment Inflows/Outflows:</b>	YTD 2023	YTD 2022	YTD 2021	YTD 2020
Beg of Period (Market Value)	2,109,492	2,388,851	2,188,828	2,233,617
Expenses	(7,338)	(14,834)	(15,674)	(13,845)
Transfer to/from Other Funds	0	(101,616)	(95,000)	(95,004)
Interest & Dividend Income	26,025	57,746	63,379	59,271
Appreciation	32,613	(220,654)	247,318	4,789
End of Period Bal (Market Value)	2,160,792	2,109,492	2,388,851	2,188,828
Endowment Performance	2.43%	-7.44%	13.48%	2.25%
Return of S&P 500	16.89%	-18.11%	28.71%	18.40%
Return of Barclays Bloomberg Aggregate Bond Index	2.09%	-13.01%	-1.54%	7.51%

<b>Silvercrest:</b>		YTD 2023	YTD 2022	YTD 2021	12/31/2020
Cash & Equivalents	5%	106,717	29,727	12,815	114,631
Fixed Income	35%	679,833	775,964	884,363	647,426
Equities	57%	1,108,964	1,046,548	1,170,444	1,143,143
Gold	1%	17,827	16,964	17,096	26,754
Other	2%	40,139	46,723	71,182	32,810
<b>Silvercrest Total</b>	<b>100%</b>	<b>1,953,480</b>	<b>1,915,926</b>	<b>2,155,900</b>	<b>1,964,764</b>

Endowment Breakdown at:		Permanently Restricted	Temp Restricted & Board Designated	Total
YTD 2023				
Shea		41,680	43,784	85,464
Flores		76,650	(4,371)	72,279
Balf		27,390	22,178	49,568
Silvercrest		745,086	1,208,394	1,953,480
		\$ 890,806	1,269,986	2,160,792

**Rye Free Reading Room Combined Report**

**For 6 Month Ending June 30, 2023**

	Unrestricted (Operating)	Temp. Restricted (Designated)	Endowment and Board Restricted	Combined
<b>Income</b>				
City of Rye	\$ 680,000	\$ -	\$ -	\$ 680,000
Annual Campaign	46,020	0	0	46,020
Contribution	-	36,840	0	36,840
Grants	-	205,823	0	205,823
Osborn Branch Library	22,306	0	0	22,306
Income from Invested and Equity	-	21,976	26,025	48,001
Miscellaneous	12,820	0	0	12,820
Transfer: Auxiliary to Operating	-	0	0	-
Transfer: Operating to Designated	-	0	0	-
Transfer: Operating to Cap Projects	-129,000	129,000	0	-
	<u>632,146</u>	<u>393,639</u>	<u>26,025</u>	<u>1,051,810</u>
Transfer: Auxiliary to Operating	0	0	0	-
Transfer: Endowment to Operating	0	0	0	-
Appreciation/Depreciation		0	32,613	32,613
<b>Total Funds</b>	<b>632,146</b>	<b>393,639</b>	<b>58,638</b>	<b>1,084,423</b>
<b>Expense</b>				
<b>Library Materials</b>				
Books	33,461	15,453	0	48,914
Audio Visual	5,202	0	0	5,202
Periodicals	3,690	0	0	3,690
Programs	10,489	42,596	0	53,085
Online Resources	9,613	0	0	9,613
Miscellaneous	9,463	0	0	9,463
	<u>71,918</u>	<u>58,049</u>	<u>0</u>	<u>129,967</u>
<b>Library Operations</b>				
Supplies	9,137	0	0	9,137
Equipment & Systems - New	1,021	0	0	1,021
Equipment & Systems - Maintenance	0	0	0	-
Automated Systems	37,329	37,809	0	75,138
Telephone	1,490	0	0	1,490
Postage	3,994	0	0	3,994
Printing & Publicity	14,622	475	0	15,097
Auditing	10,789	0	0	10,789
Interest	0	0	0	-
Legal Services	0	0	0	-
Miscellaneous	9,290	0	0	9,290
	<u>87,672</u>	<u>38,284</u>	<u>0</u>	<u>125,956</u>
<b>Building Operations</b>				
Heat	17,622	0	0	17,622
Light & Power	12,245	0	0	12,245
Water & Sewer	1,588	0	0	1,588
Fixtures, Furnishings & Equipment	3,783	44,241	0	48,024
Building Supplies	3,250	0	0	3,250
Contracted Services	52,731	107,384	0	160,115
Repairs & Maintenance	12,753	21,078	0	33,831
Insurance	18,811	0	0	18,811
Miscellaneous	4,687	825	7,338	12,850
	<u>127,470</u>	<u>173,528</u>	<u>7,338</u>	<u>308,336</u>
<b>Personnel</b>				
Salaries	481,964	0	0	481,964
Social Security	35,620	0	0	35,620
Retirement	0	0	0	-
Medical Insurance	41,792	0	0	41,792
Other Insurance	6,230	0	0	6,230
Payroll Services	4,151	0	0	4,151
Staff Development	2,449	0	0	2,449
Miscellaneous	0	0	0	-
	<u>572,206</u>	<u>0</u>	<u>0</u>	<u>572,206</u>
<b>Total Expense</b>	<b>859,266</b>	<b>269,861</b>	<b>7,338</b>	<b>1,136,465</b>
Net Receipts/Expenses	-227,120	123,778	51,300	-52,042
Prior Year Funds	374,367	592,522	2,109,492	3,076,381
<b>Balance</b>	<b>147,247</b>	<b>716,300</b>	<b>2,160,792</b>	<b>3,024,339</b>

## Budget Draft 2024

The 2024 budget is an increase of \$29,28 over the 2023 budget, a 1.5% increase.

Driving expense factors:

- Union staff increase of 5% - 3% yearly increase, plus 2% step increase for the majority of the staff
- 16% increase in heating cost
- 7% increase in IT costs, contracted services, insurance,
- General increases in supply cost and yearly expenses, such as the audit

For income strategy:

- \$25,000 increase from the city - 1.8% increase in funding from 2023
- \$5,000 increase in annual campaign goal - 2% increase in funding
- \$5,000 increase in Auxiliary Board funding request - 7% increase in funding

Of note:

- Healthcare costs overall decreased due to staff changes. However, there is an assumption of a 13% premium increase for enrolled staff. Three staff members are eligible for coverage, but do not participate. We do not reflect that liability in the operating budget, however.
- Based on endowment performance as of May 2023, the maximum draw on the endowment that is within the financial policy set by the board is approximately \$105,000.

**Action: The Board approves the draft 2024 budget and authorizes the director to submit the budget for the 2024 City of Rye budget process.**



## Rye Free Reading Room 2024

	2022		2023		2024	Change
	Adopted	Actual	Approved	5/31/2023	Draft	
<b>INCOME</b>						
City of Rye	\$1,335,000	\$1,335,000	\$1,360,000	\$680,000	\$1,385,000	25,000
Annual Campaign	240,000	344,440	245,000	44,284	250,000	5,000
Osborne Branch Library	55,546	49,273	56,232	16,589	51,317	-4915
Miscellaneous Income	30,000	220,033	35,000	11,162	35,000	
Aux Board Transfer	62,500		65,000	-	70,000	5,000
Transfer from Endowments	105,000	101,617	105,000	-	105,000	
	<b>\$ 1,828,046</b>	<b>\$ 2,050,363</b>	<b>\$ 1,866,232</b>	<b>\$ 752,035</b>	<b>\$ 1,896,317</b>	<b>30,085</b>
<b>MATERIALS</b>						
Books	\$ 78,885	\$ 67,170	\$ 88,885	\$ 27,029	\$ 88,885	
Audio Visual	25,940	12,329	25,940	2,926	25,940	
Periodicals	12,900	11,954	12,900	3,071	12,900	
Programs	7,500	12,715	13,500	8,137	13,500	
Online Resources	35,900	49,622	40,900	9,462	40,900	
Miscellaneous	100	0	100	0	100	
	<b>161,225</b>	<b>153,790</b>	<b>182,225</b>	<b>50,625</b>	<b>182,225</b>	
<b>LIBRARY OPERATIONS</b>						
Supplies	13,000	15,926	14,000	7,497	15,000	1,000
Equipment & Systems - New	4,500		4,500	999	4,500	
Equipment & Systems - Maintenance	5,000		5,000	-	5,000	
Automated Systems	65,857	76,490	70,695	36,213	75,750	5,055
Telephone	6,000	3,641	5,000	1,201	4,000	-1,000
Postage	10,000	7,154	9,000	3,212	9,000	
Printing & Publicity	40,000	26,310	36,000	12,858	32,000	-4000
Auditing	18,000	19,523	20,500	10,789	22,500	2,000
Legal Services	2,000	-535	2,000	-	2,000	
Miscellaneous	7,800	14,756	7,800	5,754	7,800	
	<b>172,157</b>	<b>163,265</b>	<b>174,495</b>	<b>78,523</b>	<b>177,550</b>	
<b>BUILDING OPERATIONS</b>						
Heat	10,000	16,169	16,800	16,862	20,000	3,200
Light & Power	31,500	33,319	34,500	10,300	34,500	
Water & Sewer	7,500	3,371	8,000	1,341	9,000	1,000
Fixtures, Furnishings & Equipment	5,000	22,834	5,000	1,823	5,000	
Supplies	12,000	22,561	12,000	2,208	12,000	
Contracted Services	67,200	257,052	61,560	40,433	64,000	2,440
Maintenance & Repairs	18,000	18,894	18,000	9,991	18,000	
Insurance	31,775	31,382	32,500	18,811	33,125	625
	<b>182,975</b>	<b>409,407</b>	<b>188,360</b>	<b>106,356</b>	<b>195,625</b>	
<b>Personnel</b>						
Salaries	997,791	970,716	1,015,292	408,965	1,034,622	19330
Social Security	76,331	73,067	77,670	30,321	79,149	1479
Other Personnel Expense	0		0	0	0	
Retirement	93,685	72,330	109,394	-	115,640	6246
Medical Insurance	85,657	72,235	91,904	33,310	83,657	-8247
Other Insurance	13,000	23,512	16,000	2,891	16,000	
Payroll Services	5,700	14,403	7,000	3,561	7,000	
Staff Development	3,000	6,446	3,000	1,986	3,000	
	<b>\$ 1,275,164</b>	<b>\$ 1,232,709</b>	<b>\$ 1,320,260</b>	<b>\$ 481,034</b>	<b>\$ 1,339,068</b>	<b>29128</b>
Transfer to Designated		<b>\$100,000</b>		<b>129000</b>		
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 1,791,521</b>	<b>\$ 2,059,171</b>	<b>\$ 1,865,340</b>	<b>\$ 845,538</b>	<b>\$ 1,894,468</b>	
<b>Surplus/Deficit</b>	\$ 36,525	\$ (8,808)	\$ 892	\$ (93,503)	\$ 1,849	

## Finance Committee Meeting June 19, 2023

In attendance:

Katie Vernance, Jaclyn Shanahan, Kathleen Riegelhaupt, Maria Seiler  
Jamie Rapps, Vanessa Gordon  
Chris Shoemaker, Stacy Lavelle

The meeting started at 9:02.

Jamie Rapps and Vanessa Gordon from Grassi presented the overview of the 2022 Audit. Jamie noted that the library ended in a strong cash position, with cash on hand up \$235,000 over last year.

There was a question about a note about specific designated fund income related to the children's book fund to replace flood damaged materials.

There was discussion about IT policies and training opportunities. For IT decisions that are driven by WLS policies, such as password complexity, remote access, and mobile device management, it would be helpful for the library to have a policy noting the relation to WLS policy.

There was discussion over the best practices or recommendations for liquidity. Grassi's general recommendations are for organizations to have 3 to 6 months of cash on hand.

Jamie reviewed the management communications letter. The finance committee has started a review of the financial policies and procedures manual, and Chris and Stacy have put a process in place to confirm journal entries and investment reconciliation. Those notes should be removed in the next audit.

Katie moved to accept the financial statements and management letter. Kathleen seconded, and all approved.

There was discussion about the 2024 budget.

The meeting ended at 10:01 am.

**Action: The Board accept the 2022 Financial Statement and Management Communications.**

**RYE FREE READING ROOM**

**THE AUDITORS' COMMUNICATION WITH  
THOSE CHARGED WITH GOVERNANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Draft - for discussion only

To The Board of Trustees  
Rye Free Reading Room

We have audited the financial statements of Rye Free Reading Room (the "Library") for the year ended December 31, 2022 and have issued our report thereon dated DATE. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, as well as the information related to the planned scope and timing of our audit and certain information related to our audit. We have communicated such information in our letter to you dated January 25, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Library are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of the allocation of expenses by function and depreciation. We evaluated the key factors and assumptions used to develop the allocation of expenses and depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Entries were proposed to record current year depreciation expense as well as bring the books back to the modified cash basis of accounting by unwinding transactions still in accounts payable at year-end.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated **DATE**.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Library's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Library's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management and the Board of Trustees of Rye Free Reading Room and is not intended to be, and should not be, used by anyone other than these specified parties.

GRASSI & CO., CPAs, P.C.

New York, New York  
**DATE**

# Beyond the Numbers

## COVID-19 Relief Funding

Our Grassi advisors remain current on sources of relief funding and ways to maximize your organization’s borrowing potential to help you manage your business recovery in the face of the COVID-19 pandemic.

## Organizational Sustainability

We understand the significance of financial sustainability within the nonprofit sector and focus on your recovery from COVID-19 losses and rebuild with a more sustainable financial model.

## Planning for the Year Ahead

While the future holds many uncertainties, our Grassi advisors have focused their outlook on strategic planning and forecasting for growth opportunities to help you reimagine a brighter future for your organization.



## Technology and Innovation

Investing in technology is a higher priority than ever. Grassi advisors constantly stay informed on new technology and innovation in the marketplace that can help you maximize efficiencies and effectiveness.

## 2023 Nonprofit Live Video Series

Tune in to one or all of our live video sessions exploring different strategies and best practices to help your organization continue to fulfill its mission throughout the year. Our interactive educational sessions are designed to help your nonprofit leverage the latest insights and guidance from our industry experts and turn risk and challenges into opportunities and growth.

## 2023 Live Video Series

Strength in Certainty starts here. Grassi's Nonprofit Live Video Series offers year-round complimentary learning opportunities to help your nonprofit leverage the latest insights and guidance from our industry experts. We can help you make confident decisions about the issues that matter most to your organization's financial health and sustainability.

Our 2023 lineup is filled with interactive sessions – count on Grassi advisers to deliver the knowledge and strategies you need to fulfil your mission this year and turn risk and challenges into opportunities and growth to build a brighter, more sustainable future.

Register now to 'reserve your seat' for our 2023 online educational series. Even if you are unable to attend the live discussion, you will automatically receive a recording after the session.

### **Grassi's 2023 Nonprofit Symposium (Hybrid Event)**

**Time and Date: TBD**

We are excited to announce the date for Grassi's annual half-day hybrid Nonprofit Symposium when leaders in nonprofit finance, HR, lending, organizational development and technology will discuss the latest strategies for improving performance and sustainability. Join Grassi's nonprofit advisors, your industry peers, and our special guest speakers as we uncover the top strategies to help your organization face ongoing challenges and identify every opportunity to build a brighter, more sustainable future. [Register now](#).

### **2023 Nonprofit Industry Survey Presentation & Analysis**

**September 19, 2023 | 12:00p.m. – 1:00p.m. EDT**

In this live video session, our Nonprofit advisors will present the findings of Grassi's annual industry benchmarking survey and offer recommendations for applying the results to your organization's operational and financial health. This presentation will help you benchmark your organization in the areas of business continuity, DEI initiatives, talent retention, board governance and more. You will hear powerful insights and real-time data to help drive your organization's mission and values forward. [Register now](#).

## 2023 Live Video Series (continued)

### **Strategically Prepare Your Nonprofit for 2024 and Beyond**

**December 13, 2023 I 11:00a.m. – 12:00p.m. EST**

As we look ahead to 2024, Grassi's Nonprofit Team will help nonprofit leaders ensure their organizations are well-positioned for success in the new year and beyond. Tune in to this live video session as our nonprofit advisors provide insights and strategies on budgeting, board practices, internal controls, fundraising, DEI initiatives, tax laws, sustainability, as well as technology, to provide you with confident direction for the year ahead. [Register now.](#)

### **PAST SESSIONS**

Recordings are available for all previously scheduled sessions:

### **Nonprofit Technology Trends for 2023**

**March 8, 2023 I 11:00a.m. – 12:00p.m. EST**

It is imperative for nonprofits to understand the top technology trends that will continue to dominate in 2023. Whether your organization is looking to improve margins, increase efficiencies or identify potential risks, technology planning can help you make smart mission-focused decisions and create a roadmap to mitigate threats to security, revenue generation, innovation and more. Join Grassi's Nonprofit and Technology teams for a live video discussion where they will share strategies for nonprofits to avoid audit risk and be more fiscally responsible. [Listen to session recording.](#)

### **Enhancing Human Resources Practices in Your Organization**

**May 9, 2023 I 11:00a.m. – 12:00p.m. EDT**

In today's challenging environment, human resources departments must adapt to rapid changes, make tough decisions, as well as communicate and collaborate closely with staff. Join Grassi's Human Resources team and special guest for a live video session to learn tactics to enhance your organization's HR practices. Topics of discussion include retaining employees, hiring incentives, creating a solid benefits package and Diversity, Equity and Inclusion (DEI) initiatives. [Register now.](#)



## Nonprofit Technology Trends For 2023

As we enter 2023, it is imperative for nonprofit management and boards to understand which technology trends will dominate the year. If your organization is looking to save costs or improve margins in 2023, on-the-rise trends can serve as a chance to pivot and reinvent the business model, identify potential risks, and create a roadmap to mitigate these threats and make smart mission-focused decisions in the new year.

The three technology trends listed below are just a few of the digital strategies that can help nonprofits see through the current economic and market challenges.

**Sustainability moving to the forefront of cloud and network strategy.** In recent years, nonprofits have come under increasing pressure to have a transparent climate strategy. It has never been more important for enterprises to pursue sustainable technology solutions, not only to do their part to combat climate change, but also retain constituent loyalty and uphold Environmental, Social, and Governance (ESG) values. With performance metrics tied to the sustainability of organizations, we can expect enterprises to reassess their cloud and network strategy to be more mindful of environmental impact through choosing more sustainable solutions.

**Effective data management tools.** Data management technology can help organizations target potential donors more effectively, improve their operations, eliminate or reduce menial tasks, and focus their efforts more intensely on their noble missions. The need for these tools will continue to grow as employees remain working at home and donors increasingly want to know how their contributions are being used. Nonprofits can benefit from a centralized source of data that enables cross-department collaboration, advanced audience segmentation for marketing, the seamless pairing of grantors and grantees, more efficient reporting, and effective forecasting and budgeting.

**Digital Wallets.** Digitization of payment technology will be the most important trend coming out of the pandemic with a 10% increase of credit card usage for charitable giving spend and a 20% decline in check giving over the past five years. With options like Apple Pay, Google Pay, Visa Direct and other digital wallets, as well as improved online donation form experiences and QR codes driving individual givers to donate online, this is a trend that will continue in the coming years. The digitization has also begun to extend into other giving channels like stock giving and donor-advised funds, as well as a major increase in the adoption of cryptocurrency for affluent donors looking to support organizations.

Each of these trends offer an exciting insight into the potential of cloud and technology innovation for nonprofits in 2023 and beyond. By acknowledging them and taking action, nonprofits can stay ahead of the game and make moves toward improving donor experience, creating greater opportunities for revenue growth, and enhancing mission-critical operations through better security and sustainability practices.



**Hassan Khan**  
Technology Consulting Partner  
hkhan@grassicpas.com | 212.223.5021

**RYE FREE READING ROOM**

**FINANCIAL STATEMENTS  
(Modified Cash Basis)**

**DECEMBER 31, 2022 AND 2021**

Draft - for discussion only

RYE FREE READING ROOM

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## INDEPENDENT AUDITORS' REPORT

To The Board of Trustees  
Rye Free Reading Room  
Rye, New York

### **Opinion**

We have audited the accompanying financial statements of Rye Free Reading Room, which comprise the statements of financial position - modified cash basis as of December 31, 2022 and 2021, and the related statements of revenues collected, expenses paid and changes in net assets - modified cash basis, functional expenses - modified cash basis, and cash flows - modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Rye Free Reading Room as of December 31, 2022 and 2021, and its support, revenue and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 2.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rye Free Reading Room and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

GRASSI & CO., CPAs, P.C.

New York, New York

Date

RYE FREE READING ROOM  
STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 977,800	\$ 742,474
Investments	2,079,765	2,376,036
Property and equipment, net	<u>2,382,040</u>	<u>2,557,997</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,439,605</u></b>	<b><u>\$ 5,676,507</u></b>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:	<u>\$ -</u>	<u>\$ -</u>
Commitments		
Net Assets:		
Without donor restrictions:		
Undesignated	357,828	285,090
Designated by the board:		
Endowment	801,468	978,767
Property and equipment	2,382,040	2,557,997
Other	<u>412,744</u>	<u>298,902</u>
Total Net Assets Without Donor Restrictions	3,954,080	4,120,756
With donor restrictions:		
Purpose restrictions	177,709	144,775
Endowment	<u>1,307,816</u>	<u>1,410,976</u>
Total Net Assets	<u>5,439,605</u>	<u>5,676,507</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,439,605</u></b>	<b><u>\$ 5,676,507</u></b>

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

RYE FREE READING ROOM  
STATEMENT OF REVENUES COLLECTED, EXPENSES PAID AND CHANGES IN NET ASSETS -  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues Collected:			
Government grants	\$ 1,340,999	\$ -	\$ 1,340,999
Contributions and dues, annual campaign	506,997	68,547	575,544
Fines and book rental fees	16,403	-	16,403
Book sales	396	-	396
Special events	\$ 194,669		
Less: direct expenses of special events	<u>(52,958)</u>	-	141,711
Investment income	(113,884)	(63,959)	(177,843)
Miscellaneous income	261,205	-	261,205
Net assets released from restrictions	<u>74,814</u>	<u>(74,814)</u>	<u>-</u>
 Total Revenues Collected	 <u>2,228,641</u>	 <u>(70,226)</u>	 <u>2,158,415</u>
Expenses Paid:			
Salaries	973,649	-	973,649
Payroll taxes	96,580	-	96,580
Health insurance	72,236	-	72,236
Retirement	72,330	-	72,330
Library materials	293,128	-	293,128
Telephone	3,641	-	3,641
Supplies	40,109	-	40,109
Repairs and maintenance	145,453	-	145,453
Postage, printing and publicity	35,432	-	35,432
Audit and legal	18,988	-	18,988
Contracted services	272,850	-	272,850
Automated systems	76,490	-	76,490
Staff development	6,526	-	6,526
Utilities	52,859	-	52,859
Insurance	31,383	-	31,383
Depreciation	176,808	-	176,808
Miscellaneous	<u>26,855</u>	<u>-</u>	<u>26,855</u>
 Total Expenses Paid	 <u>2,395,317</u>	 <u>-</u>	 <u>2,395,317</u>
 Change in Net Assets	 (166,676)	 (70,226)	 (236,902)
 Net Assets, Beginning of Year	 <u>4,120,756</u>	 <u>1,555,751</u>	 <u>5,676,507</u>
 NET ASSETS, END OF YEAR	 <u>\$ 3,954,080</u>	 <u>\$ 1,485,525</u>	 <u>\$ 5,439,605</u>

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

RYE FREE READING ROOM  
 STATEMENT OF REVENUES COLLECTED, EXPENSES PAID AND CHANGES IN NET ASSETS -  
 MODIFIED CASH BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues Collected:			
Government grants	\$ 1,336,132	\$ -	\$ 1,336,132
Contributions and dues, annual campaign	346,495	58,288	404,783
Fines and book rental fees	12,346	-	12,346
Book sales	6,951	-	6,951
Special events	\$ 72,062	-	-
Less direct costs of special events	<u>-</u>	72,062	72,062
Investment income	182,910	114,294	297,204
Miscellaneous income	50,818	-	50,818
Forgiveness of debt	409,410	-	409,410
Net assets released from restrictions	<u>51,927</u>	<u>(51,927)</u>	<u>-</u>
 Total Revenues Collected	 <u>2,469,051</u>	 <u>120,655</u>	 <u>2,589,706</u>
Expenses Paid:			
Salaries	910,315	-	910,315
Payroll taxes	79,053	-	79,053
Health insurance	74,356	-	74,356
Retirement	97,127	-	97,127
Library materials	173,703	-	173,703
Telephone	2,510	-	2,510
Supplies	32,217	-	32,217
Repairs and maintenance	147,054	-	147,054
Postage, printing and publicity	38,714	-	38,714
Audit and legal	29,399	-	29,399
Contracted services	84,566	-	84,566
Automated systems	73,672	-	73,672
Staff development	3,858	-	3,858
Utilities	41,954	-	41,954
Insurance	29,548	-	29,548
Depreciation	176,876	-	176,876
Miscellaneous	<u>24,791</u>	<u>-</u>	<u>24,791</u>
 Total Expenses Paid	 <u>2,019,713</u>	 <u>-</u>	 <u>2,019,713</u>
 Change in Net Assets	 449,338	 120,655	 569,993
Net Assets, Beginning of Year	<u>3,671,418</u>	<u>1,435,096</u>	<u>5,106,514</u>
 NET ASSETS, END OF YEAR	 <u>\$ 4,120,756</u>	 <u>\$ 1,555,751</u>	 <u>\$ 5,676,507</u>

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



RYE FREE READING ROOM  
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u> Library Services	<u>Supporting Services</u> Management and General	Direct Costs of Special Events	<u>Total</u>
Salaries	\$ 740,439	\$ 233,210	\$ -	\$ 973,649
Payroll taxes	73,377	23,203	-	96,580
Health insurance	46,449	25,787	-	72,236
Retirement	36,486	35,844	-	72,330
Library materials	293,128	-	52,958	346,086
Telephone	3,568	73	-	3,641
Supplies	39,307	802	-	40,109
Repairs and maintenance	142,544	2,909	-	145,453
Postage, printing and publicity	34,723	709	-	35,432
Audit and legal	-	18,988	-	18,988
Contracted services	272,850	-	-	272,850
Automated systems	76,490	-	-	76,490
Staff development	6,526	-	-	6,526
Utilities	51,802	1,057	-	52,859
Insurance	30,755	628	-	31,383
Depreciation	173,274	3,534	-	176,808
Miscellaneous	26,853	2	-	26,855
<b>TOTAL EXPENSES</b>	<u>2,048,571</u>	<u>346,746</u>	<u>52,958</u>	<u>2,448,275</u>
Less: Direct costs of special events	<u>-</u>	<u>-</u>	<u>(52,958)</u>	<u>(52,958)</u>
Total expenses included in the expense section on the statements of revenues collected, expenses paid and changes in net assets –modified cash basis	<u>\$ 2,048,571</u>	<u>\$ 346,746</u>	<u>\$ -</u>	<u>\$ 2,395,317</u>

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

RYE FREE READING ROOM  
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Supporting Services</u>	
	Library Services	Management and General	Total
Salaries	\$ 778,248	\$ 132,067	\$ 910,315
Payroll taxes	67,655	11,398	79,053
Health insurance	52,555	21,801	74,356
Retirement	77,390	19,737	97,127
Library materials	173,703	-	173,703
Telephone	2,460	50	2,510
Supplies	31,573	644	32,217
Repairs and maintenance	144,113	2,941	147,054
Postage, printing and publicity	37,940	774	38,714
Audit and legal	-	29,399	29,399
Contracted services	84,566	-	84,566
Automated systems	73,672	-	73,672
Staff development	3,858	-	3,858
Utilities	41,115	839	41,954
Insurance	28,957	591	29,548
Depreciation	173,338	3,538	176,876
Miscellaneous	24,791	-	24,791
	<u>1,795,934</u>	<u>223,779</u>	<u>2,019,713</u>
TOTAL EXPENSES	<u>\$ 1,795,934</u>	<u>\$ 223,779</u>	<u>\$ 2,019,713</u>

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

RYE FREE READING ROOM  
STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (236,902)	\$ 569,993
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	176,808	176,876
Realized and unrealized loss (gain) on investments	220,655	(247,320)
Forgiveness of debt	-	(409,410)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>160,561</u>	<u>90,139</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(851)	(18,205)
Purchase of investments	(360,898)	(634,240)
Proceeds from sale of investments	436,514	578,797
NET CASH PROVIDED (USED IN) BY INVESTING ACTIVITIES	<u>74,765</u>	<u>(73,648)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loans payable	-	220,110
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>220,110</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	235,326	236,601
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>742,474</u>	<u>505,873</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 977,800</u>	<u>\$ 742,474</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES:		
Forgiveness of debt	<u>\$ -</u>	<u>\$ 409,410</u>

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

RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 1 - Organization and Nature of Activities

Rye Free Reading Room (the "Library") is an Association library located in Rye, New York, which was incorporated under an Act of the Legislature of the State of New York on April 12, 1884. It provides up-to-date information services and recreational materials to the public using a variety of resources including books, technology, media, and public programs targeted for all ages. It is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Library is supported primarily by an annual contract with the City of Rye, contributions and dues.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on the modified cash basis of accounting. Consequently, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. However, debt, unrealized gains and losses on investments, and depreciation expense are recognized in the financial statements.

Cash and Cash Equivalents

The Library maintains cash balances in financial institutions. Such balances are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. At December 31, 2022 and from time to time during the years ended December 31, 2022 and 2021, the Library's cash accounts exceeded federally insured limits.

The Library considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. At December 31, 2022 and 2021, cash equivalents consisted primarily of money market accounts with brokers.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value are carried at fair value in accordance with the Not-for-Profit Entities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Other investments are valued at the lower of cost or fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment returns that are initially restricted by donor stipulation and for which the restriction will be satisfied in the same year are recorded as revenue with donor restrictions and then released from restriction. Other investment returns are reflected in the statements of revenues collected, expenses paid and changes in net assets - modified cash basis as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a framework for measuring fair value is used which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy under FASB ASC Topic 820, *Fair Value Measurement*, are described as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Library's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Refer to Note 3 for assets measured at fair value at December 31, 2022 and 2021 in accordance with FASB ASC Topic 820.

Property and Equipment

Property and equipment acquisitions are stated at cost, less accumulated depreciation. The Library capitalizes buildings and building improvements with a cost of \$5,000, and furniture and equipment with a cost of \$2,000 and an estimated life of greater than one year. Depreciation is charged to expense on the straight-line basis over the estimated useful life of each asset. The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	30 years
Building improvements	30 years
Furniture and equipment	5 to 20 years

RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Long-Lived Asset Impairment

The Library evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2022 and 2021.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for fixed assets and endowment.

Purpose restricted net assets are those net assets that are restricted by donors for specific purposes. Endowment net assets are those net assets whose principal may not be expended. The donors may or may not restrict the use of investment income.

Government Grants

Revenues from government grants are recognized when received. Such revenues are subject to audit by the agencies.

RYE FREE READING ROOM  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions

Contributions are provided to the Library either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts - with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restrictions</i>	
Gifts that depend on the Library overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e. the donor-imposed barrier is met
<i>Unconditional gifts, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value

When a donor-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 statements of revenues collected, expenses paid and changes in net assets - modified cash basis as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Special Events

The Library conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. All proceeds received are recorded as special events revenues in the accompanying financial statements.

RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Functional Expenses

The costs of supporting the Library's services have been summarized on a functional basis in the statements of revenues collected, expenses paid and changes in net assets - modified cash basis. The statements of functional expenses - modified cash basis present the natural classification detail of expenses by function. Certain costs have been allocated among the program and supporting services benefited.

Accounting for Uncertainty in Income Taxes

The Library has determined that there are no material uncertain tax positions that require disclosure in the financial statements. The Library is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Library believes it is no longer subject to income tax examinations prior to 2019.

Note 3 - Fair Value Measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2022 and 2021.

*Equities:* Valued at the closing price reported on the active market on which the individual securities are traded. Equities are categorized in Level 1 of the fair value hierarchy.

*U.S. Treasury Securities:* Value based on comparables and traded on the active market. U.S. Treasury Securities are categorized as Level 1 of the fair value hierarchy.

*Mutual Funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by RFRR are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by RFRR are deemed to be actively traded and are categorized as Level 1 of the fair value hierarchy.

*Exchange Traded Funds ("ETFs") and Real Estate Investment Trusts ("REITS"):* Valued at the official closing price (typically last sale) on the exchange on which the securities are primarily traded or, if no closing price is available, at the last bid price.

*Agency securities, Collateralized Mortgage Obligations ("CMO") and Asset Backed Securities, Israel and Corporate Bonds:* Value using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate and other bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit liquidity risks.

The following tables present the Library's assets that are measured at fair value on a recurring basis:



RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 3 - Fair Value Measurement (cont'd.)

	<u>Investments at Fair Value at December 31, 2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 1,042,849	\$ -	\$ -	\$ 1,042,849
U.S. Treasury Securities	276,241	-	-	276,241
Mutual Funds:				
Bonds	89,251	-	-	89,251
U.S. Equities	104,314	-	-	104,314
ETF - Gold	16,965	-	-	16,965
REITS	46,723	-	-	46,723
Agency securities	-	60,655	-	60,655
CMO and Asset Backed Securities	-	41,819	-	41,819
Israel Bonds	-	18,310	-	18,310
Corporate Bonds	-	382,638	-	382,638
Investments, at fair value	<u>\$ 1,576,343</u>	<u>\$ 503,422</u>	<u>\$ -</u>	<u>\$ 2,079,765</u>

	<u>Investments at Fair Value at December 31, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 1,170,444	\$ -	\$ -	\$ 1,170,444
U.S. Treasury Securities:	386,104	-	-	386,104
Mutual Funds				
Bonds	102,132	-	-	102,132
U.S. Equities	130,820	-	-	130,820
ETF - Gold	17,096	-	-	17,096
REITS	71,182	-	-	71,182
Israel Bonds	-	19,347	-	19,347
Corporate Bonds	-	478,911	-	478,911
Investments, at fair value	<u>\$ 1,877,778</u>	<u>\$ 498,258</u>	<u>\$ -</u>	<u>\$ 2,376,036</u>

Note 4 - Property and Equipment

The Library received a donation of land on March 23, 1910 and subsequently constructed the Library. The Library assigned the land and building a nominal value of \$7. The cost basis (value) of the land when acquired would be immaterial to the current financial statements and the building would be fully depreciated. The Library continues to reflect the nominal value on the statements of financial position - modified cash basis.

RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 4 - Property and Equipment (cont'd.)

Property and equipment net, consisted of the following as of December 31:

	2022		
	Cost	Accumulated Depreciation	Net
Land	\$ 3	\$ -	\$ 3
Building	3,907,620	2,470,718	1,436,902
Building improvements	1,035,422	136,399	899,023
Furniture and equipment	310,432	264,320	46,112
	\$ 5,253,477	\$ 2,871,437	\$ 2,382,040
	2021		
	Cost	Accumulated Depreciation	Net
Land	\$ 3	\$ -	\$ 3
Building	3,907,620	2,340,464	1,567,156
Building improvements	1,035,422	98,068	937,354
Furniture and equipment	309,581	256,097	53,484
Construction in progress	-	-	-
	\$ 5,252,626	\$ 2,694,629	\$ 2,557,997

Depreciation expense amounted to \$176,810 and \$176,876 for the years ended December 31, 2022 and 2021, respectively.

Note 5 - Paycheck Protection Program Loans Payable

On May 6, 2020, the Library entered into a \$189,300 loan agreement with a financial institution under the Paycheck Protection Program (the "Program"), established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, administered by the Small Business Administration ("SBA") with support from the Department of the Treasury. In June 2021, the Library applied for and was granted full forgiveness by the SBA for the full amount of the loan. As a result, the loan forgiveness is reported in the statement of revenues collected, expenses paid and changes in net assets - modified cash basis for the year ended December 31, 2021.

RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 5 - Paycheck Protection Program Loans Payable (cont'd.)

On February 25, 2021, the Library entered into a \$220,110 second draw Program loan. In December 2021, the Library applied for and was granted full forgiveness by the SBA for the full amount of the loan. As a result, the loan forgiveness is reported in the statement of revenues collected, expenses paid and changes in net assets - modified cash basis for the year ended December 31, 2021.

Note 6 - Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes:		
Library services	\$ 177,709	\$ 144,775
	177,709	144,775
Endowments:		
Restricted by donors for library services	890,806	890,806
Subject to endowment spending policy and appropriations for library services	417,010	520,170
	1,307,816	1,410,976
	\$ 1,485,525	\$ 1,555,751

Net assets released from restrictions are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Library services	\$ 74,814	\$ 51,927
	74,814	51,927

Note 7 - Endowment

The Library's endowment consists of approximately five individual funds established to support the Library's operations. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America ("U.S. GAAP"), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

RYE FREE READING ROOM  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2022 AND 2021

Note 7 - Endowment (cont'd.)

The Library's governing body is subject to the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). As a result, the Library classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before being reclassified as net assets without donor restrictions.

Additionally, in accordance with NYPMIFA, the Library considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Library and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Library
7. Investment policies of the Library

The objective of the Library is to maintain the principal endowment funds at the original amount designated by the donor while generating income for the Library's programs. The investment policy to achieve this objective is to invest in low-risk securities. Investment income earned in relation to the endowment funds is recorded as income with donor restrictions and released from restriction upon expenditure for the program for which the endowment fund was established.

The Library does not have any funds with deficiencies.

The composition of net assets by type of endowment fund at December 31, 2022 and 2021 was:

	2022			Total
	Without Donor Restrictions	With Donor Restrictions Unspent Accumulated Earnings	Original Gifts	
Board-designated endowment fund	\$ 801,468	\$ -	\$ -	\$ 801,468
Donor-restricted endowment fund	-	417,010	890,806	1,307,816
	<u>\$ 801,468</u>	<u>\$ 417,010</u>	<u>\$ 890,806</u>	<u>\$ 2,109,284</u>

RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 7 - Endowment (cont'd.)

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
		Unspent Accumulated Earnings	Original Gifts	
Board-designated endowment fund	\$ 978,767	\$ -	\$ -	\$ 978,767
Donor-restricted endowment fund	-	520,170	890,806	1,410,976
	\$ 978,767	\$ 520,170	\$ 890,806	\$ 2,389,743

The change in endowment net assets for the years ended December 31, 2022 and 2021 was:

	2022			
	Without Donor Restrictions	With Donor Restrictions		Total
		Unspent Accumulated Earnings	Original Gifts	
Endowment net assets, beginning of year	\$ 978,767	\$ 520,170	\$ 890,806	\$ 2,389,743
Investment loss	(114,884)	(63,959)	-	(178,843)
Appropriation of endowment assets for expenditure	(62,415)	(39,201)	-	(101,616)
Endowment net assets, end of year	\$ 801,468	\$ 417,010	\$ 890,806	\$ 2,109,284

	2021			
	Without Donor Restrictions	With Donor Restrictions		Total
		Unspent Accumulated Earnings	Original Gifts	
Endowment net assets, beginning of year	\$ 857,850	\$ 441,063	\$ 890,806	\$ 2,189,719
Investment income	180,731	114,294	-	295,025
Appropriation of endowment assets for expenditure	(59,814)	(35,187)	-	(95,001)
Endowment net assets, end of year	\$ 978,767	\$ 520,170	\$ 890,806	\$ 2,389,743

RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 8 - Pension Plan

Full-time employees of the Library are enrolled in a pension plan administered by the New York State Employees' Retirement System ("NYSERS"). Cash payments of \$72,330 and \$97,127 were contributed in 2022 and 2021, respectively. In connection with a shortfall in investment earnings by NYSERS, the Library was notified that it has a potential liability of \$0 and \$2,207 as of December 31, 2022 and 2021, respectively.

Note 9 - Financial Assets and Liquidity Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022 and 2021 comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 977,800	\$ 742,474
Investments	<u>2,079,765</u>	<u>2,376,036</u>
Total financial assets	3,057,565	3,118,510
Less:		
Internal designations:		
Board-designated funds	1,214,212	1,277,669
Donor-imposed restrictions:		
Restricted funds	177,709	144,775
Donor-restricted endowment fund	<u>1,307,816</u>	<u>1,410,976</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 357,828</u>	<u>\$ 285,090</u>

The Library receives contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

The Library's endowment funds consist of donor-restricted endowments and funds designated by the board. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure. The board-designated endowment of \$801,468 and \$978,767 at December 31, 2022 and 2021, respectively, is subject to an annual appropriation approved by the board. Although the Library does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the board's annual budget approval and appropriation), these amounts could be made available if necessary.

RYE FREE READING ROOM  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

Note 9 - Financial Assets and Liquidity Resources (cont'd.)

The Library manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these targets, the Library forecasts its future cash flows and monitors its liquidity monthly. During the years ended December 31, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements.

Note 10 - Concentrations

Contributions

Approximately 61% and 58% of all revenue was received from the City of Rye in 2022 and 2021, respectively.

Investments

The Library invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position - modified cash basis.

Note 11 - Commitment

As a result of Hurricane Ida in August 2021, the Library incurred significant damage and submitted claims for reimbursement to its property and flood insurance carriers. In January 2022, the Library received \$195,000 from its property insurance carrier, which was recorded as revenue.

Note 12 - Subsequent Events

Management has evaluated all events or transactions that occurred after December 31, 2022 through **DATE**, which is the date that the financial statements were available to be used. During this period, there were no material subsequent events requiring disclosure.

## **Finance Committee Meeting July 6, 2023**

In attendance:

Katie Vernace, Maria Seiler, Kirstin Bucci, Chris Shoemaker  
Bart Johnson, Silvercrest

Prior to the meeting, Bart distributed a summary of the endowment performance and supplemental reading on the overall state of the market. Bart provided a brief summary of the material, noting that the top 7 stocks comprise over 50% of the current market value, and that those are responsible for 12.5% of the overall 14.5% growth in the market. Overall the library has a conservative portfolio mandate, requiring investment performance of 150% of the yield, and paying out a dividend.

There was discussion over the equities allocation, and the possibility of directing a small percentage of the allocation to a higher risk higher reward strategy. Bart noted that Edgewood was one of their fund partners that may be an option for that investment strategy. In response to a question about recommendations to a new client with a similar portfolio, Bart noted they would set a target of 65% equities, with a max of 70%, compared to the library's current 58%, with a max of 60%.

Bart will provide additional information about the collateralized mortgage obligations after consulting with the Silvercrest Bond specialist. The endowment has a \$25,000 position on CMO, which the auditors noted was a new area for the library's portfolio.

The Finance Committee will be reaching out to an independent, qualified investment professional for a general review of the portfolio.



## **Finance Committee Meeting July 20, 2023**

In attendance:

Katie Vernance, Jaclyn Shanahan, Maria Seiler, Kirstin Bucci, Stacy Lavelle, Chris Shoemaker

The meeting started at 11:02.

Chris provided updates from Silvercrest on the CMO note from the 2022 audit, and on a possible technology fund investment. The committee is awaiting an outside review of the endowment portfolio, and will make a decision about allocations at a later date.

Maria spoke about the meeting with the Grassi IT consultant. She shared the recommendations from that meeting: adopting a new accounting software platform that supports forecasting, evaluating risk and exposure for cybersecurity intrusion, increased transparency for online bill pay, and more information about WLS network protection and ways to influence the IT decisions of WLS. Chris provided an update on the library accounting software, noting the recent switch to Quickbooks Online which does support forecasting and more robust analytics. After discussion about billpay processes, Katie requested that check ledgers be sent weekly, that an ACH debit block be added to the First Republic accounts, and that notifications be enabled for transactions over \$5,000. The committee agreed. Chris discussed the WLS IT network set-up, and the WLS trustee process.

There was discussion over the financial policies and procedures manual update. Chris and Stacy will review the chapters that Stacy has updated, and share those out, along with the policies that are dictated by New York State. The committee will review those over the summer, and discuss them in the October meeting. The committee has a goal to finish the update by December.

Chris discussed the 2023-2024 insurance renewals. ARCH / By the Cover is expected to increase rates by 10 to 20%. Utica, who has been a previous provider, has provided a rate quote with a 1% increase. Neither ARCH or Utica will provide \$25,000 supplemental flood insurance coverage due to the flooding sustained in 2021. However, the library still has flood insurance through American Bankers. The committee recommended the return to Utica for insurance coverage for 2023-2024.

## Mission Moments

It's not too late to get reading this summer! Earn prizes, play bingo, and discover your new favorite titles. Details and sign up at [www.ryelibrary.org/summer](http://www.ryelibrary.org/summer)

### Notable Activities

Pies and Pages – July 26 at 6 pm.

Enjoy a pie making demonstration from the experts at Noble Pies, a pie raffle, and samples of pies and books, with librarians pairing books with tasty treats.

Summer Saturday Family Cinema – August 5 at 11 am

Join us at the library for a family fun movie showing!

Family Concert on the Green – Saturday, August 5 at 4 pm

Bring a picnic and your blankets for these classical music performances inspired by children's picture books.

Summer Beach Storytimes – Fridays at 10 am

Battle of the Books – Teen Practice – Tuesdays at 6 pm starting in August

Battle of the Books – Children's Practice Thursdays at 4 pm starting in September

Read in Rye : Robert Markowitz September 14 at 6:30 pm

Robert Markowitz left his lucrative criminal law practice to become a clown & kids musician & wrote a novel about it, in addition to writing personal essays for the NYTimes, releasing three children's albums of original songs, and played thousands of shows.

Library Card Sign up with Sebastian the Sloth (and local author Jessica Brierley) – Saturday, September 16 at 2 pm

Families can enjoy a special storytime, snack, and sloth-themed craft before signing up for a library card.

Book sale donations will be accepted August 28<sup>th</sup> through September 8<sup>th</sup>! And mark your calendars for the annual book sale – Saturday, September 9<sup>th</sup> and Sunday September 10<sup>th</sup> from 12 to 5 pm. Details at [www.ryelibrary.org/booksale](http://www.ryelibrary.org/booksale)

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