

**Mamaroneck Public Library District, New York**

Financial Statements and  
Supplementary Information

Year Ended May 31, 2021

# 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, 2021, 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, 2021, 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.

## **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, 2021 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, 2021 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, 2021 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 individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended May 31, 2021.

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, 2020 (not presented herein), and have issued our report thereon dated January 27, 2021, 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, 2020 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 2020 financial statements. The individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the 2020 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 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended May 31, 2020.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

January 11, 2022

**Mamaroneck Public Library District, New York**

Statement of Net Position  
May 31, 2021

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**ASSETS**

Cash and equivalents	\$ 1,105,532
Capital assets	
Not being depreciated	562,124
Being depreciated, net	<u>15,330,657</u>
Total Assets	<u>16,998,313</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charge on refunding bonds	349,216
Pension related	561,815
OPEB related	<u>57,568</u>
Total Deferred Outflows of Resources	<u>968,599</u>

**LIABILITIES**

Accounts payable and accrued liabilities	50,559
Accrued interest payable to other governments	85,200
Non-current liabilities	
Due within one year	547,000
Due in more than one year	<u>8,948,706</u>
Total Liabilities	<u>9,631,465</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension related	<u>739,689</u>
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**NET POSITION**

Net investment in capital assets	7,524,962
Restricted for debt service	681,099
Unrestricted	<u>(610,303)</u>
Total Net Position	<u>\$ 7,595,758</u>

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

**Mamaroneck Public Library District, New York**

Statement of Activities  
Year Ended May 31, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities</b>				
General support	\$ 16,161	\$ -	\$ -	\$ (16,161)
Culture and recreation	2,486,266	2,563	3,894	(2,479,809)
Interest	270,029	-	-	(270,029)
<b>Total Governmental   Activities</b>	<b>\$ 2,772,456</b>	<b>\$ 2,563</b>	<b>\$ 3,894</b>	<b>(2,765,999)</b>
<b>General Revenues</b>				
Real property taxes				2,848,886
Unrestricted use of money and property				844
Miscellaneous				50,839
<b>Total General Revenues</b>				<b>2,900,569</b>
Change in Net Position				134,570
<b>NET POSITION</b>				
Beginning of Year				7,461,188
End of Year				<b>\$ 7,595,758</b>

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, 2021

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	<u>General</u>
<b>ASSETS</b>	
Cash and equivalents	<u>\$ 1,105,532</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Accounts payable and accrued liabilities	<u>\$ 50,559</u>
Fund balance	
Restricted	681,099
Assigned	<u>373,874</u>
Total Fund Balance	<u>1,054,973</u>
Total Liabilities and Fund Balance	<u>\$ 1,105,532</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, 2021

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

Fund Balance - General Fund	<u>\$ 1,054,973</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	562,124
Capital assets - depreciable	19,258,735
Accumulated depreciation	<u>(3,928,078)</u>
	<u>15,892,781</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	561,815
Deferred outflows - OPEB related	57,568
Deferred inflows - pension related	<u>(739,689)</u>
	<u>(120,306)</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	(85,200)
Due to other governments	(8,717,035)
Compensated absences	(74,504)
Net pension liability	(2,443)
Total OPEB liability	<u>(701,724)</u>
	<u>(9,580,906)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	<u>349,216</u>
Net Position of Governmental Activities	<u><u>\$ 7,595,758</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, 2021

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**REVENUES**

Real property taxes	\$	2,848,886
Use of money and property		844
Fines and forfeitures		2,563
State aid		3,894
Miscellaneous		<u>50,839</u>
Total Revenues		<u>2,907,026</u>

**EXPENDITURES**

Current

General support		
Judgments and claims		<u>16,161</u>
Culture and recreation		
Personal services		1,191,271
Equipment		14,576
Contractual		599,641
Employee benefits		<u>443,294</u>
		<u>2,248,782</u>
Debt service		
Principal		530,000
Interest		<u>263,550</u>
		<u>793,550</u>
Total Expenditures		<u>3,058,493</u>
Deficiency of Revenues Over Expenditures		(151,467)

**FUND BALANCE**

Beginning of Year		<u>1,206,440</u>
End of Year	\$	<u><u>1,054,973</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, 2021

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

Net Change in Fund Balance - General Fund \$ (151,467)

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.

Capital outlay	134,000
Depreciation expense	<u>(387,380)</u>
	<u>(253,380)</u>

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.

Principal paid on bonds issued by other governments	<u>530,000</u>
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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	5,300
Compensated absences	(10,029)
Changes in pension liabilities and related deferred outflows and inflows of resources	57,112
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(31,187)
Amortization of loss on refunding bonds and issuance premium issued by other governments	<u>(11,779)</u>
	<u>9,417</u>

Change in Net Position of Governmental Activities \$ 134,570

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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 2,848,890	\$ 2,848,890	\$ 2,848,886	\$ (4)
Use of money and property	1,200	1,200	844	(356)
Fines and forfeitures	4,500	4,500	2,563	(1,937)
State aid	4,000	4,000	3,894	(106)
Miscellaneous	9,750	9,750	50,839	41,089
<b>Total Revenues</b>	<b>2,868,340</b>	<b>2,868,340</b>	<b>2,907,026</b>	<b>38,686</b>
<b>EXPENDITURES</b>				
Current				
General support				
Judgments and claims	25,000	25,000	16,161	8,839
Culture and recreation				
Personal services	1,230,000	1,230,000	1,191,271	38,729
Equipment	1,500	17,090	14,576	2,514
Contractual	609,500	682,701	599,641	83,060
Employee benefits	507,787	509,787	443,294	66,493
	2,348,787	2,439,578	2,248,782	190,796
Debt service				
Principal	515,000	530,000	530,000	-
Interest	279,225	264,225	263,550	675
	794,225	794,225	793,550	675
<b>Total Expenditures</b>	<b>3,168,012</b>	<b>3,258,803</b>	<b>3,058,493</b>	<b>200,310</b>
Deficiency of Revenues Over Expenditures	(299,672)	(390,463)	(151,467)	238,996
<b>FUND BALANCE</b>				
Beginning of Year	299,672	390,463	1,206,440	815,977
End of Year	\$ -	\$ -	\$ 1,054,973	\$ 1,054,973

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

**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 financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America as applied 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 Library's significant accounting policies are described below:

**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.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

**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 when they have been earned and 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 and the amounts are expected to be collected within one year of the fiscal year end. 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 postemployment benefit liability are recognized later based on specific accounting rules applicable to each, generally 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, 2021.

**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



**Note 1 - Summary of Significant Accounting Policies (Continued)**

historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the 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 includes 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 includes 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.

The Library reported deferred amounts on refunding bonds resulting 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.

The Library has reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial statement for governmental activities. These amounts are detailed in the discussion of the Library's pension and other postemployment benefit liabilities in Note 3C.

**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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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 – An Amendment of GASB Statement No. 68".

**Other Postemployment Benefit Liability ("OPEB")** - In addition to providing pension benefits, the Library provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions".

**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** - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset 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. Restricted net position for the Library includes restricted for debt service.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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).

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 unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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.

**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 11, 2022.

**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 a 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.

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

**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.

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, 2020	Additions	Balance May 31, 2021
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Capital Assets, not being depreciated -			
Land	\$ 562,124	\$ -	\$ 562,124
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Capital Assets, being depreciated:			
Buildings and improvements	\$ 19,106,375	\$ 134,000	\$ 19,240,375
Machinery and equipment	18,360	-	18,360
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Capital Assets, being depreciated	19,124,735	134,000	19,258,735
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**Mamaroneck Public Library District, New York**

Notes to Financial Statements (Continued)  
 May 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

	Balance June 1, 2020	Additions	Balance May 31, 2021
Less Accumulated Depreciation for:			
Buildings and improvements	\$ 3,522,338	\$ 387,380	\$ 3,909,718
Machinery and equipment	18,360	-	18,360
Total Accumulated Depreciation	<u>3,540,698</u>	<u>387,380</u>	<u>3,928,078</u>
Total Capital Assets, being depreciated, net	<u>\$ 15,584,037</u>	<u>\$ (253,380)</u>	<u>\$ 15,330,657</u>
Capital Assets, net	<u>\$ 16,146,161</u>	<u>\$ (253,380)</u>	<u>\$ 15,892,781</u>

Depreciation expense of \$387,380 was charged to the Library's Culture and Recreation function.

**B. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities at May 31, 2021 of \$50,559 was for employee 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, 2021 are summarized as follows:

	Balance June 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2021	Due Within One Year
Due to Other Governments	\$ 9,262,645	\$ -	\$ 545,610	\$ 8,717,035	\$ 540,000
Compensated Absences	64,475	16,029	6,000	74,504	7,000
Net Pension Liability - ERS	732,745	-	730,302	2,443	-
Other Postemployment Benefit Liability	592,381	134,571	25,228	701,724	-
Total Long-Term Liabilities	<u>\$ 10,652,246</u>	<u>\$ 150,600</u>	<u>\$ 1,307,140</u>	<u>\$ 9,495,706</u>	<u>\$ 547,000</u>

**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, 2021
Library Improvements - Village of Mamaroneck - Refunding	3/2017	\$ 9,705,000	08/2033	3.00 %	\$ 8,520,000
Plus Unamortized premium on bonds					<u>197,035</u>
					<u>\$ 8,717,035</u>

**Mamaroneck Public Library District, New York**

Notes to Financial Statements (Continued)

May 31, 2021

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**Note 3 - Detailed Notes on All Funds (Continued)**

Interest expenditures/expense of \$263,550 was recorded in the fund financial statements in the General Fund and \$270,029 in the government-wide financial statements.

The following is a summary of maturing debt service requirements, including interest payments of \$1,773,450.

<u>May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	610,000	178,500	788,500
2027-2031	3,355,000	601,425	3,956,425
2032-2034	2,290,000	104,550	2,394,550
	<u>\$ 8,520,000</u>	<u>\$ 1,773,450</u>	<u>\$ 10,293,450</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 31<sup>st</sup> 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"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS 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 ERS. 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 ERS, 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 ERS 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](http://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.

**Mamaroneck Public Library District, New York**

Notes to Financial Statements (Continued)

May 31, 2021

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**Note 3 - Detailed Notes on All Funds (Continued)**

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 on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2021 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
4 A15	16.0%
5 A15	13.3
6 A15	9.5

At May 31, 2021, the Library reported the following for its proportionate share of the net pension liability for ERS:

	<u>ERS</u>
Measurement date	March 31, 2021
Net pension liability	\$ 2,443
Library's proportion of the net pension liability	0.0024536 %
Change in proportion since the prior measurement date	(0.0003135) %

The net pension liability was measured as of March 31, 2021 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, 2021, the Library recognized its proportionate share of pension expense in the government-wide financial statements of \$79,410. Pension expenditures of \$136,522 were recorded in the fund financial statements in the General Fund.



**Mamaroneck Public Library District, New York**

Notes to Financial Statements (Continued)  
 May 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

At May 31, 2021, the Library reported its proportionate share of 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	\$ 29,837	\$ -
Changes of assumptions	449,216	8,472
Net difference between projected and actual earnings on pension plan investments	-	701,816
Changes in proportion and differences between Library contributions and proportionate share of contributions	60,461	29,401
Library contributions subsequent to the measurement date	<u>22,301</u>	<u>-</u>
	<u><u>\$ 561,815</u></u>	<u><u>\$ 739,689</u></u>

\$22,301 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, 2022. 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>	
2022	\$ (24,514)
2023	(4,169)
2024	(35,566)
2025	<u>(135,926)</u>
	<u><u>\$ (200,175)</u></u>

The total pension liability for the March 31, 2021 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, 2020 valuation were as follows:

	<u>ERS</u>
Measurement Date	March 31, 2021
Actuarial valuation date	April 1, 2020
Investment rate of return	5.9% *
Salary scale	4.4%
Inflation rate	2.7%
Cost of living adjustments	1.4%

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

## Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)

May 31, 2021

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### **Note 3 - Detailed Notes on All Funds (Continued)**

Annuitant mortality rates are based on the April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

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.

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:

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	4.95
Opportunistic Portfolio/ARS Portfolio	3	4.50
Credit	4	3.63
Real Assets	3	5.95
Fixed Income	23	0.00
Cash	1	0.50
	100 %	

The real rate of return is net of the long-term inflation assumption of 2.7%.

The discount rate used to calculate the total pension liability was 5.9%. 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 5.9%, 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 (4.9%) or 1 percentage point higher (6.9%) than the current rate:

**Mamaroneck Public Library District, New York**

Notes to Financial Statements (Continued)  
 May 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Library's proportionate share of the net pension liability (asset)	<u>\$ 678,123</u>	<u>\$ 2,443</u>	<u>\$ (620,692)</u>

The components of the collective net pension liability as of the March 31, 2021 measurement date were as follows:

Total pension liability	\$ 220,680,157,000
ERS fiduciary net position	<u>220,580,583,000</u>
Employers' net pension liability	<u>\$ 99,574,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>99.95%</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, 2021 represent the employer contribution for the period of April 1, 2021 through May 31, 2021 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, 2021 were \$22,301.

*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 Postemployment Benefit Liability ("OPEB")**

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 postemployment 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.

**Mamaroneck Public Library District, New York**

Notes to Financial Statements (Continued)  
 May 31, 2021

**Note 3 - Detailed Notes on All Funds (Continued)**

At May 31, 2021, the following employees were covered by the benefit terms:

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

The Library's total OPEB liability of \$701,724 was measured as of May 31, 2021, and was determined by an actuarial valuation as of June 1, 2020.

The total OPEB liability in the June 1, 2020 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	1.59%
Healthcare cost trend rates	8% for 2021, 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 28, 2021 was 1.59%.

Mortality rates were based on the RP-2006 mortality table and the MP-2020 projection.

The Library's change in the total OPEB liability for the year ended May 31, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 592,381
Service cost	4,188
Interest	15,248
Changes of benefit terms	-
Difference between expected and actual experience	41,155
Changes of assumptions or other inputs	73,980
Benefit payments	<u>(25,228)</u>
Total OPEB Liability - End of Year	<u><u>\$ 701,724</u></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 (.59%) or 1 percentage point higher (2.59%) than the current discount rate:

	1% Decrease (.59%)	Current Discount Rate (1.59%)	1% Increase (2.59%)
Total OPEB Liability	<u>\$ 772,852</u>	<u>\$ 701,724</u>	<u>\$ 630,595</u>

**Mamaroneck Public Library District, New York**

Notes to Financial Statements (Continued)  
 May 31, 2021

**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%)	Current Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total OPEB Liability	\$ 570,698	\$ 701,724	\$ 860,843

For the year ended May 31, 2021, the Library recognized OPEB expense of \$56,415 in the government-wide financial statements. At May 31, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,578	\$ -
Changes of assumptions or other inputs	36,990	-
	<u>\$ 57,568</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:

Year Ended June 30,	
2022	\$ 57,568
2023	-
2024	-
2025	-
2026	-
Thereafter	-
	<u>\$ 57,568</u>

**Mamaroneck Public Library District, New York**

Notes to Financial Statements (Continued)  
May 31, 2021

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**Note 3 - Detailed Notes on All Funds (Continued)**

**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.

*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>2021</u>	<u>2020</u>
Nonspendable -		
Prepaid expenditures	\$ -	\$ 16,154
Restricted -		
Debt service	<u>681,099</u>	<u>681,099</u>
Assigned:		
Subsequent year's		
expenditures	-	84,794
Building costs	314,768	365,287
Tax certiorari	<u>59,106</u>	<u>59,106</u>
Total Assigned	<u>373,874</u>	<u>509,187</u>
Total Fund Balances	<u>\$ 1,054,973</u>	<u>\$ 1,206,440</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, 2021, represent funds that the Library has assigned to be appropriated for the ensuing year's budget. This amount has been limited to \$- as it exceeded the fund balance available in the General Fund by \$526,174.

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.

**Note 3 - Detailed Notes on All Funds (Continued)**

**F. Miscellaneous Revenues**

The General Fund miscellaneous revenues of \$50,839 includes \$31,136 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.

**Note 5 - Recently Issued GASB Pronouncements**

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

**Mamaroneck Public Library District, New York**

Notes to Financial Statements (Concluded)

May 31, 2021

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**Note 5 - Recently Issued GASB Pronouncements (Continued)**

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Library believes will most impact its financial statements. The Library will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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**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>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability:			
Service cost	\$ 4,188	\$ 4,197	\$ 4,314
Interest	15,248	18,986	19,336
Changes of benefit terms	-	-	-
Differences between expected and actual experience	41,155	(71,510)	(10,970)
Changes of assumptions or other inputs	73,980 (5)	30,335 (4)	-
Benefit payments	<u>(25,228)</u>	<u>(24,221)</u>	<u>(24,113)</u>
Net Change in Total OPEB Liability	109,343	(42,213)	(11,433)
Total OPEB Liability – Beginning of Year	<u>592,381</u>	<u>634,594</u>	<u>646,027 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 701,724</u>	<u>\$ 592,381</u>	<u>\$ 634,594</u>
Library's covered-employee payroll	<u>\$ 71,390</u>	<u>\$ 70,066</u>	<u>\$ 69,521</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>982.94%</u>	<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.

(5) The discount rate used to calculate the total OPEB liability was decreased from 2.63% to 1.59% effective with the May 31, 2021 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)**

	2021 (6)	2020 (4) (5)	2019	2018	2017	2016 (3)
Library's proportion of the net pension liability	0.0024536%	0.0027671%	0.0027974%	0.0022450%	0.0022023%	0.0026457%
Library's proportionate share of the net pension liability	\$ 2,443	\$ 732,745	\$ 198,201	\$ 72,455	\$ 206,929	\$ 424,645
Library's covered payroll	\$ 1,013,488	\$ 946,095	\$ 931,509	\$ 872,353	\$ 837,253	\$ 869,510
Library's proportionate share of the net pension liability as a percentage of its covered payroll	0.24%	77.45%	21.28%	8.31%	24.72%	48.84%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

**Schedule of Contributions**

	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 132,617	\$ 127,792	\$ 119,188	\$ 117,825	\$ 128,622	\$ 174,701
Contributions in relation to the contractually required contribution	(132,617)	(127,792)	(119,188)	(117,825)	(128,622)	(174,701)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library's covered payroll	\$ 1,064,462	\$ 924,642	\$ 937,921	\$ 885,249	\$ 831,320	\$ 866,915
Contributions as a percentage of covered payroll	12.46%	13.82%	12.71%	13.31%	15.47%	20.15%

- (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.
- (5) Increase in proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.
- (6) Decrease in the Library's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

**Mamaroneck Public Library District, New York**

General Fund  
Comparative Balance Sheet  
May 31,

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,105,532	\$ 1,212,261
Prepaid expenditures	-	16,154
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 1,105,532</u>	<u>\$ 1,228,415</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable and accrued liabilities	<u>\$ 50,559</u>	<u>\$ 21,975</u>
 Fund balance		
Nonspendable	-	16,154
Restricted	681,099	681,099
Assigned	<u>373,874</u>	<u>509,187</u>
	<u>                    </u>	<u>                    </u>
Total Fund Balance	<u>1,054,973</u>	<u>1,206,440</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balance	<u>\$ 1,105,532</u>	<u>\$ 1,228,415</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,

2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Real property taxes	\$ 2,848,890	\$ 2,848,890	\$ 2,848,886	\$ (4)
Use of money and property	1,200	1,200	844	(356)
Fines and forfeitures	4,500	4,500	2,563	(1,937)
State aid	4,000	4,000	3,894	(106)
Miscellaneous	9,750	9,750	50,839	41,089
<b>Total Revenues</b>	<b>2,868,340</b>	<b>2,868,340</b>	<b>2,907,026</b>	<b>38,686</b>
<b>EXPENDITURES</b>				
Current				
General support				
Judgments and claims	25,000	25,000	16,161	8,839
Culture and recreation				
Personal services	1,230,000	1,230,000	1,191,271	38,729
Equipment	1,500	17,090	14,576	2,514
Contractual	609,500	682,701	599,641	83,060
Employee benefits	507,787	509,787	443,294	66,493
	<b>2,348,787</b>	<b>2,439,578</b>	<b>2,248,782</b>	<b>190,796</b>
Debt service				
Principal	515,000	530,000	530,000	-
Interest	279,225	264,225	263,550	675
	<b>794,225</b>	<b>794,225</b>	<b>793,550</b>	<b>675</b>
<b>Total Expenditures</b>	<b>3,168,012</b>	<b>3,258,803</b>	<b>3,058,493</b>	<b>200,310</b>
Deficiency of Revenues Over Expenditures	(299,672)	(390,463)	(151,467)	238,996
<b>FUND BALANCE</b>				
Beginning of Year	299,672	390,463	1,206,440	815,977
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,054,973</u>	<u>\$ 1,054,973</u>

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 2,820,683	\$ 2,820,683	\$ 2,820,683	\$ -
1,200	1,200	6,916	5,716
8,000	8,000	8,593	593
4,000	4,000	9,228	5,228
12,750	12,750	23,550	10,800
2,846,633	2,846,633	2,868,970	22,337
25,000	25,000	15,507	9,493
1,200,000	1,200,000	1,093,296	106,704
3,000	3,000	2,598	402
597,500	577,089	542,608	34,481
483,280	505,280	440,813	64,467
2,283,780	2,285,369	2,079,315	206,054
470,000	515,000	515,000	-
378,256	333,256	279,225	54,031
848,256	848,256	794,225	54,031
3,157,036	3,158,625	2,889,047	269,578
(310,403)	(311,992)	(20,077)	291,915
310,403	311,992	1,226,517	914,525
\$ -	\$ -	\$ 1,206,440	\$ 1,206,440