

NORTH BABYLON PUBLIC LIBRARY

**FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION**

JUNE 30, 2020

NORTH BABYLON PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
North Babylon Public Library
815 Deer Park Avenue
North Babylon, New York 11703

We have audited the accompanying basic financial statements of the governmental activities and each major fund of North Babylon Public Library as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

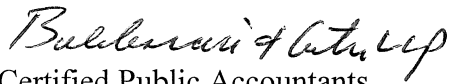
Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of North Babylon Public Library, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of proportionate share of the net pension liability, the schedule of library pension contributions and the schedule of changes in the Library's total OPEB liability and related ratios on pages 5 through 9 and 30 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Certified Public Accountants
Stewart Manor, New York
October 9, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Using This Annual Report

This annual report consists of three parts- *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include information that presents two different views of the Library:

- The first three columns of these financial statements include information on the Library's Funds under the modified accrual method. These *Fund Financial Statements* focus on current financial resources and provide a more detailed view about the accountability of the Library's sources and uses of funds.

The adjustment column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full-accrual method.

- The *government-wide financial statement* columns provide both long-term and short-term information about the Library's overall financial status. The statement of net position and the statement of activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. These statements tell how these services 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 statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Condensed Financial Information:

The table below compares key financial information in a condensed format between the current year and the prior year, in thousands of dollars:

	<u>June 30,</u> <u>2020</u>	<u>June 30,</u> <u>2019</u>	<u>Increase</u> <u>(Decrease)</u>
Assets:			
Current assets	\$ 1,724	\$ 1,521	\$ 203
Capital assets	<u>2,621</u>	<u>2,706</u>	<u>(85)</u>
Total Assets	<u>4,345</u>	<u>4,227</u>	<u>118</u>
Deferred Outflow of Resources	<u>1,324</u>	<u>303</u>	<u>1,021</u>
Liabilities:			
Long-term debt	5,423	4,832	591
Other liabilities	<u>101</u>	<u>96</u>	<u>5</u>
Total Liabilities	<u>5,524</u>	<u>4,928</u>	<u>596</u>
Deferred Inflow of Resources	<u>1,076</u>	<u>321</u>	<u>755</u>
Net Position			
Net investment in capital assets	2,621	2,706	(85)
Unrestricted	<u>(3,552)</u>	<u>(3,425)</u>	<u>(127)</u>
Total Net Position	<u>\$ (931)</u>	<u>\$ (719)</u>	<u>\$ (212)</u>
Revenue:			
Tax revenues	\$ 3,136	\$ 3,074	\$ 62
State aid and grants	9	34	(25)
Other revenue	<u>39</u>	<u>50</u>	<u>(11)</u>
Total Revenue	3,184	3,158	26
Expenses - Library Services	<u>3,396</u>	<u>3,209</u>	<u>187</u>
Change in net position	(212)	(51)	(161)
Net Position - Beginning of Year	<u>(719)</u>	<u>(668)</u>	<u>(51)</u>
Net Position - End of Year	<u>\$ (931)</u>	<u>\$ (719)</u>	<u>\$ (212)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The Library As A Whole

- The Library's net position decreased by \$211,848 this year. The most significant reason for this decrease was the recognition of an additional \$284,846 of actuarially calculated costs relating to the Library's obligation for post-employment health insurance costs and pension.
- The Library's primary source of revenue is from property tax related items, which represents 99 percent of total revenue. This is a 2 percent increase as compared to the prior year
- As is typical of service agencies, salaries and benefits are a significant expense of the Library, representing 77 percent of the Library's total expenses (as per the Statement of Activities). In the prior year salaries and benefits represented 79 percent of the Library's total expenses.

The Library Funds:

Our analyses of the Library's major funds are included in the first three columns of pages 10 and 11 on the respective statements. The fund columns provide detailed information about the most significant funds – not the Library as a whole. The Library Board has the ability to create separate funds to help manage money for specific purposes and to maintain accountability for certain activities. The Library's major funds consist of the General Fund and the Cultural Programming Fund.

The fund balance of the General Fund increased during the year from \$1,415,829 to \$1,614,854. This is primarily the result of the budgetary highlights described below. The fund balance of the Cultural Programming Fund decreased during the year from \$9,283 to \$8,074.

Budgetary Highlights:

The following are explanations for the significant variations between the Library's final budget and the actual results of the General Fund:

- In total, the unfavorable budget variance for library revenues was \$68,351. This was not significantly different from the \$40,000 shortfall that it had anticipated when it approved its 2019/2020 budget. The Library used this budget shortfall as a mechanism to return to the taxpayers some of the surplus that had been built up over the past few years
- The budget line for fine revenue had an unfavorable variance of \$25,664. The Library attributes this partly to the increased use of materials in a digital format which do not incur overdue fines and partly to the COVID-19 induce building closure.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- The Library attributes the favorable variance in the salaries budget section to the fact that the Library was closed for three months due to the COVID-19 pandemic.
- The New York State retirement budget line was underspent by \$66,698. This was the result of projecting an amount based on information provided by the New York State Retirement System approximately a year in advance of the billing. The actual amount billed was less than the Library's projection.
- The budget line for health insurance was underspent by \$31,334. This was partially due to having premiums unexpectedly drop and partially because a full-time staff person retired and was not replaced.
- The budget line for dental and life insurance was underspent because premiums did not increase as much as had been anticipated.
- The budget lines for books, DVD's, audio recordings as well as general supplies were all underspent. The Library attributes this to the three-month COVID-19 related building closure. The Library was unable to continue its ordering and receiving of these items.
- The budget line for software was overspent because it was necessary for the Library to make upgrades to its finance manager accounting software.
- The online services budget line was underspent by \$9,220. This was due to the Library discontinuing certain under-utilized online databases.
- The budget line for Library programs was underspent because all on-site programming was required to be cancelled during the COVID-19 pandemic.
- The budget line for postage was underspent because the Library did not send out its May/June or its July/August newsletter due to the pandemic.
- The budget line for S.C.L.S. basic service fee was underspent by \$7,041 because the fee did not increase as much as had been expected.
- The budget lines for electric, telephone, security service and building repair were all underspent. The Library attributes this to the three-month COVID-19 related building closure.
- The budget line for building planning and engineering was overspent by \$148,938. This was largely for professional fees related to a potential renovation. These expenses were not included in the budget as it was the intention of the Library to pay for these costs from their prior year surplus.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- The budget line for building improvements was underspent because anticipated expenditures were postponed until the following fiscal year.

Capital Assets:

During the fiscal year, the Library purchased \$10,049 of fixed assets (capital outlay). The majority of the expenditures (\$9,408) were for computers. The remaining purchases were for furniture. The Library also discarded broken or obsolete equipment that had an original cost of \$8,176.

Debt Administration:

The only long-term debt that the Library has is to its employees for compensated absences, its net pension liability, and its obligation for other post-employment benefits. The liability for compensated absences at June 30, 2020 was \$367,839. This represents an increase of \$39,791 from the previous year. The net pension liability at June 30, 2020 was \$1,072,424. This represents an increase of \$747,697 from the previous year. The obligation for other post-employment benefits at June 30, 2020 was \$3,982,371. This represents a decrease of \$196,408 from the previous year.

Currently Known Conditions:

The Library did not request a budget vote for the 2020-2021 fiscal year. Therefore, the anticipated tax revenues will remain at \$3,135,945. This represents a 0.0% increase over the 2019-2020 fiscal year budget.

**NORTH BABYLON PUBLIC LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2020**

	<u>General Fund</u>	<u>Cultural Programming Fund</u>	<u>Total</u>	<u>Adjustments (Note 12)</u>	<u>Statement of Net Position</u>
Assets:					
Cash and cash equivalents	\$ 1,701,982	\$ 8,074	\$ 1,710,056	\$	\$ 1,710,056
Prepaid insurance	13,955		13,955		13,955
Capital assets, net of depreciation (note 4)				2,620,801	2,620,801
Total Assets	<u>1,715,937</u>	<u>8,074</u>	<u>1,724,011</u>	<u>2,620,801</u>	<u>4,344,812</u>
Deferred Outflows of Resources:					
Deferred outflow on pension				797,602	797,602
Deferred outflow on OPEB				526,664	526,664
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,324,266</u>	<u>1,324,266</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,715,937</u>	<u>\$ 8,074</u>	<u>\$ 1,724,011</u>	<u>\$ 3,945,067</u>	<u>\$ 5,669,078</u>
Liabilities:					
Accounts payable	\$ 20,934	\$	\$ 20,934	\$	\$ 20,934
Accrued payroll	26,080		26,080		26,080
Accrued NYS retirement	54,069		54,069		54,069
Non-current liabilities:					
Compensated absences payable (note 6)				367,839	367,839
Net pension liability (note 9)				1,072,424	1,072,424
Obligation for other post-employment benefits (note 10)				3,982,371	3,982,371
Total Liabilities	<u>101,083</u>	<u>0</u>	<u>101,083</u>	<u>5,422,634</u>	<u>5,523,717</u>
Deferred Inflows of Resources:					
Deferred inflows on pension				51,205	51,205
Deferred inflows on OPEB				1,025,207	1,025,207
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,076,412</u>	<u>1,076,412</u>
Fund Balances/Net Position:					
Nonspendable (prepaid amounts)	13,955		13,955	(13,955)	
Assigned for specific purposes (note 8)	44,279	8,074	52,353	(52,353)	
Committed for specific purposes (note 7)	360,000		360,000	(360,000)	
Unassigned	1,196,620		1,196,620	(1,196,620)	
Total Fund Balance	<u>1,614,854</u>	<u>8,074</u>	<u>1,622,928</u>	<u>(1,622,928)</u>	
Total Liabilities, Deferred Inflows of Resources And Fund Balances	<u>\$ 1,715,937</u>	<u>\$ 8,074</u>	<u>\$ 1,724,011</u>		
Net Position:					
Net investment in capital assets				2,620,801	2,620,801
Unrestricted				(3,551,852)	(3,551,852)
Total Net Position				<u>\$ (931,051)</u>	<u>\$ (931,051)</u>

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

NORTH BABYLON PUBLIC LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Cultural Programming Fund</u>	<u>Total</u>	<u>Adjustments (Note 12)</u>	<u>Statement of Activities</u>
Revenues:					
Tax revenues	\$ 3,135,945	\$	\$ 3,135,945	\$	\$ 3,135,945
Fines	4,091		4,091		4,091
Payments in lieu of taxes	3,663		3,663		3,663
Programs		10,007	10,007		10,007
Interest	1,988	3	1,991		1,991
State Aid and grants	9,022		9,022		9,022
E-rate reimbursement	5,595		5,595		5,595
Copy machine and computer printing	4,687		4,687		4,687
Lost books	3,712		3,712		3,712
Gifts and donations	1,885		1,885		1,885
Miscellaneous income	3,061		3,061		3,061
Total Revenues	<u>3,173,649</u>	<u>10,010</u>	<u>3,183,659</u>	<u>0</u>	<u>3,183,659</u>
Expenditures/Expenses For					
Library Services:					
Salaries and wages	1,550,395		1,550,395	36,964	1,587,359
Employee benefits	747,509		747,509	287,674	1,035,183
Supplies, materials & programs	267,306	11,217	278,523		278,523
Library operations	64,388	2	64,390		64,390
Professional and technical services	64,821		64,821		64,821
Building operations	270,156		270,156		270,156
Capital outlay	10,049		10,049	(10,049)	
Depreciation				95,075	95,075
Total Expenditures/Expenses	<u>2,974,624</u>	<u>11,219</u>	<u>2,985,843</u>	<u>409,664</u>	<u>3,395,507</u>
Excess (Deficiency) Of Revenues Over Expenditures	199,025	(1,209)	197,816	(409,664)	
Other Financing Sources/Uses:					
Transfers- internal activities	<u>0</u>	<u>0</u>	<u>0</u>		
Excess (Deficiency) Of Revenues And Transfers In Over Expenditures	199,025	(1,209)	197,816	<u>(197,816)</u>	
Change In Net Position				(211,848)	(211,848)
Fund Balance/Net Position- beginning of the year	<u>1,415,829</u>	<u>9,283</u>	<u>1,425,112</u>	<u>(2,144,315)</u>	<u>(719,203)</u>
Fund Balance/Net Position- End Of The Year	<u>\$ 1,614,854</u>	<u>\$ 8,074</u>	<u>\$ 1,622,928</u>	<u>\$ (2,553,979)</u>	<u>\$ (931,051)</u>

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

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of North Babylon Public Library conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Accordingly, in June 1999, the Governmental Accounting Standards Board issued Statement No. 34, *Basic Financial Statements – and Managements Discussion and Analysis – for State and Local Governments*. Some of the significant changes in the statement include the following:

- A Management's Discussion and Analysis section providing an analysis of the Library's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Library's activities.
- A change in the fund financial statements to focus on the major funds.

The following is a summary of the significant accounting policies:

- A. **Reporting Entity:** The North Babylon Public Library coordinates the raising of its real estate tax revenues with the North Babylon Union Free School District. The Board of Trustees is responsible for the approval of the annual budget and oversight of the Library management's control and disbursement of funds and maintenance of assets. The Library's management is solely responsible for day-to-day operations.
- B. **Management Focus, Basis of Accounting and Financial Statement Presentation:** The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's major funds).

Government-Wide Financial Statements: The Government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund governmental activity has been eliminated from the government-wide financial statements.

The Statement of Net Position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: **Summary of Significant Accounting Policies (Continued)**

B. **Management Focus, Basis of Accounting and Financial Statement Presentation:**
(Continued)

Fund Financial Statements: Governmental fund financial statements are reported using the modified accrual basis of accounting prescribed by the Governmental Accounting Standards Board and the State of New York's Department of Audit and Control, Division of Municipal Affairs. Under this method, revenues are recognized in the period in which they become both measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within a reasonable period of time after fiscal year end, except for real property taxes, which are considered to be available if they are collected within sixty days after the end of the fiscal year. Fees and other income items other than interest income are recorded when received in cash. Expenditures are recognized in the period in which the liability is incurred. However, debt service expenditures, if applicable, are recorded only when a payment is due. The Library reports on the following funds:

General Fund: This fund is established to account for resources devoted to the general services that the Library performs for its taxpayers. General tax revenues and other sources of revenues used to finance the fundamental operation of the Library are included in this fund.

Cultural Programming Fund: This fund is established to account for resources collected and used for various types of trips, educational and physical education.

- C.** **Capital Assets:** Capital assets are defined by the Library as assets with an initial cost of \$500 or more, and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Library building has not been capitalized as it is owned by the School District. Library books and materials are not capitalized. Depreciation is provided on the straight-line basis over the following estimated lives:

Furniture and equipment	5 to 15 years
Fixtures	20 years
Building improvements	40 years

NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: **Summary of Significant Accounting Policies (Continued)**

D. Fund Balance Classifications: The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* that defines the different types of fund balances that a governmental entity must use for financial reporting purposes. They are as follows:

Nonspendable: This includes amounts that cannot be spent because they are either not in spendable form (i.e. inventories, prepaid expenses, etc.) or they are legally or contractually required to be maintained intact.

Restricted: This includes amounts with constraints placed on the use of resources. These constraints can be externally imposed by creditors, grantors, contributors, or imposed by laws and regulations.

Committed: This includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Library's Board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned: This includes amounts that are constrained by the Library's intent to be used for specific purposes but are neither restricted nor committed. The Library Board is not required to impose or remove the constraint. Assignments of fund balance cannot be made if it would result in a negative unassigned fund balance.

Unassigned: This includes the residual classification for the Library's general fund. This classification represents fund balance that has not been assigned to other funds, assigned for specific purposes, restricted, or committed.

E. Order of Use of Restricted/Unrestricted Net Position and Fund Balance: When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Library's policy is to apply restricted net position first. Expenditures incurred from unrestricted resources are applied to committed fund balance as determined by the Board, then to assigned fund balance, and then to the unassigned fund balance.

F. Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: Summary of Significant Accounting Policies (Continued)

- G. Investments:** The Library's investment policies are governed by State statutes and its own written investment policy. Permissible investments for the Library include special time deposit accounts, certificates of deposit and obligations of the United States of America.

NOTE 2: Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less.

NOTE 3: Concentration of Credit Risk

The Library maintains all of its cash balances at two banks. At year end, the Library's carrying amount of deposits was \$1,709,686 (excludes petty cash) and the bank balance was \$1,719,397. Of the bank balance, \$750,000 was covered by federal depository insurance and \$969,397 was covered by collateral held by the Library's agent.

NOTE 4: Capital Assets

A summary of changes in general fixed assets is as follows:

	Balance as of 7/1/2019	Additions	Deletions	Balance as of 6/30/2020
Assets not being depreciated:				
Land	\$ 496,361	\$ 0	\$ 0	\$ 496,361
Fine arts	16,910			16,910
Other Capital Assets:				
Building and land improvements	2,527,449	0	0	2,527,449
Fixtures	332,117	0	0	332,117
Furniture and equipment	456,112	10,049	(8,176)	457,985
Total	3,828,949	10,049	(8,176)	3,830,822
Accumulated depreciation	(1,123,122)	(95,075)	8,176	(1,210,021)
Net Book Value	\$ 2,705,827	\$ (85,026)	\$ 0	\$ 2,620,801

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5: Long Term Debt

A summary of changes in long-term debt for the year ended June 30, 2020 is as follows:

	Balance			Balance	Non-current liabilities	
	7/1/2019	Increases	Reductions	6/30/2020	Due Within	Due After
					One Year	One Year
Compensated absences	\$ 328,047	\$ 39,792	\$ 0	\$ 367,839	\$ 0	\$ 367,839
Net pension liability	324,727	747,697	0	1,072,424	0	1,072,424
Other post-employment benefits payable	<u>4,178,779</u>		<u>(196,408)</u>	<u>3,982,371</u>	<u>0</u>	<u>3,982,371</u>
Total	<u>\$ 4,831,553</u>	<u>\$ 787,489</u>	<u>\$ (196,408)</u>	<u>\$ 5,422,634</u>	<u>\$ 0</u>	<u>\$ 5,422,634</u>

NOTE 6: Compensated Absences Payable

The Library has an accumulated liability as of June 30, 2020 for unused sick and vacation pay amounting to \$367,839.

NOTE 7: Funds Committed for Specific Purposes

The changes in committed funds for the year ending June 30, 2020 are as follows:

	Balance	Funds	Funds	Balance
	as of	Committed	Expended	as of
	7/1/2019	(Uncommitted)		6/30/2020
Funds Committed For:				
Unemployment	\$ 15,000	\$ 0	\$ 0	\$ 15,000
Retirement/termination pay	80,000	0	0	80,000
Post-employment benefits	<u>265,000</u>	<u>0</u>	<u>0</u>	<u>265,000</u>
Total	<u>\$ 360,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 360,000</u>

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: Assigned Fund Balance

The components of the assigned fund balance as of June 30, 2020 are as follows:

	General Fund	Cultural Programming Fund	Total
Assigned Fund Balance:			
Assigned for 2020-2021 budget	\$ 40,000	\$ 0	\$ 40,000
Assigned for encumbrances	4,279	0	4,279
Assigned for programs	0	8,074	8,074
Total	\$ 44,279	\$ 8,074	\$ 52,353

NOTE 9: Retirement Plan

- A. Plan Description and Benefits Provided:** The North Babylon Public Library participates in the New York State and Local Employees' Retirement System (the System). This 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. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2020. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 North Babylon Public Library also participates in the Public Employees' Group Term Life Insurance plan (GTLI), 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 or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: Retirement Plan (Continued)

- B. Benefits Provided:** The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service.

Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: Retirement Plan (Continued)

B. Benefits Provided: (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after 10 years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: Retirement Plan (Continued)

B. Benefits Provided: (Continued)

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement.

Post-Retirement Benefit Increases (Continued)

An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

- C. Contributions:** The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first 10 years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required. The required contribution for the current fiscal year was \$213,059 for the 2019 fiscal year it was \$238,771 and for the 2018 fiscal year it was \$203,703.

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: Retirement Plan (Continued)

D. Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: At June 30, 2020, the North Babylon Public Library reported a liability of \$1,072,424 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The North Babylon Public Library's proportion of the net pension liability was based on a projection of the North Babylon Public Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2020, the North Babylon Public Library's proportion was 0.0040498 percent, which was an increase of 0.000533 percent from its proportion measured at June 30, 2019.

For the year ended June 30, 2020, the North Babylon Public Library recognized pension expense of \$401,998. At June 30, 2020, the North Babylon Public Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 63,116	\$ 0
Changes in assumptions	21,594	18,646
Net difference between projected and actual investment earnings on pension plan investments	549,777	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	109,046	32,559
Library's contributions subsequent to the measurement date	<u>54,069</u>	<u>0</u>
Total	<u><u>\$ 797,602</u></u>	<u><u>\$ 51,205</u></u>

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: Retirement Plan (Continued)

D. Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: (Continued)

\$54,069 of resources related to pensions resulting from North Babylon Public Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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 Ending June 30,</u>	<u>Amount Recognized</u>
2021	\$ 131,779
2022	178,539
2023	217,875
2024	164,135
2025	<u>0</u>
Total	<u>\$ 692,328</u>

E. Actuarial Assumptions: The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation used the following actuarial assumptions:

Inflation	2.50%
Salary increases	4.20%
Investment rate of return (net of investment expense, including inflation)	6.80%
Cost of living adjustments	1.30%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018. The previous actuarial valuation as of April 1, 2018 used the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of return of 7%.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation-Indexed bonds	4.00%	0.50%
Total	100.00%	

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

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

NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: **Retirement Plan (Continued)**

E. **Actuarial Assumptions: (Continued)**

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption – The following presents the current-period net pension liability of the Library, calculated using the current-period discount rate assumption of 6.8 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.8 percent) or 1 percentage-point higher (7.8 percent) than the current assumption:

	<u>1% Decrease (5.8%)</u>	<u>Current Assumption (6.8%)</u>	<u>1% Increase (7.8%)</u>
Library's proportionate share of the net pension liability	\$ 1,968,200	\$ 1,072,424	\$ 247,410

Pension plan fiduciary net position – The components of the current year net pension liability of the New York State and Local Retirement System as of March 31, 2020, in thousands of dollars was as follows:

	<u>Total</u>
Employers' total pension liability	\$ 194,596,261
Plan net position	<u>(168,115,682)</u>
Employers' net pension liability	<u>\$ 26,480,579</u>
Ratio of plan net position to the Employers' total pension liability	86.39%

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: Post-employment Benefits Other Than Pensions

- A. Plan Description:** The New York State Department of Civil Service (DCS) administers the New York State Health Insurance Program (NYSHIP) which provides health insurance to current and retired employees of New York State, and participating public authorities and local governmental units, such as the North Babylon Public Library. NYSHIP offers comprehensive hospital, medical and prescription drug benefits. As administrator of NYSHIP, the DCS performs all administrative tasks and has the authority to establish and amend the benefit provisions offered. Annual benefit premiums charged to and paid by participating entities are generally the same, regardless of each individual employer's risk profile. The annual benefit premiums collected by DCS are then remitted to the health insurance carriers that comprise NYSHIP. NYSHIP is considered an agent multiple-employer defined benefit plan, it is not a separate entity or trust, and does not issue stand-alone financial statements. North Babylon Public Library, as a participant in the plan, recognizes these post-employment benefits on an accrual basis.
- B. Benefits Provided:** Contribution requirements are determined by the Library Board. For employees hired prior to October 15, 2013, the Library will pay 95% of the amount for an individual policy premium and 50% for a family policy (after subtracting the individual fee from the family fee). For employees hired after October 15, 2013, the Library will pay 90% of the amount for an individual policy premium and 50% for a family policy.

For the fiscal year ending June 30, 2020, North Babylon Public Library recognized the cost of providing health insurance by recording its share of insurance premiums of \$80,511 (exclusive of Medicare D reimbursements) as an expenditure in the General Fund. The Library also reimburses retired employees and their spouses the full cost of Medicare deducted from their Social Security benefits, which amounted to \$32,913.

As of July 1, 2019, the following employees were covered by the benefit terms:

Active employees	18
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	12
Total	<u>30</u>

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: Post-employment Benefits Other Than Pensions (continued)

C. Total Other Post-Employment Benefit (OPEB) Liability: The Library's total OPEB liability of \$3,982,371 was updated through June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

D. Actuarial Assumptions and Other Inputs:

Inflation	2.00%
Payroll Growth Rate	2.50%
Discount Rate	2.21%
2018 Medical Trend Rates (Pre-65/Post-65)	8.00% / 5.00%
2019 Medical Trend Rates (Pre-65/Post-65)	7.50% / 5.00%
Ultimate Medical Trend Rate	4.50% / 5.00%
Year Ultimate Trend Year Reached (Pre-65/Post-65)	2025/2019

The discount rate was based on the *Bond Buyer's 20 Bond Index* as of June 30, 2020.

Mortality rates were based on the Society of Actuaries' RPH-2014 Total Dataset head count-weighted fully generational mortality table with projection scale MP-2019.

E. Changes in The Total OPEB Liability:

Balance at June 30, 2019	\$ <u>4,178,779</u>
Changes for the year:	
Service cost	156,245
Interest	115,134
Changes in benefit terms	0
Differences between expected and actual experience	(989,687)
Changes in assumptions and other inputs	611,065
Benefit payments	<u>(89,165)</u>
Net changes	<u>(196,408)</u>
Balance at June 30, 2020	\$ <u><u>3,982,371</u></u>

Note: For the purpose of calculating this liability, there have been no plan changes. The assumption changes were the updating of the pre-65 healthcare cost trend rates and the mortality improvement scale. The discount rate was 3.50% at June 30, 2019 and was 2.21% at June 30, 2020.

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: Post-employment Benefits Other Than Pensions (continued)

E. Changes in The Total OPEB Liability: (continued)

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 1 point lower (1.21%) or 1 percentage point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 4,634,872	\$ 3,982,371	\$ 3,448,133

Sensitivity of the total OPEB liability to changes in the 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 a healthcare cost trend rates that are 1 percentage point lower (6.50% decreasing to 3.50%) or 1 percentage point higher (8.50% decreasing to 5.50%) than the current healthcare cost trend rate:

	1% Decrease (6.50% Decreasing to 3.50%)	Healthcare Cost Trend Rate (7.50% Decreasing to 4.50%)	1% Increase (8.50% Decreasing to 5.50%)
Total OPEB Liability	\$ 3,317,819	\$ 3,982,371	\$ 4,846,557

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: Post-employment Benefits Other Than Pensions (continued)

- F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:** For the year ending June 30, 2020, the Library recognized OPEB expense of \$185,315. At June 30, 2020, the Library reported deferred inflows of resources that were related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 852,990
Changes in assumptions	<u>526,664</u>	<u>172,217</u>
Total	<u>\$ 526,664</u>	<u>\$ 1,025,207</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to post-employment benefits other than pensions will be recognized in other post-employment benefits expense as follows:

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2021	\$ (86,064)
2022	(86,064)
2023	(86,064)
2024	(86,064)
2025	(86,064)
Thereafter	<u>(68,223)</u>
Total	<u>\$ (498,543)</u>

**NORTH BABYLON PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements

Total fund balance and the net change in fund balance of the Library's governmental fund differs from net position and changes in net position of the governmental activities reported in the statement of net position and statement of activities. This difference primarily results from the long-term economic focus of the statement of net position and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and change in fund balance. The following are reconciliations of fund balance to net position and the net change in fund balance to the net change in net position:

Total Fund Balance - Modified Accrual Basis \$ 1,622,928
Amounts reported in the statement of net position are different because:

- Capital assets are not financial resources, and are not reported in the funds 2,620,801
- Deferred outflows on pension is not reported in the funds 797,602
- Deferred outflows on other post-employment benefits 526,664
- Compensated absences are included as a liability (367,839)
- Net pension liability is not reported in the funds (1,072,424)
- Deferred inflows on pension is not reported in the funds (51,205)
- Deferred inflows on other post-employment benefits (1,025,207)
- Obligation for post-employment health insurance, to be paid in future periods is not reported in the funds (3,982,371)

Total Net Position - Full Accrual Basis \$ (931,051)

Net Change in Fund Balance - Modified Accrual Basis \$ 197,816
Amounts reported in the statement of activities are different because:

- Capital outlays are reported as expenditures in the statement of revenue, expenditures, and changes in fund balance; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:
 - Capital outlay 10,049
 - Depreciation expense (95,075)
- (Increase)/decrease in the accruals for items reported as expenditures in the statements of activities, not in the fund statements:
 - Compensated absences (39,792)
 - NYS Retirement pension costs (188,696)
 - Post-employment health costs (96,150)

Change In Net Position - Full Accrual Basis \$ (211,848)

**NORTH BABYLON PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Tax revenues	\$ 3,135,945	\$ 3,135,945	\$ 3,135,945	\$ 0
Operating Revenue:				
Fines	29,755	29,755	4,091	(25,664)
Payments in lieu of taxes	0	0	3,663	3,663
Interest	2,000	2,000	1,988	(12)
State Aid and grants	8,800	8,800	9,022	222
E-rate reimbursement	0	0	5,595	5,595
Copy machine and computer printing	7,000	7,000	4,687	(2,313)
Lost books	5,500	5,500	3,712	(1,788)
Gifts and donations	8,000	8,000	1,885	(6,115)
Miscellaneous	5,000	5,000	3,061	(1,939)
Total Operating Revenue	<u>66,055</u>	<u>66,055</u>	<u>37,704</u>	<u>(28,351)</u>
Non-Operating Revenue:				
Transfer from unappropriated fund balance	40,000	40,000	0	(40,000)
Total Revenues	<u>\$ 3,242,000</u>	<u>\$ 3,242,000</u>	<u>\$ 3,173,649</u>	<u>\$ (68,351)</u>
Expenditures:				
Salaries and Wages:				
Professional	\$ 739,500	\$ 739,500	\$ 744,827	\$ (5,327)
Clerical	678,000	678,000	630,070	47,930
Maintenance	86,700	86,700	85,389	1,311
Technical	56,200	56,200	56,127	73
Pages	43,700	43,700	33,982	9,718
Total Salaries and Wages	<u>1,604,100</u>	<u>1,604,100</u>	<u>1,550,395</u>	<u>53,705</u>
Employee Benefits:				
Retirement	280,000	280,000	213,302	66,698
Social security	117,000	117,000	111,727	5,273
Health insurance	420,000	420,000	388,666	31,334
Dental and life insurance	21,550	21,550	13,671	7,879
Disability and unemployment insurance	5,000	5,000	2,254	2,746
Optical insurance	1,100	1,100	1,004	96
Workers compensation insurance	17,000	17,000	15,552	1,448
Employee Assistance Program	1,400	1,400	1,333	67
Total Employee Benefits	<u>\$ 863,050</u>	<u>\$ 863,050</u>	<u>\$ 747,509</u>	<u>\$ 115,541</u>

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

**NORTH BABYLON PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (Continued)				
Supplies, Materials & Programs:				
Books	\$ 186,650	\$ 186,650	\$ 116,260	\$ 70,390
DVD's	20,000	20,000	8,829	11,171
Audio recordings	4,000	4,000	1,471	2,529
Periodicals	14,500	14,500	14,283	217
Computer software	10,000	10,000	22,387	(12,387)
Online services	29,400	29,400	20,180	9,220
General supplies	46,000	46,000	17,564	28,436
Library programs	58,000	58,000	44,935	13,065
Circulation control	20,000	20,000	15,654	4,346
Maintenance supplies	5,000	5,000	5,743	(743)
Total Supplies, Materials & Programs	<u>393,550</u>	<u>393,550</u>	<u>267,306</u>	<u>126,244</u>
Library Operations:				
Equipment repair and service contracts	38,000	38,000	36,086	1,914
Printing and publication	15,000	15,000	13,210	1,790
Postage	13,500	13,500	7,474	6,026
Membership dues	3,500	3,500	4,550	(1,050)
Election expenses	5,000	5,000	1,446	3,554
Continuing education	3,000	3,000	0	3,000
Travel	3,000	3,000	964	2,036
Miscellaneous	1,000	1,000	658	342
Total Library Operations	<u>82,000</u>	<u>82,000</u>	<u>64,388</u>	<u>17,612</u>
Professional & Technical Services				
S.C.L.S. basic service fee	45,000	45,000	37,959	7,041
Legal Counsel	14,000	14,000	12,590	1,410
Auditor	9,000	9,000	9,300	(300)
Treasurer	2,300	2,300	2,300	0
Other professional fees	5,000	5,000	2,672	2,328
Total Professional & Technical Services	<u>\$ 75,300</u>	<u>\$ 75,300</u>	<u>\$ 64,821</u>	<u>\$ 10,479</u>

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

**NORTH BABYLON PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (Continued)				
Building Operations:				
Gas	\$ 7,000	\$ 7,000	\$ 7,368	\$ (368)
Electric	47,500	47,500	35,744	11,756
Water	1,000	1,000	478	522
Telephone	9,000	9,000	3,390	5,610
Telecommunications	11,000	11,000	10,695	305
Insurance	20,200	20,200	17,098	3,102
Building repair	15,000	15,000	730	14,270
Snow removal	13,000	13,000	8,200	4,800
Trash removal	2,300	2,300	865	1,435
Security service	48,000	48,000	36,650	11,350
Building planning and engineering	0	0	148,938	(148,938)
Total Building Operations	<u>174,000</u>	<u>174,000</u>	<u>270,156</u>	<u>(96,156)</u>
Capital Outlay:				
Building improvements	15,000	15,000	0	15,000
Furniture and Equipment	35,000	35,000	10,049	24,951
Total Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>10,049</u>	<u>39,951</u>
Total Expenditures	<u>3,242,000</u>	<u>3,242,000</u>	<u>2,974,624</u>	<u>267,376</u>
Excess Of Revenues Over Expenditures	0	0	199,025	199,025
Budgetary fund balance- beginning of year	<u>1,415,829</u>	<u>1,415,829</u>	<u>1,415,829</u>	<u>1,415,829</u>
Budgetary Fund Balance- End Of Year	<u>\$ 1,415,829</u>	<u>\$ 1,415,829</u>	<u>\$ 1,614,854</u>	<u>\$ 1,614,854</u>

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

NORTH BABYLON PUBLIC LIBRARY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN
FOR THE 2020 FISCAL YEAR**

	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability (asset)	0.00405%	0.00429%	0.00429%	0.00449%	0.00471%	0.00452%
Library's proportionate share of the net pension liability (asset)	\$ 1,072,424	\$ 324,727	\$ 138,579	\$ 422,048	\$ 755,280	\$ 152,690
Library's covered-employee payroll	\$ 1,428,093	\$ 1,458,052	\$ 1,335,070	\$ 1,348,527	\$ 1,320,528	\$ 1,281,032
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	75.09483%	22.27129%	10.37991%	31.29696%	57.19530%	11.91930%
Plan fiduciary net position as a percentage of the total pension liability	86.3900%	96.2700%	98.2400%	94.7000%	90.7000%	97.9475%

** The amounts presented for the fiscal year were determined as of the March 31st that occurred within the fiscal year.

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

NORTH BABYLON PUBLIC LIBRARY
SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS
NYSLRS PENSION PLAN
FOR THE 2020 FISCAL YEAR

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 213,059	\$ 238,771	\$ 203,703	\$ 207,793	\$ 294,947	\$ 318,044
Contributions in relation to the contractually required contribution	<u>213,059</u>	<u>238,771</u>	<u>203,703</u>	<u>207,793</u>	<u>294,947</u>	<u>318,044</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Library's covered-employee payroll	\$ 1,428,093	\$ 1,458,052	\$ 1,335,070	\$ 1,348,527	\$ 1,320,528	\$ 1,281,032
Contributions as a percentage of covered-employee payroll	14.92%	16.38%	15.26%	15.41%	22.34%	24.83%

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

NORTH BABYLON PUBLIC LIBRARY
SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 156,245	\$ 205,920	\$ 200,897
Interest	115,134	135,643	128,149
Changes of benefit terms	0	0	0
Differences between expected and actual experience	(989,687)	0	0
Changes in assumptions or other inputs	611,065	(239,753)	0
Benefit payments	<u>(89,165)</u>	<u>(100,727)</u>	<u>(88,610)</u>
Net Change in total OPEB liability	(196,408)	1,083	240,436
Total OPEB liability- beginning	<u>4,178,779</u>	<u>4,177,696</u>	<u>3,937,260</u>
Total OPEB liability- ending	<u>\$ 3,982,371</u>	<u>\$ 4,178,779</u>	<u>\$ 4,177,696</u>
Covered-employee payroll	\$ 1,243,422	\$ 1,226,365	\$ 1,196,454
Total OPEB liability as a % of covered-employee payroll	320.28%	340.75%	349.17%

Notes to schedule:

Changes of benefit terms: None

Notes to schedule:

Assumption changes:

Discount rate	2.21%	3.50%	3.13%
Mortality Improvement Scale	MP-2019	MP-2016	MP-2016
Pre-65 Trend Rate	7.5% down to 4.5%	8.5% down to 5.0%	9.0% down to 5.0%

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