

# **TOMPKINS COUNTY PUBLIC LIBRARY**

**Ithaca, New York**

## **FINANCIAL REPORT**

**For the Years Ended  
December 31, 2020 and 2019**



# TOMPKINS COUNTY PUBLIC LIBRARY

## TABLE OF CONTENTS

Independent Auditors' Report .....	1-2
Required Supplementary Information	
Management's Discussion and Analysis .....	3-3h
Basic Financial Statements	
Statements of Net Position .....	4
Statements of Activities .....	5-6
Balance Sheet - Governmental Funds .....	7
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position .....	8
Statements of Financial Position - Tompkins County Public Library Foundation, Inc. (Discretely Presented Component Unit) .....	9
Statements of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds .....	10
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statements of Activities .....	11
Statements of Activities - Tompkins County Public Library Foundation, Inc. (Discretely Presented Component Unit) .....	12-12a
Notes to Financial Statements .....	13-35
<hr/>	
Required Supplementary Information:	
Budgetary Comparison Schedules for the General Fund .....	36-36a
Schedule of Library's Contributions - NYSLRS Pension Plan .....	37-37a
Schedule of the Library's Proportionate Share of the Net Pension Liability - NYSLRS Pension Plan .....	38-38a
Schedule of Changes in the Library's Total OPEB Liability and Related Ratios .....	39-39a
Notes to Required Supplementary Information .....	40-41
Report Required Under <i>Government Auditing Standards</i>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	42-43



## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Tompkins County Public Library  
Ithaca, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit of the Tompkins County Public Library (the Library), a component unit of the County of Tompkins, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Tompkins County Public Library Foundation, Inc. (the Foundation), which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Library'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 Library'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.

INSERO & Co. CPAs, LLP

The Highest Standard | (800) 232-9547 | [www.inserocpa.com](http://www.inserocpa.com)

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate discretely presented component unit of the Tompkins County Public Library, as of December 31, 2020 and 2019, and the respective changes in financial position, for the years 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, the budgetary comparison information, Schedules of Library's Contributions - NYSLRS Pension Plan, Schedules of Library's Proportionate Share of Net Pension Liability, Schedule of Changes in the Library's Total OPEB Liability and Related Ratios, and notes to required supplementary information on pages 3-3h, and 36-41 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2021, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
June 2, 2021

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020, 2019, AND 2018**

The following is a discussion and analysis of Tompkins County Public Library's (the Library) financial performance for the years ended December 31, 2020, 2019, and 2018. This section is a summary of the Library's financial activities based on currently known facts, decisions, or conditions. It is also based on both the Government-wide and Fund-based Financial Statements. The results of the current year are discussed in comparison with the two prior years, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the Library's financial statements, which immediately follow this section.

### **COMPONENT UNIT**

The Library follows Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organization are Component Units" and Statement No. 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14, No. 34," and GASB Statement No. 85, "Omnibus 2017," which provide guidance to determine whether certain organizations for which the Library is not financially accountable should be reported as component units based on the significance of their relationship with the Library. The decision to include potential component units in the Library's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on these criteria, the Library includes one separate legal entity in its report: the Tompkins County Public Library Foundation, Inc. Although legally separate, this organization is reported as a discretely presented component unit. If you need information about the separately issued financial statements, contact the Tompkins County Public Library Foundation, Inc. in Ithaca, New York.

### **FINANCIAL HIGHLIGHTS**

- For the year ended December 31, 2020, government-wide expenses exceeded revenues by \$696,209, compared to expenses exceeding revenues by \$289,707 at December 31, 2019.
- Net position (deficit) for the year ended December 31, 2020 was \$3,487,393, reflecting a decrease from a net position (deficit) of \$2,791,184 at December 31, 2019. The Library's net position (deficit) for the year ended December 31, 2019 increased by \$289,707, from \$2,501,477 at December 31, 2018, to \$2,791,184.
- Capital Assets decreased by \$176,285 based on \$278,297 in capital additions being more than offset by depreciation expense of \$454,582.
- Total fund balance of \$896,272 in the General Fund showed an increase of \$162,226 in 2020, from \$734,046 in 2019. Of the \$896,272 fund balance, \$73,893 is in the form of nonspendable resources, representing prepaid expenses, \$213,905 is assigned for next year's budget, leaving a net unassigned fund balance of \$608,474, or approximately 14.8%, of appropriations budgeted for 2021.

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020, 2019, AND 2018**

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of two parts: MD&A (this section), the basic financial statements, and supplementary information. The basic financial statements present different views of the Library.

- The Statement of Net Position and Statement of Activities columns shown in the financial statements provide both short-term and long-term information about the Library's overall financial status.
- The Governmental Fund type columns are fund financial statements with a short-term or current focus. They do not contain balances of capital assets or long-term liabilities and report only transactions involving these long-term assets and liabilities that occurred during the reporting period.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data, as well as budgetary comparison information for the General Fund.

### **Statement of Net Position and Statement of Activities**

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

These statements in the basic financial statements report the Library's net position and how it has changed. Net position (the difference between the Library's assets, deferred outflows of resources, liabilities, and deferred inflows of resources) is one way to measure the Library's financial health or position. Over time, increases or decreases in the Library's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

### **Governmental Funds**

The Governmental Funds are accounting devices the Library uses to keep track of specific sources of funding and spending. The Library's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year end that are available for spending. Consequently, the Governmental Fund columns provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Because this information does not encompass the additional long-term focus of the Statement of Net Position and Statement of Activities, additional information in the notes to the financial statements explains the relationship (or differences) between them.

Component Units: The Library includes a separate legal entity in its report: Tompkins County Public Library Foundation, Inc. (the Foundation), which is reported discretely. Although legally separate, this component units is important because the Foundation raises funds to support the Library. Complete financial statements for Tompkins County Public Library Foundation, Inc. can be obtained from its administrative office. See Note 1 to the basic financial statements.

# **TOMPKINS COUNTY PUBLIC LIBRARY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020, 2019, AND 2018**

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

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the Library's Governmental Activities.

*Figure 1*

<b>Condensed Statement of Net Position</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>Current Assets</i>	\$ 908,834	\$ 904,065	\$ 1,010,399
<i>Capital Assets, Net</i>	1,937,672	1,913,006	1,736,721
<b>Total Assets</b>	<b>2,846,506</b>	<b>2,817,071</b>	<b>2,747,120</b>
<i>Pensions</i>	798,036	437,949	1,364,659
<i>OPEB</i>	73,363	88,871	801,074
<b>Total Deferred Outflows of Resources</b>	<b>871,399</b>	<b>526,820</b>	<b>2,165,733</b>
<i>Current Liabilities</i>	168,261	170,019	114,127
<i>Noncurrent Liabilities</i>	4,809,195	4,827,499	7,436,968
<b>Total Liabilities</b>	<b>4,977,456</b>	<b>4,997,518</b>	<b>7,551,095</b>
<i>Pensions</i>	761,009	201,522	73,536
<i>OPEB</i>	480,917	936,035	775,615
<b>Total Deferred Inflows of Resources</b>	<b>1,241,926</b>	<b>1,137,557</b>	<b>849,151</b>
<i>Net Investment in Capital Assets</i>	1,937,672	1,913,006	1,736,721
<i>Unrestricted (Deficit)</i>	(4,439,149)	(4,704,190)	(5,224,114)
<b>Total Net Position (Deficit)</b>	<b>\$ (2,501,477)</b>	<b>\$ (2,791,184)</b>	<b>\$ (3,487,393)</b>

Total assets decreased by 2.5% due to a decrease in net capital assets caused by depreciation expenses exceeding capital outlay. The fluctuations in deferred outflows and deferred inflows of resources related to changes in actuarial assumptions for both of the Library's pension and OPEB plan. Total liabilities increased by 51.1% primarily due to fluctuations in pension and other postemployment benefits liabilities related to GASB Statements No. 68 and No. 75. The net effect of the Library's activities resulted in changes in net position of \$696,209 and \$289,707 at December 31, 2020 and 2019, respectively. These changes were primarily the result of excess expenses over revenue in both 2020 and 2019.

# **TOMPKINS COUNTY PUBLIC LIBRARY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020, 2019, AND 2018**

Our analysis in *Figure 2* considers the operations of the Library's activities.

*Figure 2*

<b>Changes in Net Position</b>	<b>Governmental Activities and Total Library</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenue</b>			
<i>State Sources</i>	\$ 59,766	\$ 29,782	\$ 23,212
<i>Federal Sources</i>	-	-	461,000
<i>Tompkins County</i>	3,559,359	3,618,751	3,234,110
<i>City of Ithaca</i>	16,223	19,947	22,077
<i>Town of Ithaca</i>	10,000	12,000	15,000
<i>CLD Grant</i>	99,272	99,322	77,410
<i>Friends of the Library</i>	300,000	305,000	237,433
<i>Library Foundation</i>	125,904	285,322	189,470
<i>Library Charges</i>	61,144	26,502	8,084
<i>Other Revenue</i>	21,573	20,211	14,507
<b>Total Revenues</b>	<b>\$ 4,253,241</b>	<b>\$ 4,416,837</b>	<b>\$ 4,282,303</b>
<b>Expenses</b>			
<i>Personnel Services</i>	\$ 3,353,900	\$ 3,640,156	\$ 4,089,320
<i>Insurance, Repairs, and Maintenance</i>	78,467	79,278	68,144
<i>Supplies and Materials, Periodicals, and Equipment</i>	64,525	50,190	37,860
<i>Telephone, Postage, and Printing</i>	73,137	72,816	45,399
<i>Finger Lakes Library System Services</i>	67,100	68,400	68,400
<i>Professional Dues and Fees</i>	287,003	297,300	207,797
<i>Depreciation</i>	398,067	469,319	454,582
<i>Other Expenses</i>	27,493	29,085	7,010
<b>Total Expenses</b>	<b>\$ 4,349,692</b>	<b>\$ 4,706,544</b>	<b>\$ 4,978,512</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (96,451)</b>	<b>\$ (289,707)</b>	<b>\$ (696,209)</b>

Total revenues for the Library's Governmental Activities decreased in 2020 by \$134,534, or 3.1%. Federal funds during the year came in the form of a Paycheck Protection Program Loan that was forgiven before year-end. Revenues from Tompkins County, Friends of the Library, and the Library Foundation all decreased due to less funding as a result of the COVID-19 pandemic.

Total expenses for the Library's Governmental Activities increased by \$271,968, or 5.8%. This increase is due to the net effect of both OPEB and pension adjustments within employee benefits.

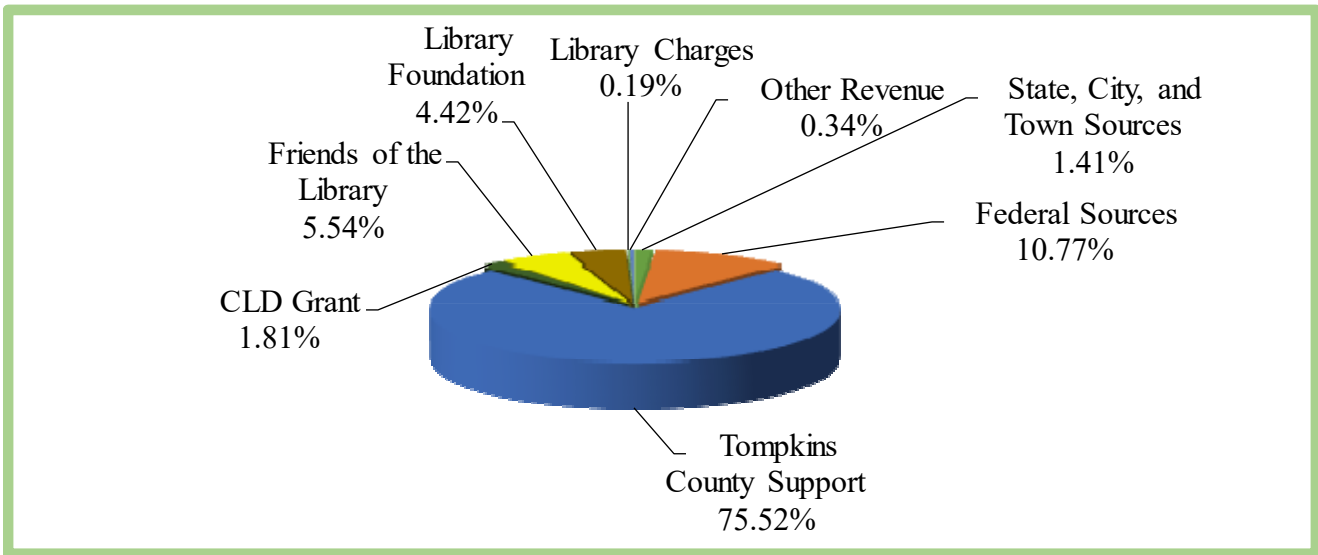


# TOMPKINS COUNTY PUBLIC LIBRARY

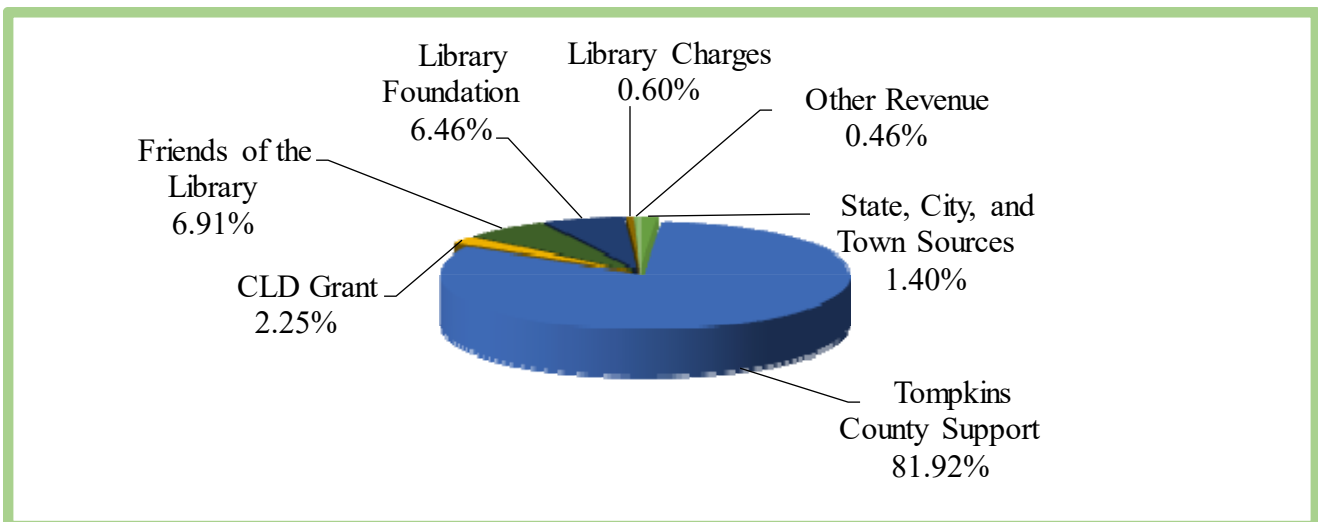
## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020, 2019, AND 2018

Figures 3, 4, and 5 present sources of revenue for years ended December 31, 2020, 2019, and 2018.

**Figure 3**  
**Sources of Revenue for 2020**



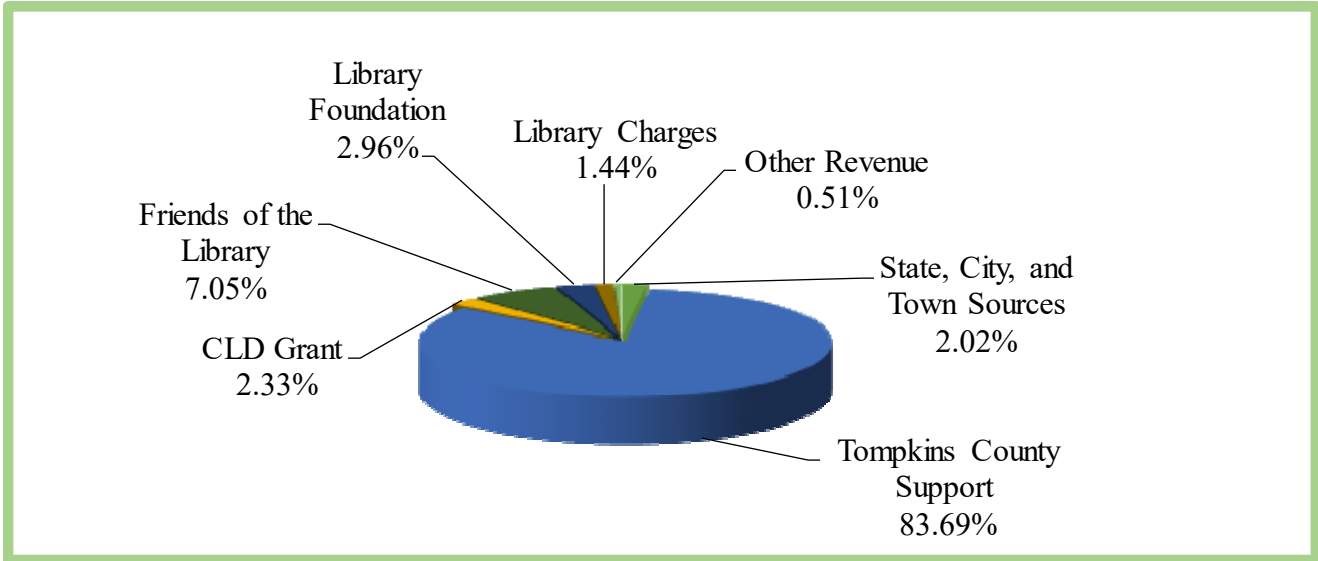
**Figure 4**  
**Sources of Revenue for 2019**



# TOMPKINS COUNTY PUBLIC LIBRARY

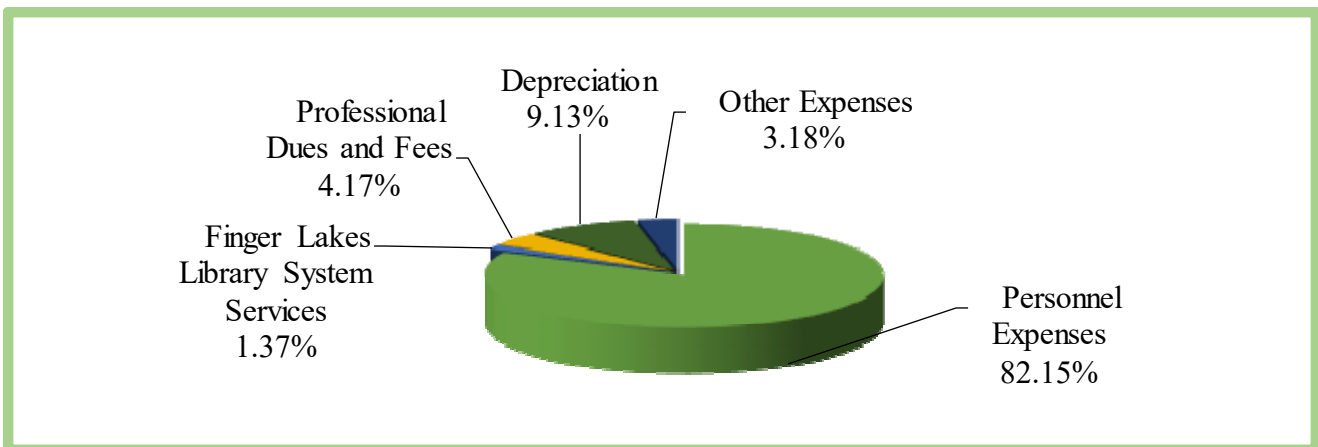
## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020, 2019, AND 2018

*Figure 5*  
*Sources of Revenue for 2018*



Figures 6, 7, and 8 present the expenses of the Library for the years ended December 31, 2020, 2019, and 2018.

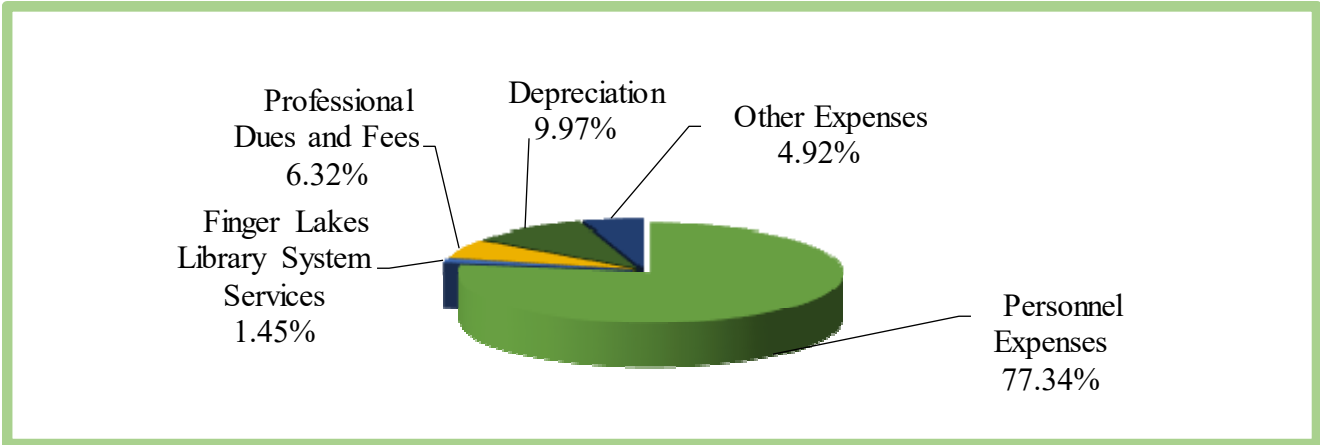
*Figure 6*  
*Expenses 2020*



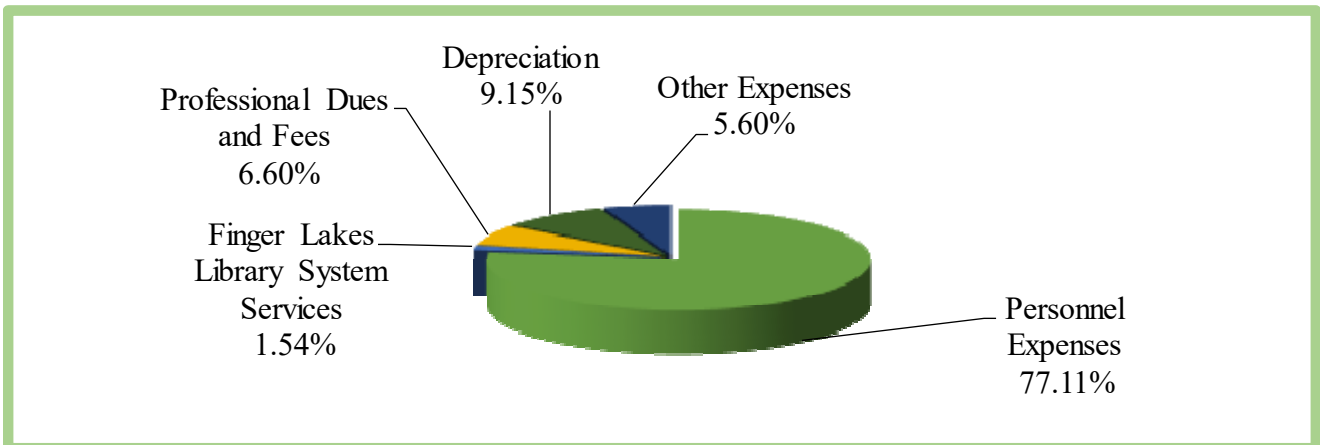
# TOMPKINS COUNTY PUBLIC LIBRARY

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020, 2019, AND 2018

*Figure 7  
Expenses 2019*



*Figure 8  
Expenses 2018*



# **TOMPKINS COUNTY PUBLIC LIBRARY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020, 2019, AND 2018**

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

As the Library completed the year ended December 31, 2020, the General Fund reported a combined fund balance of \$896,272. *Figure 9* shows the components of General Fund balance.

**Figure 9  
Governmental Funds  
Fund Balances for the Years Ended December 31,**

<b>General Fund Balance</b>	<b>Governmental Activities and Total Library</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>Nonspendable</i>	\$ 69,303	\$ 66,581	\$ 73,893
<i>Assigned</i>	90,309	156,432	213,905
<i>Unassigned</i>	580,961	511,033	608,474
<b>Total General Fund Balance</b>	<b>\$ 740,573</b>	<b>\$ 734,046</b>	<b>\$ 896,272</b>

Unassigned fund balance was 14.8% of the operating expenditures budgeted for 2021. In 2020, this is within the range of 5-15% the Government Finance Officer's Association recommends for general-purpose governments, which management believes is appropriate for the Library as well.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Board of Trustees and management of the Library may revise the Library budget for transfers between categories. The original budget was increased by \$91,245 during 2020, primarily in order to purchase additional equipment.

The resources available for appropriation in the General Fund were \$3,625 more than budgeted. Expenditures and Other Financing Sources and (Uses) were \$297,515 favorable when compared to budget.

### **CAPITAL ASSET ADMINISTRATION**

#### **Capital Assets**

At December 31, 2020, the Library had invested in a broad range of capital assets totaling \$9,177,432, which is offset by accumulated depreciation of \$7,440,711. At December 31, 2019, total capital assets were \$9,083,279; offset by accumulated depreciation of \$7,170,723. *Figure 10* shows the changes in the Library's capital assets.

**Figure 10**

<b>Changes in Net Capital Assets, Net</b>	<b>Governmental Activities and Total Library</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>Equipment</i>	\$ 489,754	\$ 487,694	\$ 421,455
<i>Collection</i>	724,651	738,208	664,325
<i>Leasehold Improvements</i>	723,267	687,104	650,941
<b>Total Capital Assets, Net</b>	<b>\$ 1,937,672</b>	<b>\$ 1,913,006</b>	<b>\$ 1,736,721</b>

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020, 2019, AND 2018**

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

- While the Covid-19 pandemic continues to have the most significant impact on Library funding and operations for the foreseeable future, the Library remains cautiously optimistic in its reopening plans. Flexibility and adaptability in staffing, budgeting, and operations have proven to be invaluable during this unprecedented time of constantly shifting conditions. Balancing the need to maintain a safe operating environment for both staff and patrons, while still providing invaluable community services, has proven to be challenging; necessitating the need for the Library to constantly reassess and modify core and emerging community needs and services.
- The Library experienced major reductions of ongoing local revenue sources in the third and fourth quarter of 2020 and a major reduction of 12% in 2021 in its Tompkins County fiscal target. Recognizing the reduction in private funding, the majority of which supports the collection, Tompkins County provided additional one-time funding of \$50,000 in 2021.
- The Library applied for and has received two Paycheck Protection Program (PPP) loans. The first loan has been forgiven and the Library will apply for forgiveness for the second in the fall of 2021. This one time funding allowed the Library to offer early retirement to all employees aged 55 and over in 2020, avoiding costly and morale-draining layoffs. The Library intends to work closely with Tompkins County as the 2022 budget cycle evolves, to use the remaining PPP funds to meet current budget challenges and restore services to the community.
- The Library is in the midst of a search for a new Director. The Library Board of Trustees authorized the formation of a search committee at year end 2020. A former Director has been appointed as Interim Director, allowing Library services to the public to continue seamlessly, while the search and selection process continues. Trustees are fully committed and involved in this process with no new major initiatives or structural changes anticipated during the transition.
- There is substantial uncertainty with regards to planning for longer-term financial recovery. Staff reductions, core operational changes, budget reductions, and collection prioritization and programming operational shifts will require an in-depth budgetary review and collaboration between Tompkins County, private funding organizations, local government support, and library stakeholders.

### **CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Library's citizens, customers, investors, and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Business Office, Tompkins County Public Library, at 101 East Green Street, Ithaca, NY 14850.

# TOMPKINS COUNTY PUBLIC LIBRARY

## STATEMENTS OF NET POSITION AS OF DECEMBER 31,

	2020	2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 926,184	\$ 797,524
Accounts Receivable	10,322	39,960
Prepaid Expenses	73,893	66,581
<b>Total Current Assets</b>	<b>1,010,399</b>	<b>904,065</b>
<b>Noncurrent Assets</b>		
Capital Assets, Net of Accumulated Depreciation of \$7,440,711 in 2020 and \$7,170,273 in 2019	1,736,721	1,913,006
<b>Total Noncurrent Assets</b>	<b>1,736,721</b>	<b>1,913,006</b>
<b>Total Assets</b>	<b>2,747,120</b>	<b>2,817,071</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pensions	1,364,659	437,949
OPEB	801,074	88,871
<b>Total Deferred Outflows of Resources</b>	<b>2,165,733</b>	<b>526,820</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	75,509	61,511
Accrued Liabilities	38,618	108,508
<b>Total Current Liabilities</b>	<b>114,127</b>	<b>170,019</b>
<b>Noncurrent Liabilities</b>		
Compensated Absences	189,385	126,634
Net Pension Liability - Proportionate Share	1,918,564	501,453
Other Postemployment Benefits Liability	5,329,019	4,199,412
<b>Total Noncurrent Liabilities</b>	<b>7,436,968</b>	<b>4,827,499</b>
<b>Total Liabilities</b>	<b>7,551,095</b>	<b>4,997,518</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pensions	73,536	201,522
OPEB	775,615	936,035
<b>Total Deferred Inflows of Resources</b>	<b>849,151</b>	<b>1,137,557</b>
<b>Net Position</b>		
Net Investment in Capital Assets	1,736,721	1,913,006
Unrestricted	(5,224,114)	(4,704,190)
<b>Total Net (Deficit)</b>	<b>\$ (3,487,393)</b>	<b>\$ (2,791,184)</b>

*See Notes to Basic Financial Statements*

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>	
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants</b>	<b>Capital Grants</b>	<b>Revenue and Changes in Net Position</b>
Culture and Recreation	\$ 4,978,512	\$ 8,084	\$ 541,390	\$ 23,212	\$ (4,405,826)
<b>Total Functions and Programs</b>	<b>\$ 4,978,512</b>	<b>\$ 8,084</b>	<b>\$ 541,390</b>	<b>\$ 23,212</b>	(4,405,826)
<b>GENERAL REVENUES</b>					
County Appropriation					3,234,110
Use of Money and Property					2,402
Federal Sources					461,000
Gifts and Donations					2,400
Miscellaneous					9,705
<b>Total General Revenues</b>					<b>3,709,617</b>
Change in Net Position					(696,209)
Total Net Position (Deficit) - Beginning of Year					(2,791,184)
<b>Total Net Position (Deficit) - End of Year</b>					<b>\$ (3,487,393)</b>

*See Notes to Basic Financial Statements*

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Revenues			<b>Net (Expense) Revenue and Changes in Net Position</b>	
<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants</b>	<b>Capital Grants</b>	<b>Revenue and Changes in Net Position</b>
Culture and Recreation	\$ 4,706,544	\$ 26,502	\$ 721,591	\$ 29,782	\$ (3,928,669)
<b>Total Functions and Programs</b>	<b>\$ 4,706,544</b>	<b>\$ 26,502</b>	<b>\$ 721,591</b>	<b>\$ 29,782</b>	<b>(3,928,669)</b>
 <b>GENERAL REVENUES</b>					
County Appropriation					3,618,751
Use of Money and Property					4,989
Gifts and Donations					2,400
Miscellaneous					12,822
<b>Total General Revenues</b>					<b>3,638,962</b>
Change in Net Position					(289,707)
Total Net Position (Deficit) - Beginning of Year					(2,501,477)
<b>Total Net Position (Deficit) - End of Year</b>					<b>\$ (2,791,184)</b>

*See Notes to Basic Financial Statements*



# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **BALANCE SHEET - GOVERNMENTAL FUNDS AS OF DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
	<u>General</u>	<u>General</u>
	<u>Fund</u>	<u>Fund</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 926,184	\$ 797,524
Accounts Receivable	10,322	39,960
Prepaid Expenses	<u>73,893</u>	<u>66,581</u>
<b>Total Assets</b>	<b><u>\$ 1,010,399</u></b>	<b><u>\$ 904,065</u></b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 75,509	\$ 61,511
Accrued Liabilities	<u>38,618</u>	<u>108,508</u>
<b>Total Liabilities</b>	<b><u>114,127</u></b>	<b><u>170,019</u></b>
<b>FUND BALANCES</b>		
Nonspendable	73,893	66,581
Assigned	213,905	156,432
Unassigned	<u>608,474</u>	<u>511,033</u>
<b>Total Fund Balances</b>	<b><u>896,272</u></b>	<b><u>734,046</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 1,010,399</u></b>	<b><u>\$ 904,065</u></b>

*See Notes to Basic Financial Statements*

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2020**

**Fund Balances - Total Governmental Funds** **\$ 896,272**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities, are not financial resources and, therefore, are not reported in the funds.

Total Historical Cost	\$ 9,177,432	
Less Accumulated Depreciation	<u>(7,440,711)</u>	1,736,721

The Library's proportionate share of the collective net pension liability is not reported in the funds.

ERS Net Pension Liability - Proportionate Share	<u>\$ (1,918,564)</u>	(1,918,564)
---	-----------------------	-------------

Deferred outflows of resources represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including other postemployment benefits and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred Outflows of Resources - Pension	\$ 1,364,659	
Deferred Inflows of Resources - Pension	(73,536)	
Deferred Outflows of Resources - OPEB	801,074	
Deferred Inflows of Resources - OPEB	<u>(775,615)</u>	1,316,582

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Compensated Absences	\$ (189,385)	
Other Postemployment Benefits Liability	<u>(5,329,019)</u>	<u>(5,518,404)</u>

**Net (Deficit) of Governmental Activities** **\$ (3,487,393)**

*See Notes to Basic Financial Statements*

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC. (DISCRETELY PRESENTED COMPONENT UNIT)**

### **STATEMENTS OF FINANCIAL POSITION DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 685,828	\$ 857,412
Employee Advance	9	
Unconditional Promises to Give, Current Portion Net of Allowance for Unfulfilled Pledges of \$2,000 and \$2,000, Respectively	73,402	101,950
Prepaid Expenses		4,813
<b>Total Current Assets</b>	<u>759,239</u>	<u>964,175</u>
Restricted Cash and Cash Equivalents	28,731	135,478
Fixed Assets, Net of Accumulated Depreciation	5,346	6,741
Long-Term Investments	2,580,039	2,067,853
Long-Term Unconditional Promises to Give, Net of Discount	40,000	60,000
<b>Total Assets</b>	<u><u>\$ 3,413,355</u></u>	<u><u>\$ 3,234,247</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Due to Tompkins County Public Library	\$ 6,990	\$ 39,636
Accounts Payable and Accrued Liabilities	15,842	13,315
Paycheck Protection Program Loan, Current Portion	35,858	
<b>Total Current Liabilities</b>	<u>58,690</u>	<u>52,951</u>
Paycheck Protection Program Loan, Long-Term Portion	4,042	
<b>Total Liabilities</b>	<u>62,732</u>	<u>52,951</u>
<b>Net Assets</b>		
Without Donor Restrictions	2,126,447	2,026,383
With Donor Restrictions	1,224,176	1,154,913
<b>Total Net Assets</b>	<u>3,350,623</u>	<u>3,181,296</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 3,413,355</u></u>	<u><u>\$ 3,234,247</u></u>

*See Notes to Basic Financial Statements*

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEARS ENDED DECEMBER 31,**

	<b>2020</b>	<b>2019</b>
	<b>General Fund</b>	<b>General Fund</b>
<b>Revenue</b>		
State Sources	\$ 23,212	\$ 29,782
Federal Sources	461,000	-
Tompkins County	3,234,110	3,618,751
City of Ithaca	22,077	19,947
Town of Ithaca	15,000	12,000
Central Development Library Grant	77,410	99,322
Friends of TCPL	237,433	305,000
TCPL Foundation	189,470	285,322
Library Charges	8,084	26,502
Use of Money and Property	2,402	4,989
Other Revenue	9,705	12,822
<b>Total Revenue</b>	<b>4,279,903</b>	<b>4,414,437</b>
<b>Expenditures</b>		
Salaries	2,176,771	2,137,169
Fringe Benefits	505,155	485,609
Health Insurance	725,244	758,864
Books	92,204	167,692
Periodicals	2,716	8,403
AV/CD ROM Materials	142,539	151,177
Insurance	18,303	17,770
Repairs and Maintenance	49,841	61,508
Supplies and Materials	35,145	41,787
Telephone	21,148	20,890
Postage	1,721	1,558
Finger Lakes Library System Services	68,400	68,400
Professional Fees	205,152	293,086
Membership Dues	2,645	4,214
Equipment	41,153	123,384
Staff Development	3,875	18,335
Publicity and Printing	22,530	50,368
Miscellaneous	3,135	10,750
<b>Total Expenditures/Expenses</b>	<b>4,117,677</b>	<b>4,420,964</b>
Excess of Revenue (Expenditures/Expenses)	162,226	(6,527)
Fund Balance, Beginning of Year	734,046	740,573
<b>Fund Balance, End of Year</b>	<b>\$ 896,272</b>	<b>\$ 734,046</b>

*See Notes to Basic Financial Statements*

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 162,226**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	\$ 278,297	
Depreciation Expense	<u>(454,582)</u>	(176,285)

Changes in the Library's proportionate share of net pension obligations have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the Library's deferred outflows and deferred inflows of resources related to pensions do not effect current financial resources and are, also, not reported in the Governmental Funds.

ERS	<u>\$ (362,415)</u>	(362,415)
-----	---------------------	-----------

Long-term liabilities, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term liabilities are not reflected in the Governmental Funds.

Long-Term Compensated Absences	\$ (62,751)	
Other Postemployment Benefits Liability, net	<u>(256,984)</u>	<u>(319,735)</u>

**Net Change in Net Position of Governmental Activities** **\$ (696,209)**

*See Notes to Basic Financial Statements*

***TOMPKINS COUNTY PUBLIC LIBRARY***  
**TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC.**  
**(DISCRETELY PRESENTED COMPONENT UNIT)**

**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31,**

	<b>2020</b>		
	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUES</b>			
<b>Support</b>			
Contributions	\$ 223,190	\$ 50,539	\$ 273,729
<b>Revenues</b>			
Interest Income	2,737		2,737
Dividend Income, Net	5,514	4,621	10,135
Gain on Sale of Investments	74,186	33,456	107,642
Unrealized Gain (Loss) on Investments	129,840	80,719	210,559
Marketing Income	8,500		8,500
Net Assets Released from Restrictions	100,072	(100,072)	-
<b>Total Support and Revenues</b>	<b>544,039</b>	<b>69,263</b>	<b>613,302</b>
<b>EXPENSES</b>			
Program Services	221,526		221,526
Management and General	121,392		121,392
Fundraising	101,057		101,057
<b>Total Expenses</b>	<b>443,975</b>	<b>-</b>	<b>443,975</b>
Change in Net Assets	100,064	69,263	169,327
Net Assets, January 1,	2,026,383	1,154,913	3,181,296
<b>Net Assets, December 31,</b>	<b>\$ 2,126,447</b>	<b>\$ 1,224,176</b>	<b>\$ 3,350,623</b>

*See Notes to Basic Financial Statements*

**2019**

<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
\$ 210,488	\$ 146,380	\$ 356,868
3,877		3,877
15,875	11,776	27,651
23,574	14,522	38,096
163,672	103,037	266,709
25,000		25,000
<u>113,350</u>	<u>(113,350)</u>	<u>-</u>
<u>555,836</u>	<u>162,365</u>	<u>718,201</u>
319,219		319,219
111,581		111,581
<u>106,648</u>		<u>106,648</u>
<u>537,448</u>	<u>-</u>	<u>537,448</u>
18,388	162,365	180,753
<u>2,007,995</u>	<u>992,548</u>	<u>3,000,543</u>
<u>\$ 2,026,383</u>	<u>\$ 1,154,913</u>	<u>\$ 3,181,296</u>

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### ***Note 1* Summary of Significant Accounting Policies**

The basic financial statements of Tompkins County Public Library (the Library) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Library's accounting policies are described below.

#### **Reporting Entity**

The Library is a component unit of Tompkins County (the County). The Library was established in 1968 by the County Board of Supervisors and granted a charter by the State Board of Regents as provided in Article 5 of the Education Law. The County Legislature appoints trustees, raises taxes for Library purposes, has title to real property used by the Library, and issues all Library indebtedness, which is supported by the full faith and credit of the County.

The Library was established to provide public access to various published mediums including books, periodicals, reference materials, and various audiovisual materials. The Library is a member of the Finger Lakes Library System, which provides a cooperative network of libraries through which library resources may be acquired and exchanged. The Library is chartered to serve the County and, as a Central Library, is partially funded by New York State to extend services to residents of Cayuga, Seneca, Cortland, and Tioga Counties.

#### **Discretely Presented Component Units**

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended:

- The primary government, which is the Library;
- Organization for which the primary government is financially accountable; and
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

The decision to include a potential component unit in the reporting entity is based on the criteria set forth in GASB Statement No. 14, as amended. Based on the applications of these criteria, the following is included as a discretely presented component unit:



# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Discretely Presented Component Units - Continued**

- **The Tompkins County Library Foundation, Inc.** (the Foundation) is a nonprofit corporation established for the benefit of the Library. Its separately issued financial statements may be obtained from the Foundation in Ithaca, New York. 3 of the 9 to 15 directors of the Board of Directors are nominated by the Library Board. The Foundation solicits, accepts, holds, invests, reinvests, and administers any gifts, grants, bequests, contributions, devices, benefits or trusts, endowments, and property of any kind without limitation of amount or value. Approximately three-quarters of the Foundation's assets are currently invested in endowment funds. The Foundation makes payments to the Library as pledges and other revenue are collected and after operating expenses of the Foundation are paid. The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

#### **Other Related Organizations**

The Friends of the Tompkins County Public Library, Inc. is a nonprofit organization whose purpose is to raise funds in support of libraries in the Tompkins County area.

#### **Basis of Presentation - Fund Accounting**

The Library's basic financial statements include Governmental Funds prepared on the modified accrual basis of accounting (Balance Sheets and Statements of Revenues, Expenditures, and Changes in Fund Balance), and Governmental Activities prepared on the accrual basis of accounting (Statement of Net Position and Statement of Activities).

The Statement of Net Position and the Statement of Activities present summaries of activities for the Library. The focus of these statements is more on the sustainability of the Library as an entity and changes in the Library's net position from the current year's activities.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

The Library records transactions in the fund types described below.

#### **Fund Categories**

Governmental Fund Types are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities, are accounted for through the Governmental Fund. The measurement focus of the Governmental Fund is based upon determination of financial position and changes in financial position. The following is the Library's Governmental Fund Type:

- General Fund - Principal operating fund, which includes all operations not required to be recorded in other funds.

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Basis of Accounting/Measurement Focus**

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses.

The Statement of Net Position and the Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions in which the Library gives or receives value without directly receiving or giving equal value in exchange include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Library considers all revenues reported in the Governmental Fund to be available if the revenues are collected within six months after the end of the fiscal year.

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

#### **Equity Classifications - Governmental Fund Balance**

The Library follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement No. 54 defines the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability, for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Balance - Continued**

- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the Library's legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority, which is the Board of Trustees, prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, which is the Board of Trustees, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund.
- Unassigned - Represents the residual classification of the government's General Fund and could report a surplus or deficit.

The Library has not adopted any resolutions to commit fund balance. The Library's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

#### **Equity Classifications - Statement of Net Position**

In the Statements of Net Position, equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets and net of accumulated depreciation, which is reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of "net investment in capital assets" or "restricted."

# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

### Note 1 Summary of Significant Accounting Policies - Continued

#### Vacation and Compensatory Absences

Library employees are granted vacation and earn compensatory absences in varying amounts. Four weeks of vacation time is earned by each full-time, permanent, and provisional employee. Benefits accrue upon commencement of employment. Upon termination, employees are compensated for unused vacation time based on employment agreements.

#### Postemployment Benefits

In addition to providing pension benefits, the Library provides postemployment health insurance coverage to retired employees in accordance with provisions governed by the County. Substantially all Library employees may become eligible for these benefits if they elect to continue coverage. The Library recognized its share of premiums for retirees as health insurance. The Library follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The Library's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with that statement. See Note 6 for additional information.

#### Capital Assets

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful life of the asset.

The Library recognizes equipment purchases or acquisitions as follows:

<u>Category</u>	<u>Minimum Cost</u>	<u>Useful Life</u>
Shelving	\$ 500	10 Years
Library and Office Furniture	1,000	10 Years
Library Equipment-including Telephone, 3M, and Microfilm		
Reader Printers	500	5 Years
Computers-including Servers, Routers, and Laser Printers	700	5 Years
Collection	N/A	5 Years

#### Accessions and Deaccessions

The Library's accessions consist of photographs, paintings, drawings, sculptures, prints, and memorabilia. As permitted by accounting principles generally accepted in the United States of America and in conformity with the practice followed by many museums and libraries, collection items purchased and donated are not capitalized in the accompanying Statements of Net Position.

Gifts of collection items are not recognized as gift revenue in the accompanying Statements of Activities. During 2020 and 2019, there were no proceeds from deaccessions.

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Revenue**

The major source of funding for the Library is appropriations from the county government. The Library also receives contributions from the Foundation and the Friends of Tompkins County Public Library. County appropriations are a significant portion of the Library's support, representing 76% of total revenue (82% in 2019), with contributions from the Foundation and Friends of the Library representing 4% and 6%, respectively (6% and 7%, respectively, in 2019).

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is Library policy to apply restricted funds before unrestricted funds unless otherwise prohibited by legal requirements.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences and useful lives of long-lived assets.

#### **Deferred Outflows and Inflows of Resources**

In addition to assets, the Statements of Net Position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Library reports deferred outflows related to pensions and other postemployment benefits in the Statements of Net Position. The types of deferred outflows related to pensions and other postemployment benefits are described in Note 5 and 6, respectively.

In addition to liabilities, the Statements of Net Position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Library reports deferred inflows related to pensions and other postemployment benefits which are further described in Note 5 and 6, respectively.

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### ***Note 2*** **Cash and Investments**

Library investment policies are governed by state statutes. In addition, the Library follows its own written investment policy. The Library's monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral (security) is required for demand and time deposits, and certificates of deposit, that are not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State, its municipalities, and its school districts, as set forth in the investment policy.

The written investment policy requires repurchase agreements be purchased from banks located within the state and underlying securities be obligations of the federal government. Underlying securities must have a market value of at least the cost of the repurchase agreements.

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less.

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned. While the Library does not have a specific policy for custodial credit risk, New York State statutes govern Library investment policies as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Library's name.

The Library's aggregate bank balances of \$952,114 and \$853,552 for the years ended December 31, 2020 and 2019, respectively, are either insured or collateralized with securities held by the pledging financial institution in the Library's name.

The Foundation reported cash balances of \$714,559 and \$992,800, with uninsured cash balances in investment accounts of \$28,731 and \$135,478 that are reported as restricted cash, as of December 31, 2020 and 2019, respectively.

# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

**Note 2 Cash and Investments - Continued**

The Foundation also reported long-term investments of \$2,580,039 and \$2,067,853 as of December 31, 2020 and 2019, respectively, as follows:

2020			
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds and Securities	\$ 2,109,024	\$ 2,580,039	\$ 471,015
2019			
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds and Securities	\$ 1,807,394	\$ 2,067,853	\$ 260,459

**Fair Value Measurements**

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

- Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.
- Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly, or indirectly.
- Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unconditional promises to give that will be paid in more than one year are measured in the aggregate using present value techniques that consider the promised cash flows.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

**Note 2 Cash and Investments - Continued**

**Fair Value Measurements - Continued**

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020 and 2019:

<b>2020</b>				
<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed Income Funds	\$ 667,559	\$	\$	\$ 667,559
Domestic Equity Mutual Funds	638,407			638,407
Domestic Closed End Equity Mutual Funds	870,233			870,233
International Equity Mutual Funds	403,840			403,840
Unconditional Promises to Give			113,402	113,402
<b>Total</b>	<b>\$ 2,580,039</b>	<b>\$ -</b>	<b>\$ 113,402</b>	<b>\$ 2,693,441</b>
<b>2019</b>				
<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Fixed Income Funds	\$ 639,231	\$	\$	\$ 639,231
Domestic Equity Mutual Funds	219,110			219,110
Domestic Closed End Equity Mutual Funds	873,827			873,827
International Equity Mutual Funds	239,157			239,157
International Closed End Equity Mutual Funds	96,528			96,528
Unconditional Promises to Give			161,950	161,950
<b>Total</b>	<b>\$ 2,067,853</b>	<b>\$ -</b>	<b>\$ 161,950</b>	<b>\$ 2,229,803</b>



# **TOMPKINS COUNTY PUBLIC LIBRARY**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### **Note 3 Capital Assets**

Capital assets consisted of the following at December 31,:

	<b>2020</b>			
	<b>Balance at 12/31/2019</b>	<b>Additions</b>	<b>Retirements &amp; Reclassifications</b>	<b>Balance at 12/31/2020</b>
Historical Cost				
Leasehold Improvements	\$ 723,267	\$	\$	\$ 723,267
Equipment	2,221,890	41,154		2,263,044
Collection	<u>6,138,122</u>	<u>237,143</u>	<u>(184,144)</u>	<u>6,191,121</u>
Total Capital Assets	<u>9,083,279</u>	<u>278,297</u>	<u>(184,144)</u>	<u>9,177,432</u>
Less Accumulated Depreciation:				
Leasehold Improvements	(36,163)	(36,163)		(72,326)
Equipment	(1,734,196)	(107,393)		(1,841,589)
Collection	<u>(5,399,914)</u>	<u>(311,026)</u>	<u>184,144</u>	<u>(5,526,796)</u>
Total Accumulated Depreciation	<u>(7,170,273)</u>	<u>(454,582)</u>	<u>184,144</u>	<u>(7,440,711)</u>
<b>Total Capital Assets, Net</b>	<u><b>\$ 1,913,006</b></u>	<u><b>\$ (176,285)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 1,736,721</b></u>
	<b>2019</b>			
	<b>Balance at 12/31/2018</b>	<b>Additions</b>	<b>Retirements &amp; Reclassifications</b>	<b>Balance at 12/31/2019</b>
Historical Cost				
Leasehold Improvements	\$ 723,267	\$	\$	\$ 723,267
Equipment	2,098,506	123,384		2,221,890
Collection	<u>5,996,756</u>	<u>321,269</u>	<u>(179,903)</u>	<u>6,138,122</u>
Total Capital Assets	<u>8,818,529</u>	<u>444,653</u>	<u>(179,903)</u>	<u>9,083,279</u>
Less Accumulated Depreciation:				
Leasehold Improvements	-	(36,163)		(36,163)
Equipment	(1,608,752)	(125,444)		(1,734,196)
Collection	<u>(5,272,105)</u>	<u>(307,712)</u>	<u>179,903</u>	<u>(5,399,914)</u>
Total Accumulated Depreciation	<u>(6,880,857)</u>	<u>(469,319)</u>	<u>179,903</u>	<u>(7,170,273)</u>
<b>Total Capital Assets, Net</b>	<u><b>\$ 1,937,672</b></u>	<u><b>\$ (24,666)</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 1,913,006</b></u>

Depreciation expense amounted to \$454,582 and \$469,319 for the years ended December 31, 2020 and 2019, respectively.

# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

**Note 4**      **Compensated Absences**

Compensated absences represent the value of the earned and unused portion of the liability for accrued vacation and compensatory time.

The following is a summary of changes in the Library's long-term obligation for compensated absence:

<b>Balance at 12/31/2019</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance at 12/31/2020</b>
<u>\$ 126,634</u>	<u>\$ 62,751</u>	<u>\$ -</u>	<u>\$ 189,385</u>
<b>Balance at 12/31/2018</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance at 12/31/2019</b>
<u>\$ 128,604</u>	<u>\$ -</u>	<u>\$ (1,970)</u>	<u>\$ 126,634</u>

Payment of compensated absences is dependent upon future factors and thus, timing of such payments cannot be determined. Additions and payments are therefore shown net.

**Note 5**      **Pension Obligations - New York State and Local Employees' Retirement System (ERS)**

**Plan Descriptions and Benefits Provided - Employees' Retirement System (ERS)**

The Library participates in the New York State and Local Employees' Retirement System (ERS). 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. 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 Library also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3.0 to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

# **TOMPKINS COUNTY PUBLIC LIBRARY**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

**Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Summary of Significant Accounting Policies**

The System's financial statements from which the System's fiduciary net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual report.

**Contributions**

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required and were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
ERS	\$ 295,572	\$ 277,213	\$ 264,626

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

At December 31, 2020, the Library reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Library's proportionate share of the net pension liability was based on a projection of the Library's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from report provided to the Library by the ERS System.

	<u>2020</u>	<u>2019</u>
Actuarial Valuation Date	04/01/2019	04/01/2018
Net Pension Liability	\$ 26,480,579,097	\$ 7,085,304,242
Library's Proportionate Share of the Plan's Total Net Pension Liability	1,918,564	501,453
Library's Share of the Net Pension Liability	0.007200%	0.007100%

# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

**Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - Continued**

For the year ended December 31, 2020, the Library recognized pension expense of \$650,675 for ERS in the financial statements. At December 31, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020	2019
<b>Deferred Outflows of Resources</b>		
Differences Between Expected and Actual Experience	\$ 112,915	\$ 98,747
Changes in Assumptions	38,631	126,045
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	983,549	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	7,885	13,416
Library's Contributions Subsequent to the Measurement Date	221,679	199,741
<b>Total Deferred Outflows of Resources</b>	<b>\$ 1,364,659</b>	<b>\$ 437,949</b>
<b>Deferred Inflows of Resources</b>		
Differences Between Expected and Actual Experience	\$ -	\$ (33,662)
Changes of Assumptions	(33,357)	
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	(128,701)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	(40,179)	(39,159)
<b>Total Deferred Inflows of Resources</b>	<b>\$ (73,536)</b>	<b>\$ (201,522)</b>

Library contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended December 31, 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 Ended	Amount
2021	\$ 174,487
2022	266,903
2023	345,562
2024	282,492
Thereafter	-

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### ***Note 5* Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

#### **Actuarial Assumptions**

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>2020</u>	<u>2019</u>
Measurement Date	<b>March 31, 2020</b>	March 31, 2019
Actuarial Valuation Date	<b>April 1, 2019</b>	April 1, 2018
Investment Rate of Return	<b>6.8%</b>	7.0%
Salary Increases	<b>4.2%</b>	4.2%
Cost of Living Adjustments	<b>1.3%</b>	1.3%
Inflation Rate	<b>2.5%</b>	2.5%

For 2020 and 2019, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 and 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

### *Note 5* Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

#### Actuarial Assumptions - Continued

For ERS, the long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	<u>2020</u>	<u>2019</u>
Asset Type:	March 31, 2020	March 31, 2019
Domestic Equities	4.1%	4.6%
International Equities	6.2%	6.4%
Real Estate	5.0%	5.6%
Private Equity/Alternative Investments	6.8%	7.5%
Absolute Return Strategies	3.3%	3.8%
Opportunistic Portfolio	4.7%	5.7%
Real Assets	6.0%	5.3%
Cash	0.0%	(0.3)%
Inflation-Indexed Bonds	0.5%	1.3%
Mortgages and Bonds	0.8%	1.3%

#### Discount Rate

The discount rate used to calculate the total pension liability was 6.8% and 7.0% in 2020 and 2019, respectively. 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 contributions from employers will be made at statutorily required rates, actuarially. Based on 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.

# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

**Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - 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%, 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%) or 1 percentage point higher (7.8%) than the current rate:

2020	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Library's Proportionate Share of the Net Pension Liability	\$ 3,521,107	\$ 1,918,564	\$ 442,615

**Pension Plan Fiduciary Net Position**

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

	Dollars in Thousands 2020	Dollars in Thousands 2019
Measurement Date	March 31, 2020	March 31, 2019
Employers' Total Pension Liability	\$ 194,596,261	\$ 189,803,429
Plan Net Position	(168,115,682)	(182,718,124)
Employers' Net Pension Liability	\$ 26,480,579	\$ 7,085,305
Ratio of Plan Net Position to the Employers' Total Pension Liability	86.4%	96.3%

**Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31. Accrued retirement contributions as of December 31, 2020 and 2019 represent the projected employer contribution for the period of April 1, 2020 through December 31, 2020 and April 1, 2019 through December 31, 2019 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2020 and 2019 amounted to \$-0- and \$-0-.

# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

**Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued**

**Current and Prior Year Activity**

The following is a summary of current and prior year activity:

	2020		
	Beginning Balance	Change	Ending Balance
Net Pension Liability	\$ (501,453)	\$ (1,417,111)	\$ (1,918,564)
Deferred Outflows of Resources	437,949	926,710	1,364,659
Deferred Inflows of Resources	(201,522)	127,986	(73,536)
<b>Total</b>	<b>\$ (265,026)</b>	<b>\$ (362,415)</b>	<b>\$ (627,441)</b>
	2019		
	Beginning Balance	Change	Ending Balance
Net Pension Liability	\$ (231,219)	\$ (270,234)	\$ (501,453)
Deferred Outflows of Resources	798,036	(360,087)	437,949
Deferred Onflows of Resources	(761,009)	559,487	(201,522)
<b>Total</b>	<b>\$ (194,192)</b>	<b>\$ (70,834)</b>	<b>\$ (265,026)</b>

**Note 6 Other Postemployment Benefits (OPEB)**

**General Information About the OPEB Plan**

Plan Description - The Library provides medical, prescription drug, and life insurance benefits to retired employees, spouses, and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the Library has in place with different classifications of employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements, as there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - The Library provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the Library offices and are available upon request.

Employees Covered by Benefit Terms - At December 31, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	16
Active Employees Not Fully Eligible for Benefits	47



# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

**Note 6 Other Postemployment Benefits - Continued**

**Total OPEB Liability**

The Library's total OPEB liability of \$5,329,019 was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<b>2020</b>	<b>2019</b>
Long-Term Bond Rate:	2.73%	4.10%
Discount Rate	2.73%	4.10%
Salary Scale	2.90%	2.90%
Rate of Inflation	2.40%	2.40%
Marital Assumption	70.00%	70.00%
Participation Rate	100.00%	100.00%
Healthcare Cost Trend Rates	6.5% to 3.94% for 2090	7.00% to 3.94% for 2088

The discount rate is based on Bond Buyer Weekly 20-Bond Go Index.

Mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018.

Termination and retirement rates were based on the experience under the NYS and Local Retirement System (December 2017).

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.

	<b>Total OPEB Liability 2020</b>	<b>Total OPEB Liability 2019</b>
<b>Balance at January 1,</b>	<b>\$ 4,199,412</b>	<b>\$ 4,449,372</b>
<b>Changes for the Year</b>		
Service Cost	197,899	264,105
Interest Cost	178,468	161,117
Changes in Assumptions or Other Inputs	913,660	(598,967)
Benefit Payments	(160,420)	(76,215)
	1,129,607	(249,960)
<b>Balance at December 31,</b>	<b>\$ 5,329,019</b>	<b>\$ 4,199,412</b>

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

**Note 6 Other Postemployment Benefits - Continued**

**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 percentage-point lower or 1 percentage-point higher than the current discount rate:

<b>2020</b>	<b>1% Decrease (1.73%)</b>	<b>Discount Rate (2.73%)</b>	<b>1% Increase (3.73%)</b>
Total OPEB Liability	\$ 6,382,528	\$ 5,329,019	\$ 4,499,431

Changes of assumptions and other inputs reflect a change in the discount rate from 4.10% in 2019 to 2.73% in 2020.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

<b>2019</b>	<b>1% Decrease (5.50% to 2.94%)</b>	<b>Healthcare Cost Trend Rate (6.50% to 3.94%)</b>	<b>1% Increase (7.50% to 4.94%)</b>
Total OPEB Liability	\$ 4,399,043	\$ 5,329,019	\$ 6,552,095

# TOMPKINS COUNTY PUBLIC LIBRARY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

**Note 6 Other Postemployment Benefits - Continued**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2020, the Library recognized OPEB expense of \$336,249.

At December 31, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>2020</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 228,118	\$ 238,829
Changes in Assumptions or Other Inputs	493,691	536,786
Contributions Subsequent to Measurement Date	79,265	-
<b>Total</b>	<b>\$ 801,074</b>	<b>\$ 775,615</b>
<b>2019</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ 294,242
Changes in Assumptions or Other Inputs	-	641,793
Contributions Subsequent to Measurement Date	88,871	-
<b>Total</b>	<b>\$ 88,871</b>	<b>\$ 936,035</b>

Contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<b>Fiscal Year Ending December 31,</b>	<b>Amount</b>
2021	\$ (7,695)
2022	(7,695)
2023	(7,695)
2024	(7,695)
2025	43,051
2026 and Thereafter	(66,077)

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

**Note 6 Other Postemployment Benefits - Continued**

**Current Year Activity**

The following is a summary of current year activity:

<b>2020</b>	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
OPEB Liability	\$ 4,199,412	\$ 1,129,607	\$ 5,329,019
Deferred Outflows of Resources	(88,871)	(712,203)	(801,074)
Deferred Inflows of Resources	936,035	(160,420)	775,615
<b>Total</b>	<b>\$ 5,046,576</b>	<b>\$ 256,984</b>	<b>\$ 5,303,560</b>
<b>2019</b>	<b>Beginning Balance</b>	<b>Change</b>	<b>Ending Balance</b>
OPEB Liability	\$ 4,499,372	\$ (299,960)	\$ 4,199,412
Deferred Outflows of Resources	(73,363)	(15,508)	(88,871)
Deferred Inflows of Resources	480,917	455,118	936,035
<b>Total</b>	<b>\$ 4,906,926</b>	<b>\$ 139,650</b>	<b>\$ 5,046,576</b>

**Note 7 Commitments and Contingencies**

**Risk Financing and Related Insurance**

**General Information**

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

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### ***Note 7* Commitments and Contingencies - Continued**

#### **Risk Financing and Related Insurance - Continued**

##### **Health Insurance**

The Library participates in an employee health insurance plan, the Greater Tompkins County Municipal Health Insurance Consortium (Consortium). The Consortium was organized in 2010 as an Article 5-G General Municipal Law (GML) municipal corporation to provide health insurance benefits for its member municipalities. The term "Municipal Corporation," as defined by §119-N of the GML, includes a county, city, town, or village. The Plan's general objectives are to formulate, develop, and administer, on behalf of the member participants, an adequate program of insurance in a cost effective manner. Municipalities joining the Plan must remain members for a minimum of three years; a participant may withdraw with written notice prior to October 3 of each Plan year. Municipalities applying for membership in the Plan may do so with two-thirds approval of the Board. Plan underwriting and rate setting policies have been established after consultation with third party administration. Plan members are subject to supplemental assessment in the event of deficiencies. Premium assessments are determined annually, and should assets of the Plan be exhausted, members would be responsible for the Plan's liabilities. Plan membership currently includes 43 municipalities. The Plan uses reinsurance agreements to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the primary liability of the Plan as direct insurer of the risks reinsured.

During the year ended December 31, 2020, the Library incurred premiums or contribution expenditures totaling \$593,995. Plan financial statements may be obtained from the Greater Tompkins County Municipal Health Insurance Consortium, at 125 East Court Street, Ithaca, New York, 14850.

### ***Note 8* Paycheck Protection Program Loan**

During March 2020, the Library applied for a Paycheck Protection Program loan in the amount of \$461,000 with the U.S. Small Business Administration through the Tompkins Trust Company. The loan was approved, and funds were received. Prior to year-end, the entire loan amount of \$461,000 was forgiven and has been recognized as revenue under federal sources for the year ended December 31, 2020.

### ***Note 9* Donated Services**

The Library receives services from volunteers but does not value, record, or report the value for said services in the accompanying financial statements as they do not meet the reporting requirements.

### ***Note 10* Related Parties**

The Library received contributions of \$237,433 and \$305,000 from the Friends of the Tompkins County Public Library for the years ended December 31, 2020 and 2019, respectively.

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019**

### ***Note 11* Component Unit Transactions**

The Library received contributions of \$189,470 and \$285,322 from the Foundation for the years ended December 31, 2020 and 2019, respectively, which are reported in the financial statements. In addition, the Library received \$1,019 and \$3,596 in-kind contributions of materials for the years ended December 31, 2020 and 2019, respectively, which are not reflected in the financial statements of the Library.

The County contributed \$3,234,110 and \$3,618,751 to the Library for the years ended December 31, 2020 and 2019, respectively, which are reported in the financial statements. Additionally, for 2020 and 2019, respectively, the County provided debt service of \$205,963 and \$481,889 for serial bond payments on the building occupied by the Library.

### ***Note 12* Deficit Unrestricted Net Position**

Unrestricted net position in the Government-wide Statement of Net Position shows a deficit balance of \$(5,224,114) and \$(4,704,190) for the years ended December 31, 2020 and 2019, respectively. These deficits stem from the required recording of other postemployment benefits expense and liability in the Government-wide statements. Currently, there is no mechanism for governments in New York State to fund this liability. Therefore, the liability and unrestricted net deficit are expected to continue for the immediate future.

### ***Note 13* Economic Uncertainty - COVID 19**

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Library operates. Although there is still uncertainty regarding what if any this will have on New York State grant funding, the Library feels that it will be able to maintain operations in a fiscally sound manner.

### ***Note 14* Subsequent Event**

During March 2021, the Library received a second Paycheck Protection Program loan of \$598,625 with the U.S Small Business Administration through Tompkins Trust Company.

# TOMPKINS COUNTY PUBLIC LIBRARY

## BUDGETARY COMPARISON SCHEDULES FOR THE GENERAL FUND FOR THE YEARS ENDED DECEMBER 31,

	2020			
	Original Budget	Modified Budget	Actual	Variance Fav.(Unfav.)
<b>Revenue</b>				
State Sources	\$ 29,782	\$ 22,337	\$ 23,212	\$ 875
Federal Sources	-	461,000	461,000	-
Tompkins County	3,696,126	3,234,110	3,234,110	-
City of Ithaca	21,948	17,086	22,077	4,991
Town of Ithaca	15,000	15,000	15,000	-
Central Library Development Grant	99,322	74,491	77,410	2,919
Friends of TCPL	310,000	237,433	237,433	-
TCPL Foundation	224,347	189,470	189,470	-
Library Charges	22,100	11,050	8,084	(2,966)
Use of Money and Property	5,000	3,000	2,402	(598)
Other Revenue	10,951	11,301	9,705	(1,596)
<b>Total Revenue</b>	<b>4,434,576</b>	<b>4,276,278</b>	<b>4,279,903</b>	<b>3,625</b>
<b>Expenditures</b>				
Salaries	2,174,583	2,187,614	2,176,771	10,843
Fringe Benefits	496,117	511,923	505,155	6,768
Health Insurance	804,248	787,813	725,244	62,569
Books	197,404	120,042	92,204	27,838
Periodicals	8,900	10,060	2,716	7,344
AV/CD ROM Materials	149,711	167,512	142,539	24,973
Insurance	18,304	18,304	18,303	1
Repairs and Maintenance	52,038	52,038	49,841	2,197
Supplies and Materials	48,700	40,950	35,145	5,805
Telephone	21,048	21,149	21,148	1
Postage	7,000	7,000	1,721	5,279
Finger Lakes Library System Services	68,400	68,400	68,400	-
Professional Fees	291,960	251,594	205,152	46,442
Membership Dues	3,650	3,650	2,645	1,005
Equipment	65,069	107,499	41,153	66,346
Staff Development	18,665	9,500	3,875	5,625
Publicity and Printing	59,140	35,885	22,530	13,355
Miscellaneous	21,500	14,259	3,135	11,124
<b>Total Expenditures</b>	<b>4,506,437</b>	<b>4,415,192</b>	<b>4,117,677</b>	<b>297,515</b>
Excess of (Expenditures) Over Revenue	(71,861)	(138,914)	162,226	301,140
<b>Appropriated Fund Balance</b>	<b>71,861</b>	<b>138,914</b>		
Net Change in Fund Balances	\$ -	\$ -		\$ 301,140
Fund Balance, January 1,			734,046	
<b>Fund Balance, December 31,</b>			<b>\$ 896,272</b>	

*See Notes to Required Supplementary Information*

**2019**

<b>Original Budget</b>	<b>Modified Budget</b>	<b>Actual</b>	<b>Variance Fav.(Unfav.)</b>
\$ 29,772	\$ 29,772	\$ 29,782	\$ 10
-	-	-	-
3,618,751	3,618,751	3,618,751	-
19,224	19,224	19,947	723
12,000	12,000	12,000	-
99,272	99,272	99,322	50
305,000	305,000	305,000	-
230,769	285,322	285,322	-
21,000	26,000	26,502	502
3,400	5,400	4,989	(411)
11,200	12,950	12,822	(128)
<b>4,350,388</b>	<b>4,413,691</b>	<b>4,414,437</b>	<b>746</b>
2,144,128	2,144,239	2,137,169	7,070
486,170	488,270	485,609	2,661
774,993	772,893	758,864	14,029
196,877	203,550	167,692	35,858
8,600	13,002	8,403	4,599
144,870	166,656	151,177	15,479
17,771	17,771	17,770	1
74,768	69,768	61,508	8,260
43,700	49,700	41,787	7,913
20,548	21,048	20,890	158
2,000	2,000	1,558	442
68,400	68,400	68,400	-
310,448	332,367	293,086	39,281
4,250	4,250	4,214	36
41,080	152,334	123,384	28,950
15,754	23,552	18,335	5,217
72,340	90,888	50,368	40,520
14,000	16,500	10,750	5,750
<b>4,440,697</b>	<b>4,637,188</b>	<b>4,420,964</b>	<b>216,224</b>
(90,309)	(223,497)	(6,527)	216,970
90,309	223,497		
<b>\$ -</b>	<b>\$ -</b>		<b>\$ 216,970</b>
		740,573	
		<b>\$ 734,046</b>	



# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **SCHEDULE OF LIBRARY'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS**

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Contractually Required Contribution	<b>\$ 295,572</b>	<b>\$ 277,213</b>	<b>\$ 264,626</b>
Contributions in Relation to the Contractually Required Contribution	<b>(295,572)</b>	<b>(277,213)</b>	<b>(264,626)</b>
Contribution Deficiency (Excess)	<b>-</b>	<b>-</b>	<b>-</b>
Library's Covered Employee Payroll	<b>2,113,882</b>	<b>1,956,175</b>	<b>1,869,784</b>
Contributions as a Percentage of Covered Employee Payroll	<b>14.0%</b>	<b>14.2%</b>	<b>14.2%</b>

*\* Information not readily available*

*See Notes to Required Supplementary Information*

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 260,850	\$ 303,722	\$ 288,556	\$ 320,152	\$ 265,631	\$ 227,295	\$ 188,229
(260,850)	(303,722)	(288,556)	(320,152)	(265,631)	(227,295)	(188,229)
-	-	-	-	-	-	-
1,852,253	1,798,141	1,685,339	1,489,640	1,532,665	1,457,033	1,536,141
14.1%	16.9%	17.1%	21.5%	17.3%	15.6%	12.3%

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Library's Proportion of the Net Pension Liability	<b>0.007200%</b>	0.007100%	0.007164%
Library's Proportionate Share of the Net Pension Liability	<b>\$ (1,918,564)</b>	\$ (501,453)	\$ (231,219)
Library's Covered Employee Payroll During the Measurement Period	<b>2,159,019</b>	1,978,472	1,889,283
Library's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	<b>(88.86)%</b>	(25.35)%	(12.24)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<b>86.4%</b>	96.3%	98.2%

*See Notes to Required Supplementary Information*

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.007026%	0.007281%	0.006200%
\$ (660,193)	\$ (1,168,629)	\$ (209,698)
1,811,285	1,758,709	1,465,228
(36.45)%	(66.45)%	(14.31)%
94.7%	90.7%	97.9%

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>			
Service Cost	\$ 197,899	\$ 264,105	\$ 199,381
Interest Cost	178,468	161,117	183,798
Changes of Benefit Terms			
Differences Between Expected and Actual Experience			(405,068)
Changes in Assumptions or Other Inputs	913,660	(598,967)	(152,064)
Benefit Payments	<b>(160,420)</b>	<b>(76,215)</b>	<b>(79,371)</b>
	<b>1,129,607</b>	<b>(249,960)</b>	<b>(253,324)</b>
Total OPEB Liability - Beginning	<b>4,199,412</b>	4,449,372	4,702,696
<b>Total OPEB Liability - Ending</b>	<b>\$ 5,329,019</b>	<b>\$ 4,199,412</b>	<b>\$ 4,449,372</b>
<b>Covered Employee Payroll</b>	<b>\$ 2,362,927</b>	<b>\$ 2,371,805</b>	<b>\$ 2,118,028</b>
<b>Liability as a % of Covered Payroll</b>	<b>226%</b>	<b>177%</b>	<b>210%</b>

*\* Information is unavailable and will be present as information becomes available.*

*See Notes to Required Supplementary Information*

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ *	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
*	*	*	*	*	*	*
<u>\$4,702,696</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>
<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>
\$ *	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2020 AND 2019**

***Note 1***     **Budget Basis of Accounting**

Budgets are adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or expenditure in U.S. GAAP-based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year-end, thereby ensuing appropriations are not exceeded.

***Note 2***     **Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis, as encumbrances are presented in a separate column and are not included in the actual results at December 31, 2020.

***Note 3***     **Schedule of Changes in the Library's Total OPEB Liability and Related Ratios**

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates in each period:

2020 - 2.73%  
2019 - 4.10%

***Note 4***     **Schedule of the Library's Proportionate Share of the Net Pension Liability**

The Schedules of the Library's Proportionate Share of the Net Pension Liability, required supplementary information, present six years of information. These schedules will present ten years of information as it becomes available from the pension plans.

***Note 5***     **Schedule of Contributions - NYSLRS Pension Plan and Schedule of the Library's Proportionate Share of the Net Pension Liability**

**Changes in Benefit Terms**

There were no significant legislative changes in benefits for the April 1, 2019 actuarial valuation.

**Changes of Assumptions**

There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation. The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%. The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

# ***TOMPKINS COUNTY PUBLIC LIBRARY***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2020 AND 2019**

### ***Note 5* Schedule of Contributions - NYSLRS Pension Plan and Schedule of the Library's Proportionate Share of the Net Pension Liability - Continued**

#### **Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The April 1, 2019 actuarial valuation determines the employer rates for contributions payable in fiscal year 2020. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	Five-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.2% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.





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

To the Board of Trustees  
Tompkins County Public Library  
Ithaca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of Tompkins County Public Library (the Library), a component unit of the County of Tompkins, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 2, 2021. Our report includes a reference to other auditors who audited the financial statements of Tompkins County Public Library Foundation, Inc. (the Foundation), as described in our report on the Library's financial statements. The financial statements of the Foundation were audited by other auditors, were not required to be, and were not, audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of This Report**

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

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
June 2, 2021