

Mamaroneck Public Library District, New York

Financial Statements and
Supplementary Information

Year Ended May 31, 2019

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, 2019, 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, 2019, 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

We draw attention to Note 2D and Note 3D in the notes to financial statements which disclose the effects of the Village's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". 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, 2019 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, 2019 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, 2019 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, 2019.

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, 2018 (not presented herein), and have issued our report thereon dated January 15, 2019, 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, 2018 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 2018 financial statements. The individual fund financial schedules have been subjected to the auditing procedures applied in the audit of the 2018 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, 2018.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

January 29, 2020

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Mamaroneck Public Library District, New York

Statement of Net Position
May 31, 2019

ASSETS

Cash and equivalents	\$ 1,218,098
State and Federal aid receivable	38,081
Prepaid expenses	9,339
Capital assets	
Not being depreciated	562,124
Being depreciated, net	<u>15,966,057</u>
Total Assets	<u>17,793,699</u>

DEFERRED OUTFLOWS OF RESOURCES

594,143

LIABILITIES

Accounts payable and accrued liabilities	39,001
Accrued interest payable to other governments	95,650
Non-current liabilities	
Due within one year	522,000
Due in more than one year	<u>10,174,409</u>
Total Liabilities	<u>10,831,060</u>

DEFERRED INFLOWS OF RESOURCES

76,878

NET POSITION

Net investment in capital assets	7,138,920
Restricted for debt service	681,099
Unrestricted	<u>(340,115)</u>
Total Net Position	<u>\$ 7,479,904</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, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
General support	\$ 108,658	\$ -	\$ -	\$ (108,658)
Culture and recreation	2,593,668	9,406	43,629	(2,540,633)
Interest	301,797	-	-	(301,797)
Total Governmental Activities	\$ 3,004,123	\$ 9,406	\$ 43,629	(2,951,088)
General Revenues				
Real property taxes				2,792,756
Unrestricted use of money and property				12,392
Miscellaneous				48,371
Total General Revenues				2,853,519
Change in Net Position				(97,569)
NET POSITION				
Beginning of Year, As Reported				8,011,500
Cumulative Effect of Change in Accounting Principle				(434,027)
Beginning of Year, As Restated				7,577,473
End of Year				\$ 7,479,904

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, 2019

	<u>General</u>
ASSETS	
Cash and equivalents	\$ 1,218,098
State and Federal aid receivable	38,081
Prepaid expenditures	<u>9,339</u>
 Total Assets	 <u>\$ 1,265,518</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable and accrued liabilities	<u>\$ 39,001</u>
 Fund balance	
Nonspendable	9,339
Restricted	681,099
Assigned	<u>536,079</u>
 Total Fund Balance	 <u>1,226,517</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,265,518</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, 2019

Fund Balance - General Fund	<u>\$ 1,226,517</u>
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>16,528,181</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 obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension liabilities	118,756
Deferred amounts on refunding bonds	403,994
Deferred amounts on other post employment benefit obligations	<u>(5,485)</u>
	<u>517,265</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	(95,650)
Due to other governments	(9,793,255)
Compensated absences	(70,359)
Net pension liability	(198,201)
Other post employment benefit obligations payable	<u>(634,594)</u>
	<u>(10,792,059)</u>
Net Position of Governmental Activities	<u><u>\$ 7,479,904</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, 2019

REVENUES

Real property taxes	\$ 2,792,756
Use of money and property	12,392
Fines and forfeitures	9,406
State aid	43,629
Miscellaneous	48,371
	<hr/>
Total Revenues	2,906,554

EXPENDITURES

Current

General support	
Judgments and claims	108,658
	<hr/>
Culture and recreation	
Personal services	1,095,164
Equipment	5,546
Contractual	610,356
Employee benefits	454,933
	<hr/>
	2,165,999
	<hr/>
Debt service	
Principal	500,000
Interest	296,156
	<hr/>
	796,156
	<hr/>
Total Expenditures	3,070,813
	<hr/>
Deficiency of Revenues Over Expenditures	(164,259)

FUND BALANCE

Beginning of Year	1,390,776
	<hr/>
End of Year	\$ 1,226,517
	<hr/>

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, 2019

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

Net Change in Fund Balance - General Fund	\$ (164,259)
<p>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.</p>	
Depreciation expense	<u>(382,020)</u>
<p>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.</p>	
Amortization of loss on refunding and issuance premium issued by other governments	(11,779)
Principal paid on bonds issued by other governments	<u>500,000</u>
	<u>488,221</u>
<p>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.</p>	
Accrued interest	6,138
Compensated absences	4,022
Pension liability	(55,619)
Other post employment benefit obligations	<u>5,948</u>
	<u>(39,511)</u>
Change in Net Position of Governmental Activities	<u>\$ (97,569)</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 - Budget and Actual

General Fund

Year Ended May 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 2,792,756	\$ 2,792,756	\$ 2,792,756	\$ -
Use of money and property	1,200	1,200	12,392	11,192
Fines and forfeitures	10,000	10,000	9,406	(594)
State aid	-	-	43,629	43,629
Miscellaneous	12,750	12,750	48,371	35,621
Total Revenues	<u>2,816,706</u>	<u>2,816,706</u>	<u>2,906,554</u>	<u>89,848</u>
EXPENDITURES				
Current				
General support				
Judgments and claims	25,000	25,000	108,658	(83,658)
Culture and recreation				
Personal services	1,168,977	1,168,977	1,095,164	73,813
Equipment	3,000	8,017	5,546	2,471
Contractual	549,660	580,374	610,356	(29,982)
Employee benefits	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>
Debt service				
Principal	440,000	440,000	500,000	(60,000)
Interest	358,277	358,277	296,156	62,121
	<u>798,277</u>	<u>798,277</u>	<u>796,156</u>	<u>2,121</u>
Total Expenditures	<u>3,003,663</u>	<u>3,039,394</u>	<u>3,070,813</u>	<u>(31,419)</u>
Deficiency of Revenues Over Expenditures	(186,957)	(222,688)	(164,259)	58,429
FUND BALANCE				
Beginning of Year	<u>186,957</u>	<u>222,688</u>	<u>1,390,776</u>	<u>1,168,088</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,226,517</u>	<u>\$ 1,226,517</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 Measurements 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, 2019.

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 inventorable 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

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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	\$ 190,149	\$ 71,393
Other Post Employment Benefit Obligations	-	5,485
Deferred loss on refunding bonds	403,994	-
	<u>\$ 594,143</u>	<u>\$ 76,878</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 obligations 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 29, 2020.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

B. Property Tax Limitation

In addition to this constitutional 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.

C. Excess of Actual Expenditures Over Budget

The following General Fund expenditure categories exceeded their budgetary authorization by the amounts indicated.

General Support	
Judgment and claims	\$ 83,658
Culture and recreation	
Contractual	29,982
Debt Service	
Principal	60,000

In addition, the General Fund exceeded the entire appropriations budget by \$31,419.

D. Cumulative Effect of Change in Accounting Principle

For the year ended May 31, 2019, the Library implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“OPEB”)”. This statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governments by establishing standards for recognizing and

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 2 - Stewardship, Compliance and Accountability (Continued)

measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of (\$434,027).

Note 3 - Detailed Notes on All Funds

A. Capital Assets

	Balance June 1, 2018	Additions	Balance May 31, 2019
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	2,758,298	382,020	3,140,318
Machinery and equipment	18,360	-	18,360
Total Accumulated Depreciation	2,776,658	382,020	3,158,678
Total Capital Assets, being depreciated, net	\$ 16,348,077	\$ (382,020)	\$ 15,966,057
Capital Assets, net	\$ 16,910,201	\$ (382,020)	\$ 16,528,181

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

B. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at May 31, 2019 of \$39,001 was for employer retirement system contributions payable and utilities.

C. Short-Term Liabilities

Due to Village in the General Fund represent amounts due and payable to the Village of Mamaroneck for principal and interest. These amounts were repaid in the current fiscal year.

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
 May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

D. Long-Term Liabilities

The changes in the Library's long-term liabilities during the year ended May 31, 2019 are summarized as follows:

	Balance As Reported June 1, 2018	Cumulative Effect of Change in Accounting Principle*	Balance, as Restated June 1, 2018	New Issues/ Additions	Maturities and/or Payments	Balance May 31, 2019	Due Within One Year
Due to Other Governments	\$ 10,308,865	\$ -	\$ 10,308,865	\$ -	\$ 515,610	\$ 9,793,255	\$ 515,000
Compensated Absences	74,381	-	74,381	6,701	10,723	70,359	7,000
Net Pension Liability	72,455	-	72,455	125,746	-	198,201	-
Other Post Employment Benefit Obligations Payable	212,000	434,027	646,027	12,680	24,113	634,594	-
Total Long-Term Liabilities	\$ 10,667,701	\$ 434,027	\$ 11,101,728	\$ 145,127	\$ 550,446	\$ 10,696,409	\$ 522,000

*See Note 2D.

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, 2019
Library Improvements - Village of Mamaroneck - Refunding	3/2017	\$ 9,705,000	08/2033	3.00 %	\$ 9,565,000
Plus Unamortized premium on bonds					228,255
					<u>\$ 9,793,255</u>

Interest expenditures/expense of \$296,156 was recorded in the fund financial statements in the General Fund and \$301,797 in the government-wide financial statements.

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The following is a summary of maturing debt service requirements, including interest payments of \$2,316,225.

<u>May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 515,000	\$ 279,225	\$ 794,225
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
2025-2029	3,150,000	796,500	3,946,500
2030-2034	3,695,000	284,475	3,979,475
	<u>\$ 9,565,000</u>	<u>\$ 2,316,225</u>	<u>\$ 11,881,225</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.

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)

May 31, 2019

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 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	4 A15	15.7%
	5 A15	12.9
	6 A15	9.2

At May 31, 2019, the Library reported the following for its proportionate share of the net pension liability for ERS:

	<u>ERS</u>
Measurement date	March 31, 2019
Net pension liability	\$ 198,201
Library's proportion of the net pension liability	0.0027974 %
Change in proportion since the prior measurement date	0.0005524 %

The net pension liability was measured as of March 31, 2019 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, 2019, the Library recognized pension expense in the government-wide financial statements of \$175,648. Pension expenditures of \$120,267 were recorded in the fund financial statements in the General Fund.

At May 31, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,030	\$ 13,305
Changes of assumptions	49,820	-
Net difference between projected and actual earnings on pension plan investments	-	50,869
Changes in proportion and differences between Library contributions and proportionate share of contributions	80,569	7,219
Library contributions subsequent to the measurement date	20,730	-
	<u>\$ 190,149</u>	<u>\$ 71,393</u>

\$20,730 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, 2020. 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>	
2020	\$ 72,773
2021	(19,991)
2022	10,583
2023	34,661

The total pension liability for the March 31, 2019 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, 2018 valuation were as follows:

	<u>ERS</u>
Measurement Date	March 31, 2019
Actuarial valuation date	April 1, 2018
Investment rate of return	7.0% *
Salary scale	3.8%
Inflation rate	2.5%
Cost of living adjustments	1.3%

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

Note 3 - Detailed Notes on All Funds (Continued)

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-2014.

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.

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 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<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 7.0%. 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 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)
May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Library's proportionate share of the net pension liability (asset)	\$ 866,567	\$ 198,201	\$ (363,274)

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

Total pension liability	\$ 189,803,429,000
ERS fiduciary net position	<u>182,718,124,000</u>
Employers' net pension liability	<u>\$ 7,085,305,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>96.27%</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, 2019 represent the employer contribution for the period of April 1, 2019 through May 31, 2019 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, 2019 were \$20,730.

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 Obligations Payable

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.

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

At May 31, 2019, 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 \$634,594 was measured as of May 31, 2019, and was determined by an actuarial valuation as of June 1, 2018.

The total OPEB liability in the June 1, 2018 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	3.05%
Healthcare cost trend rates	8% for 2019, 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 31, 2019 was 3.05%.

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

The actuarial assumptions used in the June 1, 2018 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, 2019 is as follows:

Total OPEB Liability - Beginning of Year, as Restated	\$ 646,027
Service cost	4,314
Interest	19,336
Changes of benefit terms	-
Difference between expected and actual experience	(10,970)
Changes of assumptions or other inputs	-
Benefit payments	<u>(24,113)</u>
Total OPEB Liability - End of Year	<u><u>\$ 634,594</u></u>

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)

May 31, 2019

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 a discount rate that is 1 percentage point lower (2.05%) or 1 percentage point higher (4.05%) than the current discount rate:

	1% Decrease (2.05%)	Current Assumption (3.05%)	1% Increase (4.05%)
Total OPEB Liability	\$ 713,145	\$ 634,594	\$ 556,017

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%)
Total OPEB Liability	\$ 523,211	\$ 634,594	\$ 768,164

For the year ended May 31, 2019, the Library recognized OPEB expense of \$12,217 in the government-wide financial statements. At May 31, 2019, 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	\$ -	\$ 5,485

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,	
2020	\$ (5,485)
2021	-
2022	-
2023	-
2024	-
Thereafter	-

Mamaroneck Public Library District, New York

Notes to Financial Statements (Continued)

May 31, 2019

Note 3 - Detailed Notes on All Funds (Continued)

E. 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".

F. Fund Balances

	<u>2019</u>	<u>2018</u>
Nonspendable -		
Prepaid expenditures	\$ 9,339	\$ -
Restricted -		
Debt service	<u>681,099</u>	<u>681,099</u>
Assigned:		
Subsequent year's		
expenditures	111,686	186,957
Building costs	365,287	336,671
Tax certiorari	59,106	34,106
Library programs	<u>-</u>	<u>151,943</u>
Total Assigned	<u>536,079</u>	<u>709,677</u>
Total Fund Balances	<u>\$ 1,226,517</u>	<u>\$ 1,390,776</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, 2019, represent funds that the Library has assigned to be appropriated for the ensuing year's budget. This amount has been limited to \$111,686 as it exceeded the fund balance available in the General Fund by \$198,717.

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)

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 by \$125,758.

H. Miscellaneous Revenues

The General Fund miscellaneous revenues of \$48,371 includes \$40,452 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.

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>2019</u>
Total OPEB Liability:	
Service cost	\$ 4,314
Interest	19,336
Changes of benefit terms	-
Differences between expected and actual experience	(10,970)
Changes of assumptions or other inputs	-
Benefit payments	<u>(24,113)</u>
Net Change in Total OPEB Liability	(11,433)
Total OPEB Liability – Beginning of Year	<u>646,027</u> (3)
Total OPEB Liability – End of Year	<u>\$ 634,594</u>
Library's covered-employee payroll	<u>\$ 1,039,854</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>61.03%</u>

Notes to Schedule:

(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.

Mamaroneck Public Library District, New YorkRequired Supplementary Information - Schedule of the
Library's Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Library's proportion of the net pension liability	<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>\$ 198,201</u>	<u>\$ 72,455</u>	<u>\$ 206,929</u>	<u>\$ 424,645</u>
Library's covered payroll	<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>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>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

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

Mamaroneck Public Library District, New York

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 119,188	\$ 117,825	\$ 128,622	\$ 174,701
Contributions in relation to the contractually required contribution	<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>
Library's covered payroll	<u>\$ 937,921</u>	<u>\$ 885,249</u>	<u>\$ 831,320</u>	<u>\$ 866,915</u>
Contributions as a percentage of covered payroll	<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".

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Mamaroneck Public Library District, New York

General Fund
 Comparative Balance Sheet
 May 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and equivalents	\$ 1,218,098	\$ 2,438,075
Receivables		
State and Federal aid	38,081	-
Due from other governments	-	1,405
	<u>38,081</u>	<u>1,405</u>
Prepaid expenditures	<u>9,339</u>	<u>-</u>
Total Assets	<u>\$ 1,265,518</u>	<u>\$ 2,439,480</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable and accrued liabilities	\$ 39,001	\$ 40,110
Due to Village of Mamaroneck	-	1,008,594
Total Liabilities	<u>39,001</u>	<u>1,048,704</u>
Fund balance		
Nonspendable	9,339	-
Restricted	681,099	681,099
Assigned	<u>536,079</u>	<u>709,677</u>
Total Fund Balance	<u>1,226,517</u>	<u>1,390,776</u>
Total Liabilities and Fund Balance	<u>\$ 1,265,518</u>	<u>\$ 2,439,480</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,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,792,756	\$ 2,792,756	\$ 2,792,756	\$ -
Use of money and property	1,200	1,200	12,392	11,192
Fines and forfeitures	10,000	10,000	9,406	(594)
State aid	-	-	43,629	43,629
Miscellaneous	12,750	12,750	48,371	35,621
Total Revenues	2,816,706	2,816,706	2,906,554	89,848
EXPENDITURES				
Current				
General support				
Judgments and claims	25,000	25,000	108,658	(83,658)
Culture and recreation				
Personal services	1,168,977	1,168,977	1,095,164	73,813
Equipment	3,000	8,017	5,546	2,471
Contractual	549,660	580,374	610,356	(29,982)
Employee benefits	458,749	458,749	454,933	3,816
	2,180,386	2,216,117	2,165,999	50,118
Debt service				
Principal	440,000	440,000	500,000	(60,000)
Interest	358,277	358,277	296,156	62,121
	798,277	798,277	796,156	2,121
Total Expenditures	3,003,663	3,039,394	3,070,813	(31,419)
Deficiency of Revenues Over Expenditures	(186,957)	(222,688)	(164,259)	58,429
FUND BALANCE				
Beginning of Year	186,957	222,688	1,390,776	1,168,088
End of Year	\$ -	\$ -	\$ 1,226,517	\$ 1,226,517

See independent auditors' report.

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,765,105	\$ 2,765,105	\$ 2,765,105	\$ -
1,200	1,200	3,678	2,478
10,000	10,000	10,501	501
4,000	4,000	5,493	1,493
12,750	12,750	37,502	24,752
<u>2,793,055</u>	<u>2,793,055</u>	<u>2,822,279</u>	<u>29,224</u>
25,000	58,301	58,301	-
1,057,821	1,057,821	1,006,173	51,648
3,000	15,410	15,339	71
509,660	588,067	580,591	7,476
506,127	431,527	373,754	57,773
<u>2,076,608</u>	<u>2,092,825</u>	<u>1,975,857</u>	<u>116,968</u>
440,000	440,000	535,000	(95,000)
411,381	411,381	263,278	148,103
851,381	851,381	798,278	53,103
<u>2,952,989</u>	<u>3,002,507</u>	<u>2,832,436</u>	<u>170,071</u>
(159,934)	(209,452)	(10,157)	199,295
<u>159,934</u>	<u>209,452</u>	<u>1,400,933</u>	<u>1,191,481</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,390,776</u>	<u>\$ 1,390,776</u>