

**BAYPORT-BLUE POINT
PUBLIC LIBRARY**

**FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION**

JUNE 30, 2020

BAYPORT-BLUE POINT PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Bayport-Blue Point Public Library
203 Blue Point Avenue
Blue Point, New York 11715

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Bayport-Blue Point 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 the Bayport-Blue Point 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 35 through 40 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

November 11, 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 General Fund and Capital Fund 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	\$ 10,543	\$ 3,080	\$ 7,463
Capital assets	<u>4,657</u>	<u>4,375</u>	<u>282</u>
Total Assets	<u>15,200</u>	<u>7,455</u>	<u>7,745</u>
Deferred Outflows of Resources	<u>1,245</u>	<u>299</u>	<u>946</u>
Liabilities:			
Long-term debt	17,319	8,777	8,542
Other liabilities	<u>265</u>	<u>419</u>	<u>(154)</u>
Total Liabilities	<u>17,584</u>	<u>9,196</u>	<u>8,388</u>
Deferred Inflows of Resources	<u>661</u>	<u>205</u>	<u>456</u>
Net Position:			
Net investment in capital assets	(8,352)	548	(8,900)
Restricted	17	0	17
Unrestricted	<u>6,535</u>	<u>(2,195)</u>	<u>8,730</u>
Total Net Position	<u>\$ (1,800)</u>	<u>\$ (1,647)</u>	<u>\$ (153)</u>
Revenue:			
Tax revenues	\$ 2,717	\$ 2,416	\$ 301
Payments in lieu of taxes	0	25	(25)
Other revenue	<u>56</u>	<u>63</u>	<u>(7)</u>
Total Revenue	<u>2,773</u>	<u>2,504</u>	<u>269</u>
Expenses - Library services	<u>2,926</u>	<u>2,560</u>	<u>366</u>
Change in net position	(153)	(56)	(97)
Net Position - beginning of year	<u>(1,647)</u>	<u>(1,591)</u>	<u>(56)</u>
Net position - End Of Year	<u>\$ (1,800)</u>	<u>\$ (1,647)</u>	<u>\$ (153)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The Library As A Whole

- The Library's net position decreased by \$152,968 this year. The primary reason for this increase is detailed within the Statement of Activities on pages twelve and thirteen.
- The Library's primary source of revenue is from property taxes, which represents 98 percent of total revenue. In the prior year property taxes represented 96 percent of total revenue.
- Salaries and employee benefits are the largest component of Library expenses, representing 71 percent of the Library's total expenses. In the prior year salaries and employee benefits represented 72 percent of total expenses.

The Library Funds:

Our analysis of the Library's major fund is included in the first column of pages 10 through 13 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. Currently, the Library two major funds, the General Fund and Capital Fund.

The fund balance of the General Fund increased during the year from \$1,601,269 to \$1,601,570. The fund balance of the Capital Fund increased during the year from \$1,116,852 to \$8,777,797.

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 favorable variance for library revenues was \$23,661. This was primarily due to the fact that the Library had budgeted \$25,000 for payments in lieu of taxes that were never received. Unfortunately, the Library was not notified that the payments had expired before the budget was prepared.
- The favorable variance in the budget line for interest income was due to receiving higher interest rates than anticipated.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- In total, the library materials and programs budget section was underspent by \$88,216. Due to the COVID-19 related building closure, the Library was unable to continue its purchasing and receiving physical library materials. Accordingly, the budget lines for adult books, juvenile books, and most audio/visual items were all underspent. Alternately, demand for electronic materials increased and the budget line for reference materials and on-line services was overspent. The building closure also forced the Library to cancel its onsite programs for several months which reduced spending in most of the program lines. The over-expenditure of the non-book material budget line was due to the reclassification of the purchase of Chromebooks. Since these items were under the Library's capital limit of \$500, for financial statement reporting purposes, they were required to be reclassified from the capital outlay budget section.
- The unfavorable budget variance in the SCLS basic service fee and automation budget line is directly related to the favorable budget variance in the maintenance and repairs to building and building equipment budget line. Although the Library had budgeted for the SCLS basic service fee within the maintenance and repairs to building and building equipment budget line, the expenditures were reflected separately to provide the user of the financial statement with more detailed information. When these expenditure lines are netted together, the variance is less significant. The remaining over-expenditure can be explained by higher than anticipated repair costs due to burst pipes in the new building.
- The budget line for rental and maintenance of equipment was overspent by \$16,733. This was primarily due to the unanticipated purchase of several computer software upgrades.
- The budget line for other professional fees, dues and elections was overspent by \$46,016. This was primarily due to the addition of public relations and other costs related to the construction project.
- In total, the budget section for capital outlay was overspent by \$13,596. The Library attributes this purchases related to the COVID-19 pandemic.

Capital Assets:

During the fiscal year ending June 30, 2020, the Library purchased \$318,865 of fixed assets (capital outlay). The majority of the expenditures (\$284,443) were related to the renovation of the new site. The remaining expenditures were for a variety of items such as equipment, furniture and fixtures.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Debt Administration:

Long-term debt consisted on bond anticipation notes payable, the debt that the Library has is to its employees for compensated absences, its net pension liability and its obligation for other post-employment benefits. During the fiscal year, the Library made principal payments on its bond anticipation notes of \$200,000, then secured a new bond anticipation for \$12,835,000 and paid off the former. The net unamortized premium on bonds anticipation notes increased from \$24,879 to \$72,738. The liability for compensated absences at June 30, 2020 was \$277,621. This represents an increase of \$34,026 from the previous year. The net pension liability at June 30, 2020 was \$972,670. This represents an increase of \$729,335 from the prior year. The obligation for other post-employment benefits at June 30, 2020 was \$3,160,426. This represents an increase of \$80,182 from the previous year.

Currently Known Conditions:

The anticipated tax revenues for the 2020-2021 fiscal year are \$3,054,460. This is an increase of \$337,734 as compared to the 2019-2020 fiscal year budget.

**BAYPORT-BLUE POINT PUBLIC LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2020**

	General Fund	Capital Fund	Total	Adjustments (Note 13)	Statement of Net Position
Assets:					
Cash and cash equivalents	\$ 1,731,658	\$ 8,686,044	\$ 10,417,702		\$ 10,417,702
Prepaid insurance	5,501		5,501		5,501
Internal receivables	3,150		3,150	(3,150)	
Funds held in custody by School District		120,135	120,135		120,135
Capital assets, net of depreciation				4,657,347	4,657,347
Total Assets	1,740,309	8,806,179	10,546,488	4,654,197	15,200,685
Deferred Outflows of Resources:					
Deferred outflows on pension				620,922	620,922
Deferred outflows on other post-employment benefits				623,907	623,907
Total Deferred Outflows of Resources	0	0	0	1,244,829	1,244,829
Total Assets and Deferred Outflows of Resources	\$ 1,740,309	\$ 8,806,179	\$ 10,546,488	\$ 5,899,026	\$ 16,445,514
Liabilities:					
Accounts payable	\$ 76,393	\$ 25,232	\$ 101,625		\$ 101,625
Accrued payroll and related items	28,993		28,993		28,993
Accrued NYS retirement payable	33,353		33,353		33,353
Internal payables		3,150	3,150	(3,150)	
Accrued interest payable				101,273	101,273
Non-current liabilities:					
Compensated absences				277,621	277,621
Net pension liability				972,670	972,670
Obligation for other post-employment benefits				3,160,426	3,160,426
Net unamortized premium on bond anticipation note				72,738	72,738
Bond anticipation note payable				12,835,000	12,835,000
Total Liabilities	\$ 138,739	\$ 28,382	\$ 167,121	\$ 17,416,578	\$ 17,583,699

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

**BAYPORT-BLUE POINT PUBLIC LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2020**

	General Fund	Capital Fund	Total	Adjustments (Note 13)	Statement of Net Position
Deferred Inflows of Resources:					
Deferred inflows on pension	\$	\$		\$ 40,597	\$ 40,597
Deferred inflows on other post-employment benefits				620,791	620,791
Total Deferred Inflows of Resources	0	0	0	661,388	661,388
Fund Balances/Net Position:					
Nondisposable - prepaid amounts	5,501		5,501	(5,501)	
Committed for specific purposes (note 10)	615,003		615,003	(615,003)	
Restricted for debt service		16,527	16,527	(16,527)	
Assigned (note 11)	30,275	8,761,270	8,791,545	(8,791,545)	
Unassigned	950,791		950,791	(950,791)	
Total Fund Balance	1,601,570	8,777,997	10,379,367	(10,379,367)	
Total Liabilities, Deferred Inflows of Resources And Fund Balances	\$ 1,740,309	8,806,179	10,546,488		
Net Position:					
Net investment in capital assets				(8,351,664)	(8,351,664)
Restricted for debt service				16,527	16,527
Unrestricted				6,535,564	6,535,564
Total Net Position				\$ (1,799,573)	\$ (1,799,573)

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

BAYPORT-BLUE POINT PUBLIC LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Capital Fund	Total	Adjustments (Note 13)	Statement of Activities
Revenues:					
Tax revenues	\$ 2,716,726	\$	\$ 2,716,726	\$	\$ 2,716,726
Fines and passport fees	11,182		11,182		11,182
Copier/fax fees	3,435		3,435		3,435
E-rate reimbursement	5,595		5,595		5,595
Interest income	9,591	16,527	26,118		26,118
State Aid and other grants	7,095		7,095		7,095
Gifts and donations	1,697		1,697		1,697
Miscellaneous income	744		744		744
Total Revenues	<u>2,756,065</u>	<u>16,527</u>	<u>2,772,592</u>	<u>0</u>	<u>2,772,592</u>
Expenditures/Expenses For Library services:					
Salaries and wages	1,148,841		1,148,841	31,608	1,180,449
Employee benefits	577,031		577,031	322,353	899,384
Library materials and programs	304,619		304,619		304,619
Library operations	238,753		238,753		238,753
Building operations	151,181		151,181		151,181
Capital outlay	34,422	284,443	318,865	(318,865)	
Depreciation				36,626	36,626
Debt service:					
Principal- bond anticipation note	200,000		200,000	(200,000)	
Interest- bond anticipation note	100,917	41,274	142,191	(27,643)	114,548
Total Expenditures/Expenses	<u>\$ 2,755,764</u>	<u>\$ 325,717</u>	<u>\$ 3,081,481</u>	<u>\$ (155,921)</u>	<u>\$ 2,925,560</u>

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

BAYPORT-BLUE POINT PUBLIC LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Capital Fund	Total	Adjustments (Note 13)	Statement of Activities
Excess (Deficiency) Of Revenues Over Expenditures	\$ 301	\$ (309,190)	\$ (308,889)	\$ 155,921	\$
Other Financing Sources:					
Proceeds from bank anticipation note premium		120,135	120,135	(120,135)	
Net proceeds from bond anticipation note		7,850,000	7,850,000	(7,850,000)	
Total Other Financing Sources	0	7,970,135	7,970,135	(7,970,135)	0
Excess (Deficiency) Of Revenues And Transfers In Over Expenditures	301	7,660,945	7,661,246	(7,661,246)	
Change In Net Position				(152,968)	(152,968)
Fund balance/net position - beginning of year	1,601,269	1,116,852	2,718,121	(4,364,726)	(1,646,605)
Fund Balance/Net Position - End Of Year	\$ 1,601,570	\$ 8,777,797	\$ 10,379,367	\$ (12,178,940)	\$ (1,799,573)

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

BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of Bayport-Blue Point 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 Bayport-Blue Point Public Library coordinates the raising of its real estate tax revenues with the Bayport-Blue Point 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 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.

BAYPORT-BLUE POINT 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.

Capital Fund: This fund is used to account for resources devoted to the construction and renovation of the Library.

- 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 original and currently operating Library building has not been capitalized as it is owned by the School District. Library books and materials are not capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	5 years
Furniture and fixtures	7 - 15 years
Building improvements	40 years

BAYPORT-BLUE POINT 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.

**BAYPORT-BLUE POINT 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 as well as obligations of the United States of America and New York State.

NOTE 2: Cash and Cash Equivalents

The Library has defined cash and cash equivalents to include 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 \$10,417,302 (net of petty cash and funds held in custody by School District) and the bank balance was \$10,428,162. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance of \$9,928,162 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 <u>7/1/2019</u>	Additions	Deletions	Balance as of <u>6/30/2020</u>
Capital assets not being depreciated:				
Land - 186 Middle Road	\$ 1,095,000	\$ 0	\$ 0	\$ 1,095,000
Building - 186 Middle Road	2,660,125	0	0	2,660,125
Construction in progress	354,763	284,443	0	639,206
Capital assets being depreciated:				
Building improvements	190,770	0	0	190,770
Furniture and fixtures	460,464	14,576	0	475,040
Computer equipment	303,435	14,285	0	317,720
Other equipment	97,995	5,561	0	103,556
Total	<u>5,162,552</u>	<u>318,865</u>	<u>0</u>	<u>5,481,417</u>
Accumulated depreciation	<u>(787,444)</u>	<u>(36,626)</u>	<u>0</u>	<u>(824,070)</u>
Net Book Value	<u>\$ 4,375,108</u>	<u>\$ 282,239</u>	<u>\$ 0</u>	<u>\$ 4,657,347</u>

**BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5: Compensated Absences Payable

The Library has an accumulated liability as of June 30, 2020 for unused sick and vacation pay amounting to \$277,621. This is an increase of \$34,026 from the June 30, 2019 balance of \$243,595. No portion of this liability is expected to be paid within one year.

NOTE 6: Long Term Debt

The following is a summary of changes in long-term debt for the period ended June 30, 2020:

	Balance			Non-current liabilities		
	7/1/2019	Increases	Reductions	6/30/2020	Due within one year	Due after one year
Compensated absence:	\$ 243,595	\$ 34,026	\$ 0	\$ 277,621	\$ 0	\$ 277,621
Net pension liability	243,335	729,335	0	972,670	0	972,670
Bond anticipation note	5,185,000	7,850,000	200,000	12,835,000	12,835,000	0
Other post-employment benefits payable	<u>3,080,244</u>	<u>80,182</u>	<u>0</u>	<u>3,160,426</u>	<u>0</u>	<u>3,160,426</u>
	<u>\$ 8,752,174</u>	<u>\$ 8,693,543</u>	<u>\$ 200,000</u>	<u>\$ 17,245,717</u>	<u>\$ 12,835,000</u>	<u>\$ 4,410,717</u>

NOTE 7: Purchase of Property and Bond Anticipation Note

During December 2018 the taxpayers approved the issuance of \$16,847,800 serial bonds in order to finance the purchase, renovate and convert the property formerly known as the St. Ursuline Center (186 Middle Road) into a new community Library. Although the serial bonds have not yet been issued, in February 2019, the Bayport-Blue Point UFSD issued a \$5,185,000 bond anticipation note on behalf of the Library so that the Library could purchase the property for \$3,650,000. In February 2020, the Bayport-Blue Point UFSD issued another bond anticipation note on behalf of the Library for \$12,835,000. The proceeds were obtained in order to continue funding the building project and to pay off the outstanding liability of the former bond anticipation note.

The new bond anticipation note was issued with an interest rate of 2.0%. However, after subtracting the bond premium of \$120,137, the net effective interest rate is 1.0614%. The note is due on February 5, 2021 and it is expected to be repaid with the proceeds from the issuance of the serial bonds.

BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: **Retirement Plan**

- A. **Plan Description and Benefits Provided:** The Bayport-Blue Point 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, 2019. 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 Bayport-Blue Point 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.
- 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.

BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: **Retirement Plan (Continued)**

B. **Benefits Provided: (Continued)**

Tiers 1 and 2 (Continued)

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.

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.

BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: **Retirement Plan (Continued)**

B. **Benefits Provided: (Continued)**

Tier 6 (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 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.

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.

BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: **Retirement Plan (Continued)**

B. Benefits Provided: (Continued)

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 \$133,090, for the 2019 fiscal year, it was \$123,882 and for the 2018 fiscal year, it was \$124,963.

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

At June 30, 2020, the Bayport-Blue Point Public Library reported a liability of \$972,670 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 Bayport-Blue Point Public Library's proportion of the net pension liability was based on a projection of the Bayport-Blue Point 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 Bayport-Blue Point Public Library's proportion was 0.0036731 percent, which was an increase of .0002387 percent from its proportion measured at June 30, 2019.

BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: **Retirement Plan (Continued)**

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

For the year ended June 30, 2020, the Library recognized pension expense of \$322,448.

At June 30, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 57,246	\$ 0
Changes in assumptions	19,585	16,911
Net difference between projected and actual earnings on pension plan investments	498,638	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,100	23,686
Library's contributions subsequent to the measurement date	33,353	0
Total	\$ 620,922	\$ 40,597

\$33,353 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount Recognized
2021	\$ 86,281
2022	136,069
2023	178,820
2024	145,802
2025	0
Total	\$ 546,972

BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: **Retirement Plan (Continued)**

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.

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%.

**BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00%</u>	

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.

BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8: 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 Library’s proportionate share of the net pension liability calculated using the discount rate of 6.8 percent, 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 percentage point lower (5.8 percent) or 1 percentage point higher (7.8 percent) than the current rate:

	1% Decrease (5.80%)	Current Assumption (6.80%)	1% Increase (7.80%)
Library's proportionate share of the net pension liability	\$ 1,785,125	\$ 972,670	\$ 224,396

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:

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

BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: Post-employment Benefits Other Than Pensions

- A. Plan Description:** The New York State Department of Civil Service (DCS) administers the New York 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 Bayport-Blue Point 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 local governmental 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. The Library, as a participant in the plan, recognizes these postemployment benefits on an accrual basis.
- B. Funding Policy:** Contribution requirements are determined by the Library Board. Currently, the Library will pay:
- Retirees hired prior to July 1, 2005 with ten years of consecutive service rendered immediately prior to retirement – 100% of the cost for retirees and their dependents.
 - Retirees hired prior to July 1, 2005 with five years of consecutive service rendered immediately prior to retirement – 50% of the cost for retirees and their dependents.
 - Retirees hired between July 1, 2005 and June 30, 2009 with fifteen years of consecutive service rendered immediately prior to retirement – 50% of the cost for retirees and their dependents.
 - Retirees hired subsequent July 1, 2009 with twenty years of consecutive service rendered immediately prior to retirement – 50% of the cost for retirees and their dependents.

For the year ending June 30, 2020, the Library recognized the cost of providing health insurance by recording its share of retiree insurance premiums of \$50,434 as an expenditure in the General Fund. Bayport-Blue Point Public Library also reimburses retired employees and their spouses the full cost of Medicare deducted from their Social Security benefits, which amounted to \$20,646. The retiree's share of premiums for health insurance is withheld from their monthly NYS retirement pension payment.

**BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: Post-employment Benefits Other Than Pensions (Continued)

B. Funding Policy: (Continued)

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

Active employees	13
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	7
Total	20

C. Total Other Post-Employment Benefit (OPEB) Liability: The Library's total OPEB liability of \$3,160,426 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 Rate	2.00%
Participant Salary Increases	3.50%
Discount Rate	2.21%
2018 Medical Trend Rates (Pre-65/Post-65)	9.00% / 5.00%
2019 Medical Trend Rates (Pre-65/Post-65)	8.50% / 5.00%
Ultimate Medical Trend Rate (Pre-65/Post-65)	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.

**BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: Post-employment Benefits Other Than Pensions (Continued)

E. Changes in The Total OPEB Liability:

Balance at June 30, 2019	\$ <u>3,080,244</u>
Changes for the year:	
Service cost	104,166
Interest	89,835
Changes in benefit terms	0
Differences between expected and actual experience	(596,854)
Changes in assumptions and other inputs	546,870
Benefit payments	<u>(63,835)</u>
Net changes	<u>80,182</u>
Balance at June 30, 2020	\$ <u><u>3,160,426</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.

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 percentage 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	\$ 3,743,587	\$ 3,160,426	\$ 2,692,336

**BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: 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 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	\$ 2,562,621	\$ 3,160,426	\$ 3,965,935

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 \$194,494. 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	\$ 532,882
Changes in assumptions	<u>623,907</u>	<u>87,909</u>
Total	<u>\$ 623,907</u>	<u>\$ 620,791</u>

**BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: Post-employment Benefits Other Than Pensions (Continued)

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to OPEB: (Continued)

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

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2021	\$ 493
2022	493
2023	493
2024	493
2025	493
Thereafter	<u>651</u>
Total	<u>\$ 3,116</u>

NOTE 10: Funds Committed for Specific Purposes

A summary of changes in committed funds for the year ending June 30, 2020 is as follows:

	<u>Balance as of 7/1/2019</u>	<u>Funds Committed (Uncommitted)</u>	<u>Funds Expended</u>	<u>Balance as of 6/30/2020</u>
Funds Committed For:				
Interior floor	37,799	0	0	37,799
Compensated absences	243,595	33,609	0	277,204
Other post employment benefits	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>300,000</u>
Total	<u>\$ 581,394</u>	<u>\$ 33,609</u>	<u>\$ 0</u>	<u>\$ 615,003</u>

**BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11: Assigned Fund Balance

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

	General Fund	Capital Fund	Total
Assigned Fund Balance:			
Assigned for 2020-2021 budget	\$ 30,275	\$ 0	\$ 30,275
Assigned for capital projects	0	8,761,270	8,761,270
Total Assigned Fund Balance	\$ 30,275	\$ 8,761,270	\$ 8,791,545

NOTE 12: Commitments and Contingencies

The Library currently leases copier equipment. For the fiscal year ending June 30, 2020 the Library made lease payments of \$5,496.

The future minimum lease commitment is detailed as follows:

Year Ending June 30,	Lease Commitment
2021	\$ 5,496
2022	0
Total	\$ 5,496

**BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13: 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 funds differ 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	\$10,379,367
Amounts reported in the statement of net position are different because:	
• Capital assets are not financial resources, and are not reported in the funds	4,657,347
• Deferred outflows on pension is not reported in the funds	620,922
• Deferred outflows on OPEB is not reported in the funds	623,907
• Compensated absences are included as a liability	(277,621)
• Obligation for post-employment health insurance, to be paid in future periods is not reported in the funds	(3,160,426)
• Net unamortized bond anticipation note premium is not reported in the funds	(72,738)
• Interest expense on the bond liability is not accrued in the funds	(101,273)
• Bond anticipation payable in future periods are not reported in the funds if expected to be converted to long-term debt	(12,835,000)
• Deferred inflows on pension is not reported in the funds	(40,597)
• Deferred inflows on OPEB is not reported in the funds	(620,791)
• Net pension liability is not included in the funds	<u>(972,670)</u>
Total Net Position- Full Accrual Basis	<u>\$(1,799,573)</u>

**BAYPORT-BLUE POINT PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements (Continued)

Net Change in Fund Balance- Modified Accrual Basis \$ 7,661,246
Amounts reported in the statement of activities are different because:

- Capital outlays are reported as expenditures in the funds 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	318,865
Depreciation expense	(36,626)

- Bond anticipation note and premium proceeds are reported as other financing sources in the funds statement of revenue, expenditures, and changes in fund balance; In the statement of activities these proceeds are recorded as a liability:

Bond anticipation note proceeds	(7,850,000)
Bond anticipation note premium	(120,135)

- (Increase)/decrease in the items reported as expenditures in the statements of activities, not in the fund statements:

Compensated absences	(34,026)
Interest on BAN payable	27,643
Post-employment health costs	(130,659)
Net pension expenses	(189,276)

- Repayments of principal on bond anticipation note payable are not an expense in the statement of activities, rather a reduction of the liability 200,000

Change in Net Position- Full Accrual Basis \$ (152,968)

**BAYPORT-BLUE POINT 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:				
Bayport-Blue Point Union Free School District	\$ 2,716,726	\$ 2,716,726	\$ 2,716,726	\$ 0
Operating Revenues:				
Payments in lieu of taxes (PILOT)	23,500	23,500	0	(23,500)
Fines and passport fees	10,000	10,000	11,182	1,182
Copier/fax fees	6,000	6,000	3,435	(2,565)
E-rate reimbursement	6,000	6,000	5,595	(405)
Interest income	3,000	3,000	9,591	6,591
State Aid and other grants	4,000	4,000	7,095	3,095
Gifts and donations	3,000	3,000	1,697	(1,303)
Miscellaneous income	2,500	2,500	744	(1,756)
Total Operating Revenues	<u>58,000</u>	<u>58,000</u>	<u>39,339</u>	<u>(18,661)</u>
Non-Operating Revenue:				
Transfer from fund balance	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Total Revenues	<u>\$ 2,779,726</u>	<u>\$ 2,779,726</u>	<u>\$ 2,756,065</u>	<u>\$ (23,661)</u>

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

**BAYPORT-BLUE POINT 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:				
Salaries and Wages:				
Professional	\$	\$	\$ 727,969	\$
Clerical/building			420,872	
Total Salaries and Wages	<u>1,186,318</u>	<u>1,186,318</u>	<u>1,148,841</u>	<u>37,477</u>
Employee Benefits:				
Health and disability insurance	337,003	337,003	346,818	(9,815)
Social Security	90,753	90,753	84,732	6,021
New York State retirement	142,500	142,500	133,170	9,330
Workers' compensation	12,500	12,500	10,806	1,694
Employee assistance program	0	0	1,505	(1,505)
Total Employee Benefits	<u>582,756</u>	<u>582,756</u>	<u>577,031</u>	<u>5,725</u>
Library Materials and Programs:				
Adult books	60,476	60,476	38,357	22,119
Reference books and on-line services	59,283	59,283	108,512	(49,229)
Juvenile books	57,847	57,847	19,788	38,059
Young adult books	16,434	16,434	3,862	12,572
Periodicals/microfilm	13,000	13,000	9,368	3,632
Binding	1,000	1,000	0	1,000
Adult/young adult video	36,811	36,811	19,822	16,989
Juvenile video	7,889	7,889	1,065	6,824
Adult books on tape	15,119	15,119	4,073	11,046
Juvenile books on tape	2,629	2,629	3,176	(547)
Young adult books on tape	5,917	5,917	180	5,737
Adult/young adult C.D.	15,776	15,776	7,539	8,237
Juvenile C.D.	1,972	1,972	24	1,948
Non book materials	0	0	9,580	(9,580)
Adult programs (net receipts of \$32,903)	32,970	32,970	37,989	(5,019)
Juvenile programs (net receipts of \$6,454)	32,970	32,970	29,798	3,172
Young adult programs	19,114	19,114	4,836	14,278
Music program fees	13,628	13,628	6,650	6,978
Total Library Materials and Programs	<u>\$ 392,835</u>	<u>\$ 392,835</u>	<u>\$ 304,619</u>	<u>\$ 88,216</u>

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

**BAYPORT-BLUE POINT 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)				
Library Operations:				
Office and library supplies	\$ 20,000	\$ 20,000	\$ 20,169	\$ (169)
Publicity and printing	29,000	29,000	28,044	956
Postage and shipping	12,500	12,500	9,415	3,085
Telephone	7,500	7,500	7,359	141
P.A.L.S. maintenance fee	17,500	17,500	16,646	854
SCLS basic service fee and automation	0	0	33,273	(33,273)
Rental and maintenance of equipment	12,000	12,000	28,733	(16,733)
Professional fees - legal	4,500	4,500	8,596	(4,096)
Professional fees - accounting and auditing	15,000	15,000	17,655	(2,655)
Other professional fees, dues, etc.	18,000	18,000	64,016	(46,016)
Miscellaneous	0	0	4,847	(4,847)
Total Library Operations	<u>136,000</u>	<u>136,000</u>	<u>238,753</u>	<u>(102,753)</u>
Building Operations:				
Maintenance and repairs to building and building equipment	91,000	91,000	77,404	13,596
Utilities	40,000	40,000	43,966	(3,966)
Insurance	23,400	23,400	23,202	198
Custodial supplies and service	8,000	8,000	6,609	1,391
Total Building Operations	<u>162,400</u>	<u>162,400</u>	<u>151,181</u>	<u>11,219</u>
Capital Outlay:				
Furniture and equipment	18,500	18,500	34,422	(15,922)
Debt Service:				
Principal - bond anticipation note	200,000	200,000	200,000	0
Interest - bond anticipation note	100,917	100,917	100,917	0
Total Debt Service	<u>300,917</u>	<u>300,917</u>	<u>300,917</u>	<u>0</u>
Total Expenditures	<u>2,779,726</u>	<u>2,779,726</u>	<u>2,755,764</u>	<u>23,962</u>
Excess Of Revenues Over Expenditures	0	0	301	301
Budgetary fund balance - beginning of year	<u>1,601,269</u>	<u>1,601,269</u>	<u>1,601,269</u>	<u>1,601,269</u>
Budgetary Fund Balance - End Of Year	<u>\$ 1,601,269</u>	<u>\$ 1,601,269</u>	<u>\$ 1,601,570</u>	<u>\$ 1,601,570</u>

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

**BAYPORT-BLUE POINT 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)	0.003673%	0.003434%	0.003427%	0.003498%	0.003772%	0.003738%
Library's proportionate share of the net pension liability (asset)	\$ 972,670	\$ 243,335	\$ 110,596	\$ 328,681	\$ 605,418	\$ 126,271
Library's covered-employee payroll	\$ 899,217	\$ 837,839	\$ 821,960	\$ 854,179	\$ 865,224	\$ 858,672
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	108.1686%	29.0432%	13.4552%	38.4792%	69.9724%	14.7054%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	97.40%	90.70%	97.95%

** 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.

**BAYPORT-BLUE POINT 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	\$ 133,090	\$ 123,882	\$ 124,963	\$ 132,079	\$ 161,182	\$ 168,437
Contributions in relation to the contractually required contribution	<u>133,090</u>	<u>123,882</u>	<u>124,963</u>	<u>132,079</u>	<u>161,182</u>	<u>168,437</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	\$ 899,217	\$ 837,839	\$ 821,960	\$ 854,179	\$ 865,224	\$ 858,672
Contributions as a percentage of covered-employee payroll	14.80%	14.79%	15.20%	15.46%	18.63%	19.62%

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

BAYPORT-BLUE POINT 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	\$ 104,166	\$ 103,561	\$ 109,492
Interest	89,835	109,791	101,821
Changes of benefit terms	0	0	0
Differences between expected and actual experience	(596,854)	0	0
Changes in assumptions or other inputs	546,870	176,509	(131,643)
Benefit payments	<u>(63,835)</u>	<u>(85,227)</u>	<u>(76,783)</u>
Net Change in total OPEB liability	80,182	304,634	2,887
Total OPEB liability- beginning	<u>3,080,244</u>	<u>2,775,610</u>	<u>2,772,723</u>
Total OPEB liability- ending	<u>\$ 3,160,426</u>	<u>\$ 3,080,244</u>	<u>\$ 2,775,610</u>
Covered-employee payroll	\$ 790,009	\$ 713,978	\$ 684,874
Total OPEB liability as a % of covered-employee payroll	400.05%	431.42%	405.27%

Notes to schedule:

Assumption changes:

Discount rate	2.21%	3.50%	3.87%
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%

Plan changes:	None	None	None
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The accompanying notes are an integral part of the financial statements.