

Mamaroneck Public Library District, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2020

Mamaroneck Public Library District, New York

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Independent Auditors' Report

**The Board of Trustees of the
Mamaroneck Public Library District, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mamaroneck Public Library District, New York ("Library") as of and for the year ended May 31, 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Library, as of May 31, 2020, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 4C in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 (“Coronavirus”). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary and Other Information

Our audit for the year ended May 31, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library’s basic financial statements. The individual fund financial schedules for the year ended May 31, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended May 31, 2020 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended May 31, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Library as of and for the year ended May 31, 2019 (not presented herein), and have issued our report thereon dated January 29, 2020, which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The individual fund financial schedules for the year ended May 31, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2019 financial statements. The individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended May 31, 2019.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

January 27, 2021

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Mamaroneck Public Library District, New York

Statement of Net Position

May 31, 2020

ASSETS

Cash and equivalents	\$ 1,212,261
Prepaid expenses	16,154
Capital assets	
Not being depreciated	562,124
Being depreciated, net	<u>15,584,037</u>
 Total Assets	 <u>17,374,576</u>

DEFERRED OUTFLOWS OF RESOURCES

904,939

LIABILITIES

Accounts payable and accrued liabilities	21,975
Accrued interest payable to other governments	90,500
Non-current liabilities	
Due within one year	536,000
Due in more than one year	<u>10,116,246</u>
 Total Liabilities	 <u>10,764,721</u>

DEFERRED INFLOWS OF RESOURCES

53,606

NET POSITION

Net investment in capital assets	7,260,121
Restricted for debt service	681,099
Unrestricted	<u>(480,032)</u>
 Total Net Position	 <u>\$ 7,461,188</u>

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

Mamaroneck Public Library District, New York

Balance Sheet
General Fund
May 31, 2020

	<u>General</u>
ASSETS	
Cash and equivalents	\$ 1,212,261
Prepaid expenditures	<u>16,154</u>
Total Assets	<u><u>\$ 1,228,415</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued liabilities	<u>\$ 21,975</u>
Fund balance	
Nonspendable	16,154
Restricted	681,099
Assigned	<u>509,187</u>
Total Fund Balance	<u>1,206,440</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,228,415</u></u>

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

Mamaroneck Public Library District, New York

Reconciliation of the General Fund Balance Sheet to
the Statement of Net Position
May 31, 2020

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

Fund Balance - General Fund	<u>\$ 1,206,440</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>16,146,161</u>
Governmental funds do not report the effect of assets or liabilities related to net pension liabilities, losses on refunding bonds and other post employment benefit liabilities whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension liabilities	495,316
Deferred amounts on refunding bonds	376,605
Deferred amounts on other post employment benefit liabilities	<u>(20,588)</u>
	<u>851,333</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable to other governments	(90,500)
Due to other governments	(9,262,645)
Compensated absences	(64,475)
Net pension liability	(732,745)
Other post employment benefit liabilities	<u>(592,381)</u>
	<u>(10,742,746)</u>
Net Position of Governmental Activities	<u><u>\$ 7,461,188</u></u>

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

Mamaroneck Public Library District, New York

Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
Year Ended May 31, 2020

REVENUES

Real property taxes	\$	2,820,683
Use of money and property		6,916
Fines and forfeitures		8,593
State aid		9,228
Miscellaneous		<u>23,550</u>
Total Revenues		<u>2,868,970</u>

EXPENDITURES

Current

General support		
Judgments and claims		<u>15,507</u>
Culture and recreation		
Personal services		1,093,296
Equipment		2,598
Contractual		542,608
Employee benefits		<u>440,813</u>
		<u>2,079,315</u>
Debt service		
Principal		515,000
Interest		<u>279,225</u>
		<u>794,225</u>
Total Expenditures		<u>2,889,047</u>
Deficiency of Revenues Over Expenditures		(20,077)

FUND BALANCE

Beginning of Year		<u>1,226,517</u>
End of Year	\$	<u><u>1,206,440</u></u>

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

Mamaroneck Public Library District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance
to the Statement of Activities
Year Ended May 31, 2020

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

Net Change in Fund Balance - General Fund \$ (20,077)

The fund financial statements report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (382,020)

Bonds issued by other governments provide current financial resources in the fund financial statements, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the fund financial statements, but the repayment reduces long-term liabilities in the statement of net position.

Amortization of loss on refunding and issuance premium issued by other governments (11,779)

Principal paid on bonds issued by other governments 515,000

503,221

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

Accrued interest 5,150

Compensated absences 5,884

Pension liability (157,984)

Other post employment benefit liabilities 27,110

(119,840)

Change in Net Position of Governmental Activities \$ (18,716)

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

Mamaroneck Public Library District, New York

Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
Year Ended May 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 2,820,683	\$ 2,820,683	\$ 2,820,683	\$ -
Use of money and property	1,200	1,200	6,916	5,716
Fines and forfeitures	8,000	8,000	8,593	593
State aid	4,000	4,000	9,228	5,228
Miscellaneous	12,750	12,750	23,550	10,800
Total Revenues	<u>2,846,633</u>	<u>2,846,633</u>	<u>2,868,970</u>	<u>22,337</u>
EXPENDITURES				
Current				
General support				
Judgments and claims	25,000	25,000	15,507	9,493
Culture and recreation				
Personal services	1,200,000	1,200,000	1,093,296	106,704
Equipment	3,000	3,000	2,598	402
Contractual	597,500	577,089	542,608	34,481
Employee benefits	483,280	505,280	440,813	64,467
	<u>2,283,780</u>	<u>2,285,369</u>	<u>2,079,315</u>	<u>206,054</u>
Debt service				
Principal	470,000	515,000	515,000	-
Interest	378,256	333,256	279,225	54,031
	<u>848,256</u>	<u>848,256</u>	<u>794,225</u>	<u>54,031</u>
Total Expenditures	<u>3,157,036</u>	<u>3,158,625</u>	<u>2,889,047</u>	<u>269,578</u>
Deficiency of Revenues Over Expenditures	(310,403)	(311,992)	(20,077)	291,915
FUND BALANCE				
Beginning of Year	<u>310,403</u>	<u>311,992</u>	<u>1,226,517</u>	<u>914,525</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,206,440</u>	<u>\$ 1,206,440</u>

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

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Note 1 - Summary of Significant Accounting Policies

The Governor of the State of New York, on July 26, 1991, signed a law authorizing the establishment of the Mamaroneck Public Library District, New York ("Library"), which was approved by the voters of the Library in November 1991. On June 1, 1992, the Mamaroneck Free Library contributed its net operating assets, including property, plant and equipment to the Library, at which time the Library commenced operations. The Board of Trustees is the legislative body responsible for overall operation of the Library and is elected by the voters of the Library. The Executive Director serves as the chief executive officer.

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

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Library maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Library's resources are reflected in the fund financial statements in one broad fund category, in accordance with generally accepted accounting principles as follows:

Fund Categories

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

General Fund - The General Fund constitutes the primary operating fund of the Library in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenue when the expenditure is made. A ninety day availability period is used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service to other governments, compensated absences, net pension liability and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

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

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Library's deposit and investment policies are governed by State statutes. The Library has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Library is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Library has entered into custodial agreements with the various banks which hold its deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Library follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Note 1 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Library does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Library does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Library's name. The Library's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at May 31, 2020.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Library does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Library's investment policy limits the amount on deposit at each of its banking institutions.

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property as of June 1st and are levied and payable in two installments due in June and December. The Village of Mamaroneck, New York ("Village") is responsible for the billing and collection of the taxes. The Village guarantees the full payment of the Library's warrant and assumes responsibility for uncollected taxes.

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

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Machinery and equipment	5-20

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State and Local Employees' Retirement System	\$ 513,167	\$ 17,851
Other Post Employment Benefit Liabilities	15,167	35,755
Deferred loss on refunding bonds	376,605	-
	<u>\$ 904,939</u>	<u>\$ 53,606</u>

The amount reported for the deferred loss on refunding bonds results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

Note 1 - Summary of Significant Accounting Policies (Continued)

The amounts reported as deferred outflows of resources and deferred inflows of resources in relation to its pension and other post employment benefit liabilities are detailed in Note 3D.

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

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

Net Pension Liability - The net pension liability represents the Library's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date"*.

Compensated Absences - The board approved personnel policy provides for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated time is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable. Full time employees receive 10 days of sick time per calendar year and may accumulate up to 40 days. Unused sick time is not paid upon separation or retirement.

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

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

Assigned fund balance represents amounts constrained either by the policies of the Library Board of Trustees for amounts assigned for balancing the subsequent year's budget or the Library Executive Director for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances that are not classified as nonspendable and are neither restricted nor committed.

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

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Library's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Library's policy to use fund balance in the following order: committed, assigned and unassigned.

F. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates, particularly given the significant social and

Note 1 - Summary of Significant Accounting Policies (Continued)

economic disruptions and uncertainties associated with the ongoing COVID-19 (“Coronavirus”) pandemic and the mitigation responses, and such differences may be material. (See Note 4C).

G. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 27, 2021.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

- a) The Board of Trustees meets to establish a tentative budget for the Library.
- b) If the tentative budget increases or decreases the appropriation last approved by the voters of the Library, then the budget is submitted to the voters of the Library for approval at the time of the annual election of the Board of Trustees.
- c) On or before March 20th, the Board of Trustees files the budget with the Village Clerk, reflecting the amount of the tax levy.
- d) Formal budgetary integration is employed during the year as a management control device for the General Fund.
- e) The General Fund budget is legally adopted annually on a basis consistent with generally accounting principles.
- f) The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board of Trustees.
- g) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding fiscal year pursuant to the Uniform System of Accounts as promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Trustees.

B. Property Tax Limitation

Chapter 97 of the Laws of 2011, as amended (“Tax Levy Limitation Law”), modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 2 - Stewardship, Compliance and Accountability (Continued)

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Village to increase its overall real property tax levy over the tax levy of the prior year by no more than the “Allowable Levy Growth Factor,” which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The “Inflation Factor” is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Village is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Village, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Village. The Village Board of Trustees may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Board first enacts, by a vote of at least sixty percent of the total voting power of the Board, a local law to override such limit for such coming fiscal year.

Note 3 - Detailed Notes on All Funds

A. Capital Assets

	Balance June 1, 2019	Additions	Balance May 31, 2020
Capital Assets, not being depreciated - Land	\$ 562,124	\$ -	\$ 562,124
Capital Assets, being depreciated:			
Buildings and improvements	\$ 19,106,375	\$ -	\$ 19,106,375
Machinery and equipment	18,360	-	18,360
Total Capital Assets, being depreciated	19,124,735	-	19,124,735
Less Accumulated Depreciation for:			
Buildings and improvements	3,140,318	382,020	3,522,338
Machinery and equipment	18,360	-	18,360
Total Accumulated Depreciation	3,158,678	382,020	3,540,698
Total Capital Assets, being depreciated, net	\$ 15,966,057	\$ (382,020)	\$ 15,584,037
Capital Assets, net	\$ 16,528,181	\$ (382,020)	\$ 16,146,161

Depreciation expense of \$382,020 was charged to the Library’s Culture and Recreation function.

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

B. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at May 31, 2020 of \$21,975 was for employer retirement system contributions payable and utilities.

C. Long-Term Liabilities

The changes in the Library's long-term liabilities during the year ended May 31, 2020 are summarized as follows:

	Balance June 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2020	Due Within One Year
Due to Other Governments	\$ 9,793,255	\$ -	\$ 530,610	\$ 9,262,645	\$ 530,000
Compensated Absences	70,359	1,116	7,000	64,475	6,000
Net Pension Liability	198,201	534,544	-	732,745	-
Other Post Employment Benefit Liability	634,594	53,518	95,731	592,381	-
Total Long-Term Liabilities	\$ 10,696,409	\$ 589,178	\$ 633,341	\$ 10,652,246	\$ 536,000

Due to Other Governments

Due to other governments consists of bonds issued by the Village on behalf of the Library and are comprised of the following:

Description	Issue Date	Original Issue Amount	Final Maturity	Interest Rate	Outstanding at May 31, 2020
Library Improvements - Village of Mamaroneck - Refunding	3/2017	\$ 9,705,000	08/2033	3.00 %	\$ 9,050,000
Plus Unamortized premium on bonds					<u>212,645</u>
					<u><u>\$ 9,262,645</u></u>

Interest expenditures/expense of \$279,225 was recorded in the fund financial statements in the General Fund and \$285,854 in the government-wide financial statements.

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The following is a summary of maturing debt service requirements, including interest payments of \$2,037,000.

<u>May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 530,000	\$ 263,550	\$ 793,550
2022	540,000	247,500	787,500
2023	560,000	231,000	791,000
2024	575,000	213,975	788,975
2025	590,000	196,500	786,500
2026-2030	3,250,000	700,500	3,950,500
2031-2034	3,005,000	183,975	3,188,975
	<u>\$ 9,050,000</u>	<u>\$ 2,037,000</u>	<u>\$ 11,087,000</u>

Compensated Absences

Pursuant to the board approved personnel policy, substantially all full-time employees are entitled to be compensated for accumulated vacation time upon separation of service or retirement. Vacation time is earned based on the calendar year and is required to be taken by January 31st of the following year or it shall be forfeited. Unused sick days are not paid upon separation of service or retirement.

Pension Plans

New York State and Local Retirement System

The Library participates in the New York State and Local Employees' Retirement System ("ERS") which is referred to as the New York State and Local Retirement System ("System"). This is a cost-sharing, multiple-employer defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Library also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2020 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
4 A15	15.7%
5 A15	13.1
6 A15	9.2

At May 31, 2020, the Library reported the following for its proportionate share of the net pension liability for ERS:

	<u>ERS</u>
Measurement date	March 31, 2020
Net pension liability	\$ 732,745
Library's proportion of the net pension liability	0.0027671 %
Change in proportion since the prior measurement date	(0.0000303) %

The net pension liability was measured as of March 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended May 31, 2020, the Library recognized pension expense in the government-wide financial statements of \$284,487. Pension expenditures of \$126,503 were recorded in the fund financial statements in the General Fund.

At May 31, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 43,125	\$ -
Changes of assumptions	14,754	12,740
Net difference between projected and actual earnings on pension plan investments	375,641	-
Changes in proportion and differences between Library contributions and proportionate share of contributions	60,703	5,111
Library contributions subsequent to the measurement date	18,944	-
	<u>\$ 513,167</u>	<u>\$ 17,851</u>

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

\$18,944 reported as deferred outflows of resources, resulting from the Library's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	
2021	\$ 93,167
2022	123,360
2023	147,110
2024	112,735

The total pension liability for the March 31, 2020 measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the April 1, 2019 valuation were as follows:

	<u>ERS</u>
Measurement Date	March 31, 2020
Actuarial valuation date	April 1, 2019
Investment rate of return	6.8% *
Salary scale	4.2%
Inflation rate	2.5%
Cost of living adjustments	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.05 %
International Equity	14	6.15
Private Equity	10	6.75
Real Estate	10	4.95
Absolute Return Strategies	2	3.25
Opportunistic Portfolio	3	4.65
Real Assets	3	5.95
Bonds and Mortgages	17	0.75
Cash	1	-
Inflation Indexed Bonds	4	0.05
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Library's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	<u>1% Decrease (5.8%)</u>	<u>Current Assumption (6.8%)</u>	<u>1% Increase (7.8%)</u>
Library's proportionate share of the net pension liability	<u>\$ 1,344,795</u>	<u>\$ 732,745</u>	<u>\$ 169,045</u>

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2020 measurement date were as follows:

Total pension liability	\$ 194,596,261,000
ERS fiduciary net position	<u>168,115,682,000</u>
Employers' net pension liability	<u>\$ 26,480,579,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>86.39%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of May 31, 2020 represent the employer contribution for the period of April 1, 2020 through May 31, 2020 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly. Retirement contributions to ERS for the two months ended May 31, 2020 were \$18,944.

Voluntary Defined Contribution Plan

The Library can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Library will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Post Employment Benefit Liability

In addition to providing pension benefits, the Library provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Library may vary according to length of service. The cost of providing post employment health care benefits is shared between the Library and the retired employee. Substantially all of the Library's employees may become eligible for those benefits if they reach normal retirement age while working for the Library. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At May 31, 2020, the following employees were covered by the benefit terms:

Retired employees	5
Active employees	<u>1</u>
	<u>6</u>

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The Library's total OPEB liability of \$592,381 was measured as of May 31, 2020, and was determined by an actuarial valuation as of June 1, 2019.

The total OPEB liability in the June 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3%
Discount rate	2.63%
Healthcare cost trend rates	8% for 2020, decreasing 0.5% per year to an ultimate rate of 5% for 2027 and later years
Retirees' share of benefit-related costs	Varies from 3% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on published municipal bond indices; the S&P Municipal Bond 20 AA Municipal Bond Index as of May 29, 2020 was 2.63%.

Mortality rates were based on the RP-2014 mortality table and the MP-2016 projection.

The actuarial assumptions used in the June 1, 2019 valuation for turnover and retirement for ERS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

The Library's change in the total OPEB liability for the year ended May 31, 2020 is as follows:

Total OPEB Liability - Beginning of Year	\$	634,594
Service cost		4,197
Interest		18,986
Changes of benefit terms		-
Difference between expected and actual experience		(71,510)
Changes of assumptions or other inputs		30,335
Benefit payments		(24,221)
		<u> </u>
Total OPEB Liability - End of Year	\$	<u>592,381</u>

The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) or 1 percentage point higher (3.63%) than the current discount rate:

	1% Decrease (1.63%)	Current Assumption (2.63%)	1% Increase (3.63%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability	\$ <u>664,602</u>	\$ <u>592,381</u>	\$ <u>520,160</u>

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
 May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7% decreasing to 4%) or 1 percentage point higher (9% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability	\$ 485,350	\$ 592,381	\$ 721,506
	<u> </u>	<u> </u>	<u> </u>

For the year ended May 31, 2020, the Library recognized OPEB expense of (\$2,889) in the government-wide financial statements. At May 31, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,167	\$ 35,755
	<u> </u>	<u> </u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	
2021	\$ (20,588)
2022	-
2023	-
2024	-
2025	-
Thereafter	-

D. Net Position

The components of net position are detailed below:

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

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
May 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

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

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

E. Fund Balances

	<u>2020</u>	<u>2019</u>
Nonspendable -		
Prepaid expenditures	<u>\$ 16,154</u>	<u>\$ 9,339</u>
Restricted -		
Debt service	<u>681,099</u>	<u>681,099</u>
Assigned:		
Subsequent year's		
expenditures	84,794	111,686
Building costs	365,287	365,287
Tax certiorari	<u>59,106</u>	<u>59,106</u>
Total Assigned	<u>509,187</u>	<u>536,079</u>
Total Fund Balances	<u><u>\$ 1,206,440</u></u>	<u><u>\$ 1,226,517</u></u>

Certain elements of fund balances are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

Amounts for subsequent year's expenditures at May 31, 2020, represent funds that the Library has assigned to be appropriated for the ensuing year's budget. This amount has been limited to \$84,794 as it exceeded the fund balance available in the General Fund by \$214,878.

The amount assigned for building costs represents amounts that have been established and will be utilized to fund costs associated with future building costs.

The amount assigned for tax certiorari obligations has been established to set aside funds to meet anticipated judgments and claims arising out of tax certiorari proceedings.

The amount assigned for Library Programs is used to segregate a portion of the fund balance of the General Fund to be utilized for future Library programs. This amount has been limited to \$0 as it exceeded the fund balance available in the General Fund.

F. Miscellaneous Revenues

The General Fund miscellaneous revenues of \$23,550 includes \$20,220 of donations to the Library.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Library receives numerous notices of claims for money damages arising from property damage or personal injury. All the claims currently pending have been referred to the insurance carriers for defense. An adverse ruling would not have a material financial impact on the Library.

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

B. Risk Management

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

C. Contingencies

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

Coronavirus

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020.

Preceding these announcements, the Governor of the State of New York declared a state of emergency on March 7, 2020 and has since issued multiple Executive Orders regarding the pandemic. Furthermore, the Enacted 2020-21 New York State budget granted the Budget Director the authority to reduce state aid payments to local governments and school districts by any amount needed to achieve a balanced budget. The Budget Director is authorized, under Section 1(f) of Chapter 53 of the Laws of 2020, to withhold all or some of specific local aid payments during state fiscal year 2020-21, that began on April 1, 2020, if the budget is deemed unbalanced and if the Budget Director further determines that such withholding is necessary to respond to the direct and indirect economic financial and social effects of the Coronavirus pandemic ("Reduction Authority").

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The ultimate size of any permanent reductions would depend in part on the availability of unrestricted Federal aid. The Federal government has not reached a consensus on additional recovery legislation at this time. Therefore, in the interim, without assurance of Federal aid, New York State has begun withholding a minimum of 20% of most municipal and school district aid payments to achieve the cash flow savings anticipated in the Executive Budget Financial Plan as updated for the Governor's amendments and forecast revisions pursuant to the Reduction Authority.

In addition to these New York State actions, the Library's economically sensitive revenues (i.e., State aid, donations, interest earnings, fines and forfeitures) are being negatively impacted. Meanwhile, the Library's expenditures on health and safety measures (personal protective equipment, sanitizing supplies, custodial overtime, technology acquisitions to support a safe working environment) will increase significantly.

The outbreak of the Coronavirus and the dramatic steps taken by the Federal government and New York State to address it will continue to negatively affect New York State and its local economies. The full impact of the Coronavirus on New York State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the Library's future operations and finances as a result of the Coronavirus is extremely difficult to predict due to uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including New York State, to contain or mitigate its effects. The spread of the outbreak or reemergence later in the year could have a material adverse financial effect on New York State and local municipalities, including the Library. The Library is continuously monitoring the situation and will take such proactive measures as may be required to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the actual impact on the Library's future financial position at this time.

Mamaroneck Public Library District, New York

Required Supplementary Information - Schedule of Changes in the
Library's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years (1) (2)

	<u>2020</u>	<u>2019</u>
Total OPEB Liability:		
Service cost	\$ 4,197	\$ 4,314
Interest	18,986	19,336
Changes of benefit terms	-	-
Differences between expected and actual experience	(71,510)	(10,970)
Changes of assumptions or other inputs	30,335 (4)	-
Benefit payments	<u>(24,221)</u>	<u>(24,113)</u>
Net Change in Total OPEB Liability	(42,213)	(11,433)
Total OPEB Liability – Beginning of Year	<u>634,594</u>	<u>646,027 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 592,381</u>	<u>\$ 634,594</u>
Library's covered-employee payroll	<u>\$ 70,066</u>	<u>\$ 69,521</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>845.46%</u>	<u>912.81%</u>

(1) Data not available prior to fiscal year 2019 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) The discount rate used to calculate the total OPEB liability was decreased from 3.05% to 2.63% effective with the May 31, 2020 measurement date.

Mamaroneck Public Library District, New York

Required Supplementary Information
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

Schedule of the Library's Proportionate Share of the Net Pension Liability (2)

	2020 (4)	2019	2018	2017	2016 (3)
Library's proportion of the net pension liability	<u>0.0027671%</u>	<u>0.0027974%</u>	<u>0.0022450%</u>	<u>0.0022023%</u>	<u>0.0026457%</u>
Library's proportionate share of the net pension liability	<u>\$ 732,745</u>	<u>\$ 198,201</u>	<u>\$ 72,455</u>	<u>\$ 206,929</u>	<u>\$ 424,645</u>
Library's covered payroll	<u>\$ 946,095</u>	<u>\$ 931,509</u>	<u>\$ 872,353</u>	<u>\$ 837,253</u>	<u>\$ 869,510</u>
Library's proportionate share of the net pension liability as a percentage of its covered payroll	<u>77.45%</u>	<u>21.28%</u>	<u>8.31%</u>	<u>24.72%</u>	<u>48.84%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>

Schedule of Contributions

	2020	2019	2018	2017	2016
Contractually required contribution	\$ 127,792	\$ 119,188	\$ 117,825	\$ 128,622	\$ 174,701
Contributions in relation to the contractually required contribution	<u>(127,792)</u>	<u>(119,188)</u>	<u>(117,825)</u>	<u>(128,622)</u>	<u>(174,701)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered payroll	<u>\$ 924,642</u>	<u>\$ 937,921</u>	<u>\$ 885,249</u>	<u>\$ 831,320</u>	<u>\$ 866,915</u>
Contributions as a percentage of covered payroll	<u>13.82%</u>	<u>12.71%</u>	<u>13.31%</u>	<u>15.47%</u>	<u>20.15%</u>

(1) Data not available prior to fiscal year 2016 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31, measurement date within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

See independent auditors' report.

Mamaroneck Public Library District, New York

General Fund
Comparative Balance Sheet
May 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 1,212,261	\$ 1,218,098
State and Federal aid receivable	-	38,081
Prepaid expenditures	<u>16,154</u>	<u>9,339</u>
 Total Assets	 <u><u>\$ 1,228,415</u></u>	 <u><u>\$ 1,265,518</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable and accrued liabilities	<u>\$ 21,975</u>	<u>\$ 39,001</u>
 Fund balance		
Nonspendable	16,154	9,339
Restricted	681,099	681,099
Assigned	<u>509,187</u>	<u>536,079</u>
 Total Fund Balance	 <u>1,206,440</u>	 <u>1,226,517</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 1,228,415</u></u>	 <u><u>\$ 1,265,518</u></u>

See independent auditors' report.

Mamaroneck Public Library District, New York

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

	2020			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,820,683	\$ 2,820,683	\$ 2,820,683	\$ -
Use of money and property	1,200	1,200	6,916	5,716
Fines and forfeitures	8,000	8,000	8,593	593
State aid	4,000	4,000	9,228	5,228
Miscellaneous	12,750	12,750	23,550	10,800
Total Revenues	<u>2,846,633</u>	<u>2,846,633</u>	<u>2,868,970</u>	<u>22,337</u>
EXPENDITURES				
Current				
General support				
Judgments and claims	25,000	25,000	15,507	9,493
Culture and recreation				
Personal services	1,200,000	1,200,000	1,093,296	106,704
Equipment	3,000	3,000	2,598	402
Contractual	597,500	577,089	542,608	34,481
Employee benefits	483,280	505,280	440,813	64,467
	<u>2,283,780</u>	<u>2,285,369</u>	<u>2,079,315</u>	<u>206,054</u>
Debt service				
Principal	470,000	515,000	515,000	-
Interest	378,256	333,256	279,225	54,031
	<u>848,256</u>	<u>848,256</u>	<u>794,225</u>	<u>54,031</u>
Total Expenditures	<u>3,157,036</u>	<u>3,158,625</u>	<u>2,889,047</u>	<u>269,578</u>
Deficiency of Revenues Over Expenditures	(310,403)	(311,992)	(20,077)	291,915
FUND BALANCE				
Beginning of Year	<u>310,403</u>	<u>311,992</u>	<u>1,226,517</u>	<u>914,525</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,206,440</u>	<u>\$ 1,206,440</u>

See independent auditors' report.

2019

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,792,756	\$ 2,792,756	\$ 2,792,756	\$ -
1,200	1,200	12,392	11,192
10,000	10,000	9,406	(594)
-	-	43,629	43,629
12,750	12,750	48,371	35,621
<u>2,816,706</u>	<u>2,816,706</u>	<u>2,906,554</u>	<u>89,848</u>
25,000	25,000	108,658	(83,658)
1,168,977	1,168,977	1,095,164	73,813
3,000	8,017	5,546	2,471
549,660	580,374	610,356	(29,982)
458,749	458,749	454,933	3,816
<u>2,180,386</u>	<u>2,216,117</u>	<u>2,165,999</u>	<u>50,118</u>
440,000	440,000	500,000	(60,000)
358,277	358,277	296,156	62,121
<u>798,277</u>	<u>798,277</u>	<u>796,156</u>	<u>2,121</u>
<u>3,003,663</u>	<u>3,039,394</u>	<u>3,070,813</u>	<u>(31,419)</u>
(186,957)	(222,688)	(164,259)	58,429
<u>186,957</u>	<u>222,688</u>	<u>1,390,776</u>	<u>1,168,088</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,226,517</u>	<u>\$ 1,226,517</u>