



**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEAR ENDED MAY 31, 2023  
TOGETHER WITH AUDITOR'S REPORT**

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
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CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of the  
Mamaroneck Public Library District, New York:

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mamaroneck Public Library District, New York (the "Library") as of and for the year ended May 31, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

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 Mamaroneck Public Library District, New York, as of May 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Mamaroneck Public Library District, New York and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

# NawrockiSmith

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

# NawrockiSmith

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, on pages 4-11 and 41-44 respectively, presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB"), who considers it to be an essential part of financial reporting for placing the 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.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2024, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Hauppauge, New York  
July 10, 2024

*Nawrocki Smith LLP*

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023**

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The following is a discussion and analysis of the Library's financial performance for the fiscal year ended May 31, 2023. This section is a summary of the Library's financial activities based on currently known facts, decisions or conditions. It is also based on both the entity-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Library's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,142,075 (net position).
- The Library's General Fund fund balance decreased by \$518,344.
- The Library's voters passed the 2023/2024 budget in the amount of \$3,958,651. See Note 12 **SUBSEQUENT EVENTS** for additional information.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of two parts: required supplementary information including management's discussion and analysis ("MD&A"; this section) and the basic financial statements. The basic financial statements include two kinds of financial statements that present different views of the Library:

- The first two financial statements are *entity-wide* financial statements that provide both *short-term* and *long-term* information about the Library's *overall* financial status.
- The remaining financial statements are *fund financial statements* that focus on *individual parts* of the Library, reporting the Library's operations in *more detail* than the entity-wide financial statements.
- The *governmental fund financial statements* tell how the Library's program services and support functions were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of supplementary information that further explains and supports the financial statements with a comparison of the Library's budget for the year.

Figure A-1 summarizes the major features of the Library's financial statements, including the portion of the Library's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the financial statements.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

<b>Table A-1: Major features of the Entity-Wide and Fund Financial Statements</b>		
	Entity-Wide	Fund Financial Statements
Scope	Entire Library	The current activities of the Library
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Change in Fund Balance</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/ deferred outflows of resources/liability/ deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included
Type of outflow/inflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

**Entity-Wide Financial Statements**

The entity-wide financial statements report information about the Library as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Library's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two entity-wide financial statements report the Library's *net position* and how it has changed. Net position - the difference between the Library's assets and deferred outflows of resources, and liabilities and deferred inflows of resources - is one way to measure the Library's financial health or *position*.

- Over time, increases or decreases in the Library's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Library's overall health, you need to consider additional nonfinancial factors such as changes in the Library's property tax base, changes in population and the condition of buildings and other facilities.

In the entity-wide financial statements, the Library's activities are shown as *governmental activities*. All of the Library's basic services are included here, such as regular and special programs for the community, and administration. Property taxes finance most of these activities.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

**Fund Financial Statements**

The fund financial statements provide more detailed information about the Library's funds, focusing on its most significant or "major" funds - not the Library as a whole. Funds are accounting devices the Library uses to keep track of specific sources of funding and spending on particular programs. Most of the Library's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the fund financial statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Because this information does not encompass the additional long-term focus of the entity-wide financial statements, reconciliations of the entity-wide and fund financial statements are provided which explain the relationship (or differences) between them.

**FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE**

The Library's net position decreased by \$462,855 for the fiscal year ended May 31, 2023. As detailed in Figures A-2 and A-3.

**Figure A-2: Condensed Statements of Net Position - Governmental Activities**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	\$ 349,884	\$ 1,036,619	\$ (686,735)	(66.2)
Capital assets, net	<u>15,128,109</u>	<u>15,505,401</u>	<u>(377,292)</u>	(2.4)
Total assets	<u>15,477,993</u>	<u>16,542,020</u>	<u>(1,064,027)</u>	(6.4)
Deferred outflows of resources	<u>827,056</u>	<u>762,505</u>	<u>64,551</u>	8.5
Current liabilities	717,536	678,976	38,560	5.7
Long-term liabilities	<u>8,373,631</u>	<u>8,260,187</u>	<u>113,444</u>	1.4
Total liabilities	<u>9,091,167</u>	<u>8,939,163</u>	<u>152,004</u>	1.7
Deferred inflows of resources	<u>71,807</u>	<u>760,432</u>	<u>(688,625)</u>	(90.6)
Net position:				
Investment in capital assets	7,541,803	7,665,803	(124,000)	(1.6)
Restricted	359,357	358,700	657	0.2
Unrestricted	<u>(759,085)</u>	<u>(419,573)</u>	<u>(339,512)</u>	(80.9)
Total net position	<u>\$ 7,142,075</u>	<u>\$ 7,604,930</u>	<u>\$ (462,855)</u>	(6.1)



**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

**Changes in Net Position**

The Library's fiscal year 2023 revenues totaled \$2,961,976, which is 0.1% greater than fiscal year 2022 (see Figure A-3), mainly due to the increase in real property taxes and use of money and property. Property taxes account for 96.3% of total revenues (see Figure A-4). The majority of the remainder came from miscellaneous sources.

The Library's fiscal year 2023 expenses totaled \$3,424,831, which is 16.2% greater than fiscal year 2022 (see Figure A-3). Expenses increased mainly due to changes in salaries, employee benefits, and contractual expenses.

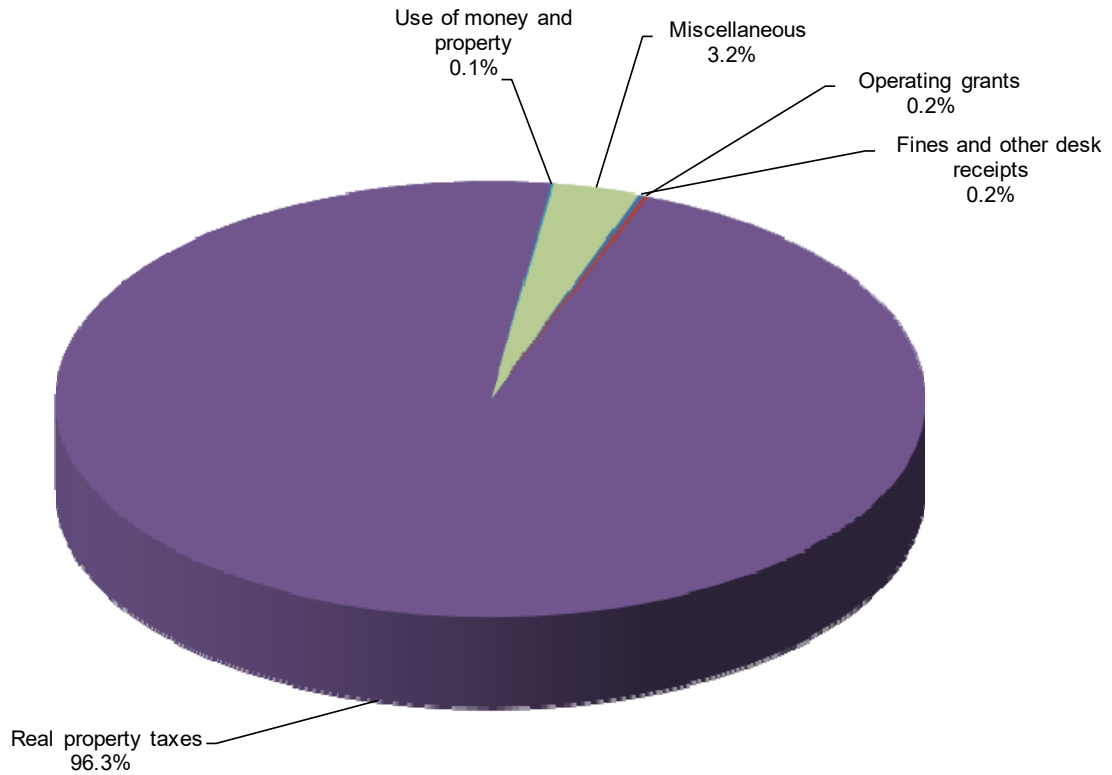
**Figure A-3: Changes in Net Position from Operating Results - Governmental Activities**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Revenues</b>				
Program revenues:				
Fines and other desk receipts	\$ 6,310	\$ 8,197	\$ (1,887)	(23.0)
Operating grants	5,971	5,961	10	0.2
General revenues:				
Real property taxes	2,851,388	2,848,888	2,500	0.1
Use of money and property	2,772	380	2,392	629.5
Miscellaneous	95,535	94,181	1,354	1.4
Total revenues	<u>2,961,976</u>	<u>2,957,607</u>	<u>4,369</u>	0.1
<b>Expenses</b>				
Public library services	3,187,731	2,694,556	493,175	18.3
Debt service:				
Interest	<u>237,100</u>	<u>253,879</u>	<u>(16,779)</u>	(6.6)
Total expenses	<u>3,424,831</u>	<u>2,948,435</u>	<u>476,396</u>	16.2
Increase (decrease) in net position	<u>\$ (462,855)</u>	<u>\$ 9,172</u>	<u>\$ (472,027)</u>	(5,146.4)

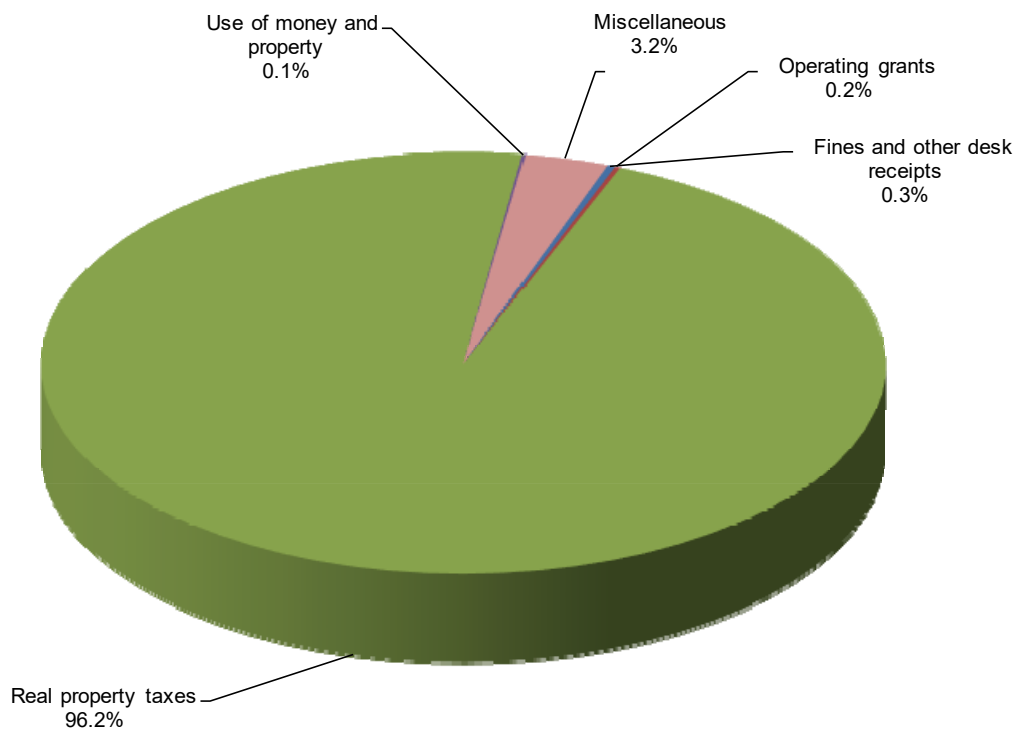
Revenues from the Library's governmental activities totaled \$2,961,976 while total expenses were \$3,424,831, which resulted in a decrease in net position from governmental activities of \$462,855 for the 2023 fiscal year.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

**Figure A-4: Sources of Revenues for Fiscal Year 2023**



**Figure A-5: Sources of Revenues for Fiscal Year 2022**



**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

**FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS**

Variations between years for the governmental fund financial statements are not the same as variations between years for the entity-wide financial statements. The Library's governmental fund is presented on a current financial resources measurement focus and the modified accrual basis of accounting. Based on this presentation, governmental funds do not include capital assets and long-term debt.

The financial performance of the Library as a whole is reflected in its governmental fund. The Library's governmental fund reported a fund balance of \$296,667 as compared to last year's ending fund balance of \$815,011. The General Fund decreased by \$518,344 as expenditures exceeded revenues for the fiscal year. Fund balances for the Library's governmental fund for the past two years were distributed as follows:

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
<b>General Fund</b>				
Nonspendable:				
Prepaid expenses	\$ 10,286	\$ 12,843	\$ (2,557)	(19.9)
Restricted:				
Debt service	358,700	358,700	-	-
Donation for art supplies	657	-	657	100.0
Assigned:				
Building costs	314,768	314,768	-	-
Certiorari Fund	59,106	59,106	-	-
Unassigned	<u>(446,850)</u>	<u>69,594</u>	<u>(516,444)</u>	<u>(742.1)</u>
Total fund balance	<u>\$ 296,667</u>	<u>\$ 815,011</u>	<u>\$ (518,344)</u>	<u>(63.6)</u>

At May 31, 2023, the Library's unassigned fund balance was (\$446,193). The following is a reconciliation of the General Fund's unassigned fund balance for the year ended May 31, 2023:

Unassigned fund balance, beginning of year	\$ 69,594
Add:	
Decrease in nonspendable fund balance	2,557
Increase in donation for art supplies	(657)
Net change in fund balance	<u>(518,344)</u>
Unassigned fund balance, end of year	<u>\$ (446,850)</u>

**General Fund Budgetary Highlights**

The Library's General Fund budget for the 2022-23 fiscal year was authorized by the voters in the amount of \$3,495,281.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

The Library's actual revenues were less than actual expenditures for the fiscal year in the amount of \$518,344.

- Actual revenues were \$44,159 more than budgetary projections, primarily due to an increase in gifts and donations.
- Actual expenditures were \$14,961 less than the budget, primarily due to lower than anticipated costs in personal services and judgments and claims, offset by higher than anticipated contractual expenses.

A schedule showing budget amounts compared to the Library's actual financial activity for the General Fund is provided in this report as required supplementary information; see page 41.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

By the end of fiscal 2023, the Library had invested in a broad range of capital assets including building improvements, books and other holdings, right-to-use leased assets, as well as equipment and technology. The net decrease of \$377,292 in capital assets is due to an excess of depreciation over net additions during the 2023 fiscal year. More detailed information about capital assets can be found in the Notes to the Financial Statements.

**Figure A-7: Capital Assets (net of depreciation)**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 562,124	\$ 562,124	\$ -	-
Building improvements	<u>14,565,985</u>	<u>14,943,277</u>	<u>(377,292)</u>	(2.5)
Totals	<u>\$ 15,128,109</u>	<u>\$ 15,505,401</u>	<u>\$ (377,292)</u>	(2.4)

**Long-Term Liabilities**

At year-end, the Library had \$8,365,463 in general obligation bonds and other long-term liabilities.

**Figure A-8: Outstanding Long-Term Debt**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Bonds payable, net	\$ 7,586,306	\$ 8,161,425	\$ (575,119)	(7.0)
Compensated absences	62,664	65,898	(3,234)	(4.9)
Other post-employment benefits	<u>716,493</u>	<u>599,864</u>	<u>116,629</u>	19.4
Totals	<u>\$ 8,365,463</u>	<u>\$ 8,827,187</u>	<u>\$ (461,724)</u>	(5.2)

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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**FACTORS BEARING ON THE LIBRARY'S FUTURE**

- In June 2011, the New York State Legislature enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions. For fiscal years beginning in 2012 through at least June 15, 2023, growth in the property tax levy (the total amount to be raised through property taxes charged on a municipality's taxable assessed value of property) will be capped at 2 percent or the rate of inflation (but not less than 1 percent), whichever is less, with some exceptions. Local governments can exceed the tax levy limit by a 60% vote of the governing body, or by local law.
- The possibility of New York State allowing for the establishment of other post-employment benefit reserve funds is being discussed in the legislature. This would allow for the Library to set aside monies to meet other post-employment retirement benefits such as health insurance. The establishment of that reserve would increase the Library's ability to plan for the future.
- The real property tax budget for the 2023-2024 fiscal year in the amount of \$3,958,651 was approved by voters. This is an increase of \$463,370 above the previous year's budget.

**CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Library's citizens, taxpayers, customers, investors and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Mamaroneck Public Library District, New York  
136 Prospect Ave  
Mamaroneck, New York 10543  
(914) 698-1250

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**STATEMENT OF NET POSITION**  
**MAY 31, 2023**

**ASSETS**

Cash and cash equivalents		
Unrestricted	\$	338,941
Restricted		657
Prepaid expenses		10,286
Capital assets, net of accumulated depreciation of \$4,703,959		<u>15,128,109</u>
 Total assets		 <u>15,477,993</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charges on refunding bonds		295,008
Pension related		446,141
OPEB related		<u>85,907</u>
 Total deferred outflows of resources		 <u>827,056</u>

**LIABILITIES**

Accounts payable		29,567
Accrued liabilities		23,650
Accrued interest payable		74,200
Long-term liabilities, due within one year:		
Bonds payable		590,119
Long-term liabilities, due after one year:		
Compensated absences		62,664
Bonds payable, net		6,996,187
Proportionate share - net pension liability		598,287
Other post-employment benefits		<u>716,493</u>
 Total liabilities		 <u>9,091,167</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension related		45,828
OPEB related		<u>25,979</u>
 Total deferred inflows of resources		 <u>71,807</u>

**NET POSITION**

Investment in capital assets		7,541,803
Restricted:		
Debt service		359,357
Unrestricted		<u>(759,085)</u>
 Total net position		 <u>\$ 7,142,075</u>

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

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED MAY 31, 2023**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Functions and programs:				
Public library services	\$ 3,187,731	\$ 6,310	\$ 5,971	\$ (3,175,450)
Debt service:				
Interest	237,100	-	-	(237,100)
Total functions and programs	<u>\$ 3,424,831</u>	<u>\$ 6,310</u>	<u>\$ 5,971</u>	<u>(3,412,550)</u>
General revenues:				
Real property taxes				2,851,388
Use of money and property				2,772
Miscellaneous				95,535
Total general revenues				<u>2,949,695</u>
Change in net position				(462,855)
Total net position, beginning of year				<u>7,604,930</u>
Total net position, end of year				<u>\$ 7,142,075</u>

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

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**BALANCE SHEET - GOVERNMENTAL FUND**  
**MAY 31, 2023**

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**ASSETS**

Cash:		
Unrestricted	\$	338,941
Restricted		657
Prepaid expenditures		<u>10,286</u>
Total assets	\$	<u><u>349,884</u></u>

**LIABILITIES**

Accounts payable	\$	29,567
Accrued liabilities		<u>23,650</u>
Total liabilities		<u>53,217</u>

**FUND BALANCE**

Nonspendable		10,286
Restricted		359,357
Assigned		373,874
Unassigned		<u>(446,850)</u>
Total fund balance		<u>296,667</u>
Total liabilities and fund balance	\$	<u><u>349,884</u></u>

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



**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**MAY 31, 2023**

Total Fund Balance - Governmental Fund \$ 296,667

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Capital assets less accumulated depreciation are included in the Statement of Net Position:

Capital assets:

Non-depreciable	\$ 562,124	
Depreciable	19,269,944	
Accumulated depreciation	<u>(4,703,959)</u>	15,128,109

Long-term liabilities applicable to the Library's governmental activities are not due and payable in the current period and accordingly are not reported in the fund financial statements.

However, these liabilities are included in the Statement of Net Position:

Bonds payable, net	(7,586,306)	
Compensated absences	<u>(62,664)</u>	(7,648,970)

Total OPEB liability, deferred outflows of resources and deferred inflows of resources associated with the total OPEB liability are not current financial resources or obligations and are not reported in the fund financial statements.

Deferred outflows of resources	85,907	
Total OPEB liability	(716,493)	
Deferred inflows of resources	<u>(25,979)</u>	(656,565)

Pension related items are not reported in the fund financial statements since they are not related to current financial resources. The pension related items included in the governmental activities consist of the following:

Deferred outflows of resources	446,141	
Proportionate share of net pension liability - NYSERS	(598,287)	
Deferred inflows of resources	<u>(45,828)</u>	(197,974)

Deferred charges on advance refunding of bonds are not reported on the Balance Sheet, but are reflected on the Statement of Net Position and amortized over the life of the related bonds.

295,008

Interest payable applicable to the Library's activities are not due and payable in the current period and accordingly are not reported in the fund financial statements. However, these liabilities are included in the Statement of Net Position.

(74,200)

Net Position - Governmental Activities

\$ 7,142,075

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

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEAR ENDED MAY 31, 2023**

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**REVENUES**

Real property taxes	\$	2,851,388
Use of money and property		2,772
Fines and forfeitures		6,310
State aid		5,971
Gifts and donations		62,599
Miscellaneous		32,936
		2,961,976
Total revenues		2,961,976

**EXPENDITURES**

Current:		
Salaries		1,331,032
Employee benefits		573,158
Equipment		5,547
Contractual		768,374
Debt service:		
Principal		560,000
Interest		231,000
Capital outlay		11,209
		11,209
Total expenditures		3,480,320
Change in fund balance		(518,344)
Fund balance, beginning of year		815,011
Fund balance, end of year		\$ 296,667

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

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
RECONCILIATION OF GOVERNMENTAL FUND STATEMENT  
OF REVENUES, EXPENDITURES AND CHANGE IN  
FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2023**

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Net Change in Fund Balance - Governmental Fund \$ (518,344)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeds capital outlay in the current period is:

Capital outlay, net of reductions	\$ 11,209	
Depreciation expense	<u>(388,501)</u>	(377,292)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Repayment of bond principal		560,000
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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 governmental funds:

Accrued interest costs	5,600	
Amortization of refunding bond premiums	15,119	
Amortization of deferred charge on refunding bond	(26,819)	
Compensated absences	<u>3,234</u>	(2,866)

Changes in the amounts related to the OPEB liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

(6,311)

Changes in the proportionate share of the collective pension expense of the State retirement plan reported in the Statement of Activities do not provide for or require use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' Retirement System		<u>(118,042)</u>
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Net Change in Net Position - Governmental Activities \$ (462,855)

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

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023**

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**1. SUMMARY OF CERTAIN 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. Reporting entity**

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

The accompanying financial statements present the activities of the Library. The Library is not a component unit of another reporting entity. The decision to include a potential component unit in the Library's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no component units included in the Library's financial statements.

**B. Basis of presentation**

**1. Government-wide financial statements**

The Statement of Net Position and the Statement of Activities present financial information about the Library's governmental activities. These financial statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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The Statement of Activities presents a comparison between program expenses and revenues for each function of the Library's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, depreciation and amortization, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements

The fund financial statements provide information about the Library's fund. Separate financial statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Library reports the following governmental fund:

General Fund: This is the Library's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

C. Measurement focus and basis of accounting

The entity-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 at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Library gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Library considers all revenues reported in the governmental fund to be available if the revenues are collected within 90 days after the end of the fiscal year, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, judgements and claims, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in the governmental fund. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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D. Property taxes

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.

E. Restricted resources

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Library's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, computation of the expected lease payments or receipts to present value and useful lives of long-lived assets and proportionate share of net pension asset and liability.

G. Cash and investments

The Library's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the Library's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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H. Inventories and prepaid items

Purchases of inventory items are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Prepaid items represent payments made by the Library for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the entity-wide and fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expenditure / expense is reported in the year the goods or services are consumed.

I. Capital assets

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

Donated assets are reported at estimated fair market value at the time received. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the entity-wide financial statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>	<u>Depreciation Method</u>
Building improvements	\$ 5,000	20 - 50 years	Straight-line
Furniture and equipment	5,000	5 - 20 years	Straight-line

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 Sheet.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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J. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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 Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) 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 also 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 government activities.

K. 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.

L. Vested employee benefits - 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 80 days. Unused sick time is not paid upon separation or retirement.



**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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M. Other benefits

Library employees participate in the New York State and Local Employees' Retirement System ("NYSERS").

In addition to providing pension benefits, the Library provides post-employment health insurance coverage to eligible retired full-time employees and their families in accordance with the provisions of employment contracts in effect at the time of retirement. Substantially all of the Library's full-time employees may become eligible for these benefits if they reach normal retirement age while working for the Library. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the Library and, depending on the employment contract, the retired employee. The Library recognized the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

N. Accrued liabilities and long-term obligations

Payables, accrued liabilities and long-term obligations are reported in the entity-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Judgments and claims, other post-employment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year.

Long-term obligations represent the Library's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

For purposes of measuring the net pension asset (liability), deferred outflows and inflows of resources related to pensions, and pension expense, information about the NYSERS fiduciary net position of the pension plans and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by NYSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

O. Net position and fund balance

Entity-wide financial statements

In the entity-wide financial statements, there are three classes of net position:

1. Net investment in capital assets: Consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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2. Restricted: 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. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
3. Unrestricted: Is the amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund financial statements

In the fund financial statements, there are five classifications of fund balance:

1. Nonspendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid expenditures of \$10,286.
2. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Library has established the following restricted fund balances:

Debt Service

According to General Municipal Law §6-I, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of Library property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The purpose of the reserve is to set aside funding to retire outstanding obligations held by the Village of Mamaroneck.

3. Committed - Includes amounts that are subject to a purposes constraint imposed by a formal action of the Library's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board of Trustees is the decision-making authority that can, by Board resolution, commit fund balance.
4. Assigned - Includes amounts that are constrained by the Library's intent to be used for specific purposes, but are neither restricted nor committed, except for tax stabilization. The intent can be expressed by the Board or through the Board delegating this responsibility to the Library administration through the budgetary process. Assigned fund balance includes amounts designated for building costs of \$314,768 and \$59,106 designated for Tax Certiorari.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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5. Unassigned - Includes all other General Fund fund balance that does not meet the definition of the above four classifications and is deemed to be available for general use by the Library.

Fund balances for the Library's General Fund as of May 31, 2023 were distributed as follows:

Nonspendable:	
Prepaid expenditures	\$ 10,286
Total nonspendable	10,286
Restricted:	
Debt service	358,700
Donation for art supplies	657
Total restricted	359,357
Assigned:	
Building costs	314,768
Tax certiorari	59,106
Total assigned	373,874
Unassigned	(446,850)
Total	\$ 296,667

Amounts for subsequent year's expenditures at May 31, 2023, represent funds that the Library has assigned to be appropriated for the ensuing year's budget. This amount has been limited to \$0, as it exceeded the fund balance available in the General Fund by \$866,682.

Order of use of fund balance

The Library's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

**2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND FINANCIAL STATEMENTS AND ENTITY-WIDE FINANCIAL STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the fund financial statements and the entity-wide financial statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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A. Total fund balance of governmental fund vs. net position of governmental activities

Total fund balance of the Library's governmental fund differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories as follows:

1. Long-term revenue/expense differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital related differences

Capital related differences include the difference between proceeds from the sale of capital assets reported on governmental fund financial statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items and right-to-use leased assets in the governmental fund financial statements and depreciation and amortization expense on those items as recorded in the Statement of Activities.

3. Long-term debt transaction differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund financial statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Pension and OPEB differences

Pension differences occur as a result of recognizing pension costs using the current financial resources measurement focus and the modified accrual basis of accounting, whereby an expenditure is recognized based on the contractually required contribution as calculated by the plan, versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the Library's proportionate share of the collective pension expense of the plan.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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Other postemployment benefit differences occur as a result of recognizing OPEB costs using the current financial resources measurement focus and the modified accrual basis of accounting whereby an expenditure is recognized for health insurance premiums and other postemployment benefit costs as they mature (come due for payment), versus the economic resources measurement focus and the accrual basis of accounting, whereby an expense is recognized related to the future cost of benefits in retirement over the term of employment.

**3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets

The Board of Trustees meets to establish a tentative budget for the Library. 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.

On or before March 20th, the Board of Trustees files the budget with the Village Clerk, reflecting the amount of the tax levy. Formal budgetary integration is employed during the year as a management control device for the General Fund. The General Fund budget is legally adopted annually on a basis consistent with generally accounting principles.

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.

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.

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.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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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.

**4. CASH - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT AND INTEREST RATE RISK**

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

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

For purposes of reporting cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Custodial credit risk - deposit/investments: Custodial credit risk for deposits exist when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits, or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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GASB 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 with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Library's name

Deposits and investments at year-end were entirely covered by federal depository insurance or by collateral held by the Library's custodial banks in the Library's name. They consisted of:

Uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution, or its trust department or Agent, but not in the Library's name	\$ 198,114

Credit risk: State law limits investments to those authorized by State statutes. The Library has a written investment policy.

Interest-rate risk: Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid potential loss.

Concentration of credit risk: Credit risk can arise because of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5 percent or more in securities of a single issuer.

As of May 31, 2023, the Library did not have any investments subject to credit risk, interest-rate risk, or concentration of credit risk.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

**5. CAPITAL ASSETS**

Capital asset balances and activity for the year ended May 31, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 562,124	\$ -	\$ -	\$ 562,124
Capital assets that are depreciated:				
Building and improvements	19,240,375	11,209	-	19,251,584
Furniture and equipment	18,360	-	-	18,360
Total depreciable historical cost	19,258,735	11,209	-	19,269,944
Less accumulated depreciation:				
Building improvements	4,297,098	388,501	-	4,685,599
Furniture and equipment	18,360	-	-	18,360
Total accumulated depreciation	4,315,458	388,501	-	4,703,959
Total capital assets, net	<u>\$ 15,505,401</u>	<u>\$ (377,292)</u>	<u>\$ -</u>	<u>\$ 15,128,109</u>

Depreciation expense of \$388,501 was charged to the Library's services function.

**6. LONG-TERM DEBT LIABILITIES**

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Long-term debt:					
Bonds payable	\$ 7,980,000	\$ -	\$ 560,000	\$ 7,420,000	\$ 575,000
Unamortized bond premiums	181,425	-	15,119	166,306	15,119
Total bonds payable, net	8,161,425	-	575,119	7,586,306	590,119
Other long-term liabilities:					
Compensated absences	65,898		3,234	62,664	-
Other post-employment benefits	599,864	197,296	80,667	716,493	-
Total long-term liabilities	<u>\$ 8,827,187</u>	<u>\$ 197,296</u>	<u>\$ 659,020</u>	<u>\$ 8,365,463</u>	<u>\$ 590,119</u>

**Bonds payable**

Bonded indebtedness is comprised of the following:

Description of Issue	Issue Date	Original Issue Amount	Final Maturity	Interest Rate	Outstanding as of 5/31/2023
Library Improvements - Village of Mamaroneck - Refunding bond	03/2017	\$9,705,000	08/2033	3.00%	\$ 7,420,000
Plus Unamortized premium on bonds					<u>166,306</u>
					<u>\$ 7,586,306</u>



**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

The following is a summary of maturing debt service requirements:

Year Ended <u>May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 575,000	\$ 213,975	\$ 788,975
2025	590,000	196,500	786,500
2026	610,000	178,500	788,500
2027	630,000	159,900	789,900
2028	650,000	140,700	790,700
2029-2033	3,575,000	393,525	3,968,525
2034	790,000	11,850	801,850
	<u>\$ 7,420,000</u>	<u>\$ 1,294,950</u>	<u>\$ 8,714,950</u>

Interest on long-term debt liabilities

Interest on long-term debt for the year was comprised of:

Interest paid	\$ 231,000
Plus amortization of premium and deferred charges	11,700
Less interest accrued in the prior year	(79,800)
Plus interest accrued in the current year	<u>74,200</u>
Interest expense	<u>\$ 237,100</u>

**7. PENSION OBLIGATION**

The Library participates in the New York State and Local Employees' Retirement System (the "System").

Plan description and benefits provided

The New York State and Local Employees' Retirement System is a cost-sharing, multiple-employer retirement system. 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 (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to the System. 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.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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Benefits are established under the provisions of 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 (“NYSGLIP”), 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/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The System is noncontributory for the employee who joined before July 27, 1976. Employees who joined the System after July 27, 1976, and prior to January 1, 2010, contribute 3% to % of their salary. Those joining on or after January 1, 2010 and before April 1, 2012 are required to contribute 3.5% of their annual salary for their entire working career. Those joining on or after April 1, 2012 are required to contribute between 3% and 6% dependent on their salary, for their entire working career. With the exception of tier V and VI employees, employees in the system more than ten years are no longer required to contribute. Employee contribution rates under tier VI vary based on a sliding salary scale. The Comptroller certifies the rates expressed as proportions of members’ payroll annually, which are used in computing the contributions required to be made by employers to the pension accumulation fund.

The Library is required to contribute at a rate determined actuarially by the System. The Library’s contributions made to the System were equal to 100% of the contributions required for each year. Required contributions and the percentage of covered payroll for the current and two preceding years were:

<u>Year</u>	<u>Required Contribution</u>	<u>Percentage of Covered Payroll</u>
2023	\$ 108,228	10.10%
2022	133,809	10.85%
2021	132,617	12.46%

Pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

The net pension liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Library’s proportion of the net pension liability was based on a projection of the Library’s long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports issued to the Library.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

At May 31, 2023, the Library reported the following liability for its proportionate share of the net pension liability for the System:

Actuarial valuation date	April 1, 2022
Net pension liability	\$ (598,287)
Library's portion of the Plan's total net pension liability	0.002790%

For the year ended May 31, 2023, the Library recognized its proportionate share of the plan pension expense of \$231,883. At May 31, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected experience and actual experience	\$ 63,722	\$ (16,802)
Changes of assumptions	290,567	(3,211)
Net difference between projected and actual earnings on pension plan investments	-	(3,515)
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	68,202	(22,300)
Employer contributions subsequent to the measurement date	23,650	-
Total	<u>\$ 446,141</u>	<u>\$ (45,828)</u>

The Library reported \$23,650 as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date, which will be recognized as an addition of the net pension liability in the year ended March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended May 31,</u>	
2024	\$ 92,786
2025	(20,853)
2026	133,642
2027	171,088

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

Actuarial assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll-forward the total pension liability to the measurement date. Significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015 to March 31, 2020 System's Experience
Inflation rate	2.90%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021. The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

The long-term 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 returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1%	0.00%
Credit	4%	5.43%
Domestic equity	32%	4.30%
Fixed income	23%	1.50%
International equity	15%	6.85%
Opportunistic/ ARS portfolio	3%	5.38%
Private equity	10%	7.50%
Real assets	3%	5.84%
Real estate	9%	4.60%
	<u>100%</u>	

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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Discount rate

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. Based upon the assumptions, the Systems' 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.

Sensitivity of the proportionate share of the net pension liability to the discount rate assumption

The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower (4.90%) or 1% point higher (6.90%) than the current rate:

	1% Decrease (4.90%)	Current assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension asset (liability)	\$ (1,445,803)	\$ (598,287)	\$ 109,911

The components of the current-year net pension liability of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)
Employers' total pension liability	\$ 232,627,259
Plan net position	211,183,223
Employers' net pension liability	\$ 21,444,036
Ratio of plan net position to the employers' total pension liability	90.78%

Payables to the pension plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of May 31, 2023 represent the projected employer contribution for the period of April 1, 2023 through May 31, 2023 based on paid wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2023 amounted to \$23,650.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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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.

**8. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)**

General information about the OPEB plan

The Library’s defined benefit OPEB plan, provides OPEB for all permanent full-time employees who are eligible to retire from the State Employees’ Retirement Plan. The plan is a single employer defined benefit OPEB plan administered by the Library. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Library Board of Trustees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, as NYS does not allow OPEB trusts to be created at the local level.

Benefits provided

The Library provides health insurance benefits for retirees and their spouses. The benefit terms are dependent on which contract group the employee belongs to, and their date of hire. The specifics of each contract are on file at the Library’s offices and are available upon request.

Employees covered by benefit terms

As of June 1, 2022, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	4
Active plan members	1
Total plan members	5

Total OPEB liability

The Library’s total OPEB liability of \$716,493 was measured as of May 31, 2023 and was determined by an actuarial valuation as of June 1, 2022, with update procedures used to roll forward the total OPEB liability to the measurement date.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

Actuarial assumptions and other inputs

The total OPEB liability in the June 1, 2022 actuarial valuation was determined using the following actuarial assumptions and inputs, applied to all periods in the measurement, unless other specified:

Inflation	3.00%
Salary increases	3.00% average, including inflation
Discount rate	4.24%
Healthcare cost trend rates	8.00% for 2023, decreasing to an ultimate rate of 5.0%
Retirees' share of benefit-related costs	0% of projected health insurance premiums for retirees

The discount rate was based on the Bond Buyer's 20 Bond Index.

Mortality rates were based on the PUB-2010 and projected with the MP-2021 scale.

Changes in the Total OPEB liability

Balance as of May 31, 2022	\$ 599,864
<u>Changes for the year -</u>	
Service cost	3,817
Interest	21,664
Differences between expected and actual experience	171,815
Change in assumptions or other inputs	(51,959)
Benefit payments	<u>(28,708)</u>
Net change	<u>116,629</u>
Balance as of May 31, 2023	<u>\$ 716,493</u>

Sensitivity of the total OPEB liability to changes in the discount rate

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 one percentage point lower (3.24%) or one percentage point higher (5.24%) than the current discount rate:

	<u>1% Decrease (3.24%)</u>	<u>Current assumption (4.24%)</u>	<u>1% Increase (5.24%)</u>
Total OPEB liability as of May 31, 2023	\$ 813,177	\$ 716,493	\$ 636,759

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

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 one percentage point lower (7.00% decreasing to 4.00%) or one percentage point higher (9.00% decreasing to 6.00%) than the current discount rate:

	1% Decrease (7.00% decreasing to 4.00%)	Current assumption (8.00% decreasing to 5.00%)	1% Increase (9.00% decreasing to 6.00%)
Total OPEB liability as of May 31, 2023	\$ 635,559	\$ 716,493	\$ 814,881

OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended May 31, 2023, the Library recognized OPEB expense of \$35,019. At May 31, 2023, the Library reported deferred inflows of resources related to OPEB from changes in assumptions of \$25,979. At May 31, 2023, the Library reported deferred outflows of resources related to OPEB from differences between expected and actual experiences of \$85,907.

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

<u>Year ended May 31,</u>	
2024	\$ 59,928

**9. RISK MANAGEMENT**

The Library is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

**10. CONTINGENCIES AND COMMITMENTS**

Litigation

The Library is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

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.



**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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Contingencies

During the year ended May 31, 2023, the Library engaged a forensic auditor to review certain financial transactions of the now former business manager. The result of the forensic audit indicated misappropriation of assets of the Library may have occurred over the last several years. The forensic auditor indicated that the amounts involved were not material to the financial statements and all legal matters related to the former business manager have been closed.

Government grants

The Library receives grants, which are subject to audit by agencies of the State and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the Library's administration believes disallowances, if any, will be immaterial.

Property tax cap

In June 2011, the New York State Legislature enacted Chapter 97, Laws of 2011 Real Property Tax Levy Cap and Mandate Relief Provisions. For fiscal years beginning in 2012 through at least June 15, 2023, growth in the property tax levy (the total amount to be raised through property taxes charged on a municipality's taxable assessed value of property) will be capped at 2 percent or the rate of inflation (but not less than 1%), whichever is less, with some exceptions. Local governments can exceed the tax levy limit by a 60% vote of the governing body or by local law.

Lease commitments

The Library leases certain office equipment under the terms of various non-cancelable leases. Lease expense for the year ended May 31, 2023 was \$1,093. Future minimum lease payments due under these leases are as follows:

<u>For The Year Ended June 30,</u>	
2024	\$ 1,093
2025	1,093
2026	1,093
2027	911
	\$ 4,190

**11. FUTURE ACCOUNTING STANDARDS**

The Library will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material. The following is a list of GASB pronouncements issued but not yet effective:

<u>GASB Statement No.</u>	<u>GASB Accounting Standard</u>	<u>Effective Fiscal Year</u>
Statement No. 101	Compensated Absences	May 31, 2025

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED MAY 31, 2023 (CONTINUED)**

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**12. SUBSEQUENT EVENTS**

The Library has evaluated subsequent events occurring after the Statement of Net Position through the date of July 10, 2024, which is the date the financial statements were available to be issued, and have identified the following items for disclosure:

- a) The events described in Note 10 Contingencies;
- b) In addition, the former business manager misrepresented cash reserves to the Board which resulted in the budget that was approved for fiscal year June 1, 2023 to May 31, 2024 exceeding the available general fund balance by \$866,682 (See Note 1). The Board took certain actions to reduce the projected budget shortfall to approximately \$350,000 and obtained a loan from the Incorporated Village of Mamaroneck in order to continue to serve the community;
- c) During the fiscal year, the Library took additional actions to reduce expenditures and realize additional revenues, primarily gifts and donations. These actions resulted in a surplus for the fiscal year;
- d) The Library took certain actions to ensure that these events do not occur again including adopting financial controls to improve oversight and transparency for the Library's finances, creating a business office with a professional bookkeeper to improve financial reporting and adopting protocols for regular Board review of the Library's finances;
- e) The budget approved by the voters in December 2023 for fiscal year June 1, 2024 to May 31, 2025 was in the amount of \$4,463,628 and reflected a 6% decrease in budgeted expenditures and a 5.5% increase in property taxes from the prior fiscal year.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED MAY 31, 2023**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Real property taxes	\$ 2,905,867	\$ 2,905,867	\$ 2,851,388	\$ (54,479)
Use of money and property	1,200	1,200	2,772	1,572
Fines and forfeitures	2,500	2,500	6,310	3,810
State sources	4,000	4,000	5,971	1,971
Gifts and donations	-	-	62,599	62,599
Miscellaneous	4,250	4,250	32,936	28,686
Total revenues	2,917,817	2,917,817	2,961,976	44,159
<b>OTHER FINANCING SOURCES</b>				
Other sources:				
Appropriated reserves	577,464	577,464	-	(577,464)
Total revenues and other sources	3,495,281	3,495,281	2,961,976	(533,305)
<b>EXPENDITURES</b>				
Current:				
General support -				
Judgments and claims	25,000	25,000	-	25,000
Culture and recreation -				
Personal services	1,414,705	1,414,705	1,331,032	83,673
Equipment	5,000	5,000	5,547	(547)
Contractual	698,000	698,000	768,374	(70,374)
Employee benefits	561,576	561,576	573,158	(11,582)
Debt service:				
Principal	560,000	560,000	560,000	-
Interest	231,000	231,000	231,000	-
Capital outlay	-	-	11,209	(11,209)
Total expenditures	3,495,281	3,495,281	3,480,320	\$ 14,961
Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(518,344)	
Fund balance, beginning of year			815,011	
Fund balance, end of year			<u>\$ 296,667</u>	

**Note to Required Supplementary Information**

**Budget Basis of Accounting**

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

**MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST FIVE FISCAL YEARS**

Measurement date	May 31, 2023	May 31, 2022	May 31, 2021	May 31, 2020	May 31, 2019
<b>Total OPEB Liability:</b>					
Service cost	\$ 3,817	\$ 4,929	\$ 4,188	\$ 4,197	\$ 4,314
Interest	21,664	11,022	15,248	18,986	19,336
Differences between expected and actual experience in the measurement of the total OPEB liability	171,815	66,898	41,155	(71,510)	(10,970)
Changes in assumptions or other inputs	(51,959)	(167,678)	73,980	30,335	-
Benefit payments	<u>(28,708)</u>	<u>(17,031)</u>	<u>(25,228)</u>	<u>(24,221)</u>	<u>(24,113)</u>
Net change in total OPEB liability	116,629	(101,860)	109,343	(42,213)	(11,433)
Total OPEB liability - beginning of year	<u>599,864</u>	<u>701,724</u>	<u>592,381</u>	<u>634,594</u>	<u>646,027</u>
Total OPEB liability - end of year	<u>\$ 716,493</u>	<u>\$ 599,864</u>	<u>\$ 701,724</u>	<u>\$ 592,381</u>	<u>\$ 634,594</u>
Covered payroll	\$ 74,554	\$ 71,057	\$ 71,390	\$ 70,066	\$ 69,521
Total OPEB liability as a percentage of covered payroll	961.04%	844.20%	982.94%	845.46%	912.81%
Discount rate	4.24%	3.70%	1.59%	2.63%	3.05%

**Note to Required Supplementary Information**

Ten years of historical information was not available upon implementation of GASB Statement No. 75. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data are available.

The Library has no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay OPEB benefits, as New York State currently does not allow libraries to establish this type of trust. The Library currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
SCHEDULE OF LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)  
LAST TEN FISCAL YEARS  
(Dollar amounts in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	**2015	**2014
Library's proportionate share of the net pension asset (liability)	0.0027900%	0.0023173%	0.0024536%	0.0027671%	0.0027974%	0.0022450%	0.0022023%	0.0026457%	N/A	N/A
Library's proportionate share of the net pension asset (liability)	\$ (598)	\$ 189	\$ (2)	\$ (733)	\$ (198)	\$ (72)	\$ (207)	\$ (425)	N/A	N/A
Library's covered payroll	\$ 1,069	\$ 1,209	\$ 1,013	\$ 946	\$ 932	\$ 872	\$ 837	\$ 870	N/A	N/A
Library's proportionate share of the net pension asset (liability) as a percentage of covered payroll	55.94%	15.63%	0.20%	77.48%	21.24%	8.26%	24.73%	48.85%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension asset (liability)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.30%	90.68%	N/A	N/A
Discount rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	N/A	N/A

\* The amounts presented for each fiscal year were determined (bi-annually) as of March 31<sup>st</sup>.

Not Available = N/A

**\*\*Notes to Required Supplementary Information**

Ten years of historical information was not available upon implementation of GASB Statement No. 75. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

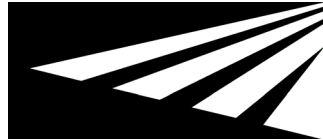
MAMARONECK PUBLIC LIBRARY DISTRICT, NEW YORK  
SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS  
LAST TEN FISCAL YEARS  
(Dollar amounts in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	**2015	**2014
Contractually required contribution	\$ 108	\$ 134	\$ 133	\$ 128	\$ 119	\$ 118	\$ 129	\$ 175	N/A	N/A
Contributions in relation to the contractually required contribution	108	134	133	128	119	118	129	175	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Library's covered payroll	\$ 1,069	\$ 1,233	\$ 1,064	\$ 925	\$ 938	\$ 885	\$ 831	\$ 867	N/A	N/A
Contributions as a percentage of covered payroll	10.10%	10.85%	12.46%	13.82%	12.71%	13.31%	15.47%	20.15%	N/A	N/A

Not Available = N/A

**\*\*Notes to Required Supplementary Information**

Ten years of historical information was no historical data is available.t available upon implementation of GASB Statement No. 75. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.



**NawrockiSmith**

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**  
**ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND**  
**OTHER MATTERS BASED ON AN AUDIT OF**  
**FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH**  
**GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees of the  
Mamaroneck Public Library District, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Mamaroneck Public Library District, New York (the "Library"), as of and for the year ended May 31, 2023, and the related notes to financial statements which collectively comprise the Library's financial statements, and have issued our report thereon dated July 10, 2024.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

# NawrockiSmith

## ***Report on Compliance And Other Matters***

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hauppauge, New York  
July 10, 2024

*Nawrocki Smith LLP*