

TOMPKINS COUNTY PUBLIC LIBRARY

Ithaca, New York

FINANCIAL REPORT

**For the Years Ended
December 31, 2021 and 2020**



TOMPKINS COUNTY PUBLIC LIBRARY

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the accompanying 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, 2021 and 2020, 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.

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 as of December 31, 2021 and 2020, and the respective changes in financial position, thereof for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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 the Library’s Proportionate Share of Net Pension Liability - NYSLRS Pension Plan; Schedule of Changes in the Library’s Total OPEB Liability and Related Ratios; and notes to required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 GAAS, 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 May 18, 2022, 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
May 18, 2022

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

The following is a discussion and analysis of Tompkins County Public Library's (the Library) financial performance for the years ended December 31, 2021, 2020, and 2019. 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, 2021, government-wide revenues exceeded expenses by \$1,784,821, compared to expenses exceeding revenues by \$696,209 at December 31, 2020.
- Net position (deficit) for the year ended December 31, 2021 was \$1,702,572, reflecting an increase from a net position (deficit) of \$3,487,393 at December 31, 2020. The Library's net position (deficit) for the year ended December 31, 2020 decreased by \$696,209, from \$2,791,184 at December 31, 2019, to \$3,487,393.
- Capital Assets decreased by \$5,447 based on \$371,805 in capital additions being more than offset by depreciation expense of \$376,526, as well as disposals net of depreciation of \$726.
- Total fund balance of \$1,529,603 in the General Fund showed an increase of \$633,331 in 2021, from \$896,272 in 2020. Of the fund balance, \$129,218 is in the form of nonspendable resources, representing prepaid expenses, and \$13,500 is assigned for next year's budget, leaving a net unassigned fund balance of \$1,386,885, or approximately 30.3%, of appropriations budgeted for 2022.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total Library</i>		
	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Current Assets</i>	\$ 1,636,090	\$ 1,010,399	\$ 904,065
<i>Capital Assets, Net</i>	1,731,274	1,736,721	1,913,006
<i>Total Assets</i>	3,367,364	2,747,120	2,817,071
<i>Pensions</i>	1,782,084	1,364,659	437,949
<i>OPEB</i>	1,261,268	801,074	88,871
<i>Total Deferred Outflows of Resources</i>	3,043,352	2,165,733	526,820
<i>Current Liabilities</i>	106,487	114,127	170,019
<i>Noncurrent Liabilities</i>	5,050,471	7,436,968	4,827,499
<i>Total Liabilities</i>	5,156,958	7,551,095	4,997,518
<i>Pensions</i>	2,341,135	73,536	201,522
<i>OPEB</i>	615,195	775,615	936,035
<i>Total Deferred Inflows of Resources</i>	2,956,330	849,151	1,137,557
<i>Net Investment in Capital Assets</i>	1,731,274	1,736,721	1,913,006
<i>Unrestricted (Deficit)</i>	(3,433,846)	(5,224,114)	(4,704,190)
<i>Total Net Position (Deficit)</i>	\$ (1,702,572)	\$ (3,487,393)	\$ (2,791,184)

Total assets increased by 22.6% due to increases in cash and cash equivalents primarily due to the receipt of PPP loan funds. The fluctuations in deferred outflows and deferred inflows of resources are related to changes in actuarial assumptions for both of the Library's pension and OPEB plans. Total liabilities decreased by 31.7%, primarily due to fluctuations in pension and other postemployment benefits liabilities related to GASB Statements No. 68 and No. 75. Total net deficit decreased 51.2% due to excess revenues over expenses.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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

Figure 2

Changes in Net Position	Governmental Activities and Total Library		
	2021	2020	2019
Revenue			
<i>State Sources</i>	\$ 53,406	\$ 23,212	\$ 29,782
<i>Federal Sources</i>	589,865	461,000	-
<i>Tompkins County</i>	3,298,191	3,234,110	3,618,751
<i>City of Ithaca</i>	14,650	22,077	19,947
<i>Town of Ithaca</i>	15,000	15,000	12,000
<i>CLD Grant</i>	116,101	77,410	99,322
<i>Friends of the Library</i>	215,000	237,433	305,000
<i>Library Foundation</i>	220,620	189,470	285,322
<i>Library Charges</i>	10,744	8,084	26,502
<i>Sale of Property and Compensation for Loss</i>	(726)	-	-
<i>Other Revenue</i>	22,004	14,507	20,211
Total Revenues	\$ 4,554,855	\$ 4,282,303	\$ 4,416,837
Expenses			
<i>Personnel Services</i>	\$ 1,940,037	\$ 4,089,320	\$ 3,640,156
<i>Insurance, Repairs, and Maintenance</i>	68,406	68,144	79,278
<i>Supplies and Materials, Periodicals, and Equipment</i>	52,584	37,860	50,190
<i>Telephone, Postage, and Printing</i>	41,888	45,399	72,816
<i>Finger Lakes Library System Services</i>	65,800	68,400	68,400
<i>Professional Dues and Fees</i>	208,875	207,797	297,300
<i>Depreciation</i>	376,526	454,582	469,319
<i>Other Expenses</i>	15,918	7,010	29,085
Total Expenses	\$ 2,770,034	\$ 4,978,512	\$ 4,706,544
CHANGE IN NET POSITION	\$ 1,784,821	\$ (696,209)	\$ (289,707)

Total revenues for the Library's Governmental Activities increased in 2021 by \$272,552 or 6.4%. Federal funds during the year came in the form of the second Paycheck Protection Program Loan that was forgiven before year-end. In addition, revenues from Tompkins County and the Library Foundation increased.

Total expenses for the Library's Governmental Activities decreased by \$2,208,478 or 44.4%. This decrease 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, 2021

Figures 3, 4, and 5 present sources of revenue for years ended December 31, 2021, 2020, and 2019.

Figure 3
Sources of Revenue for 2021

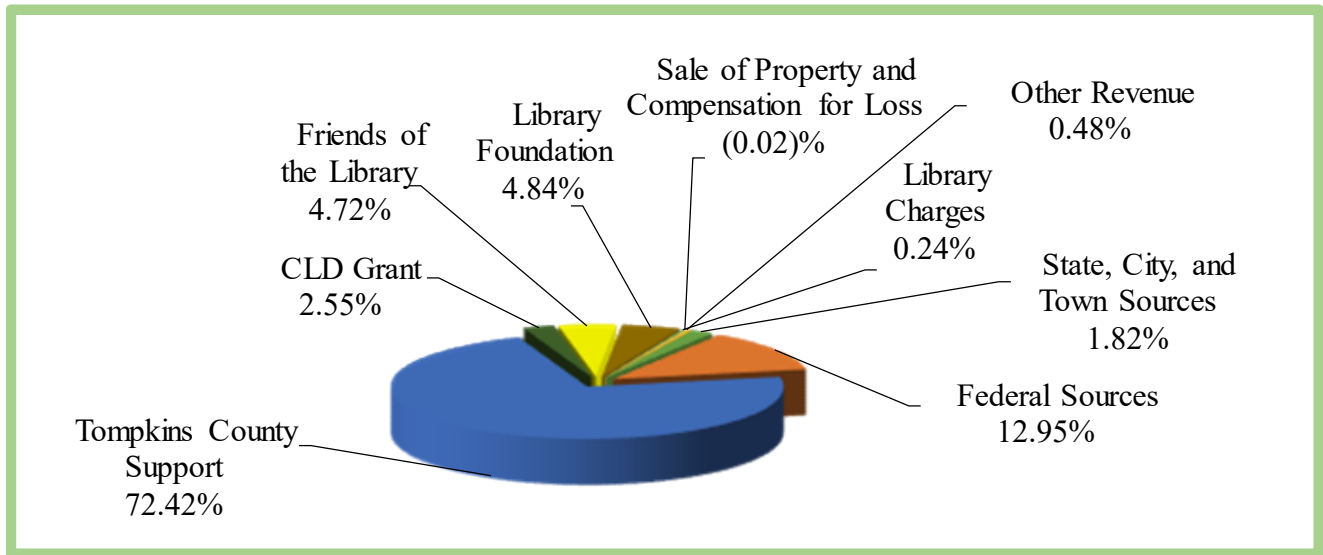
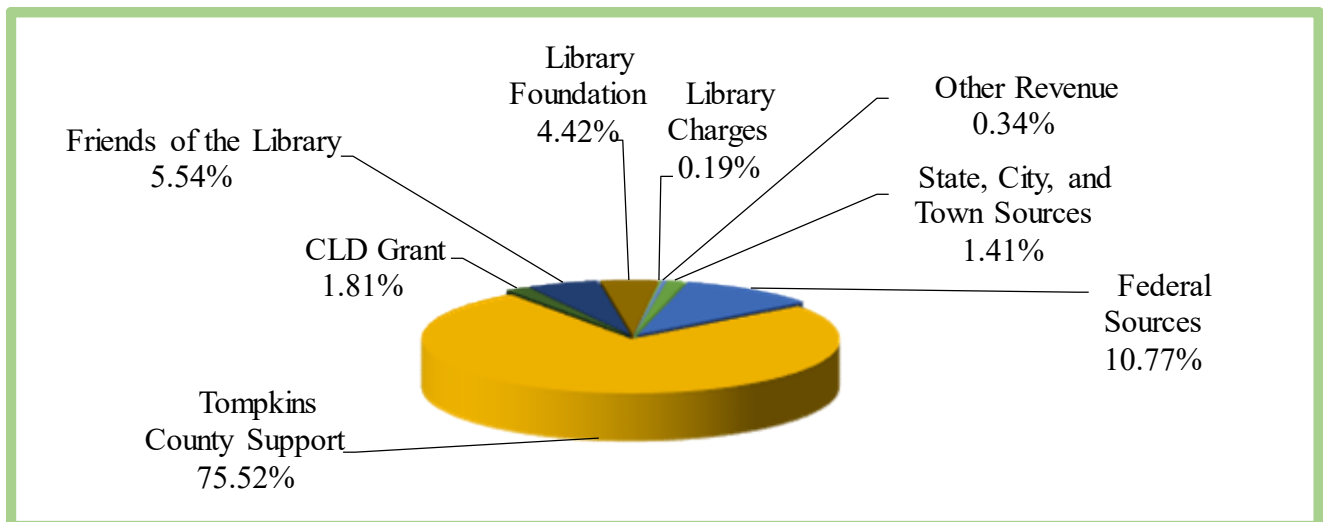


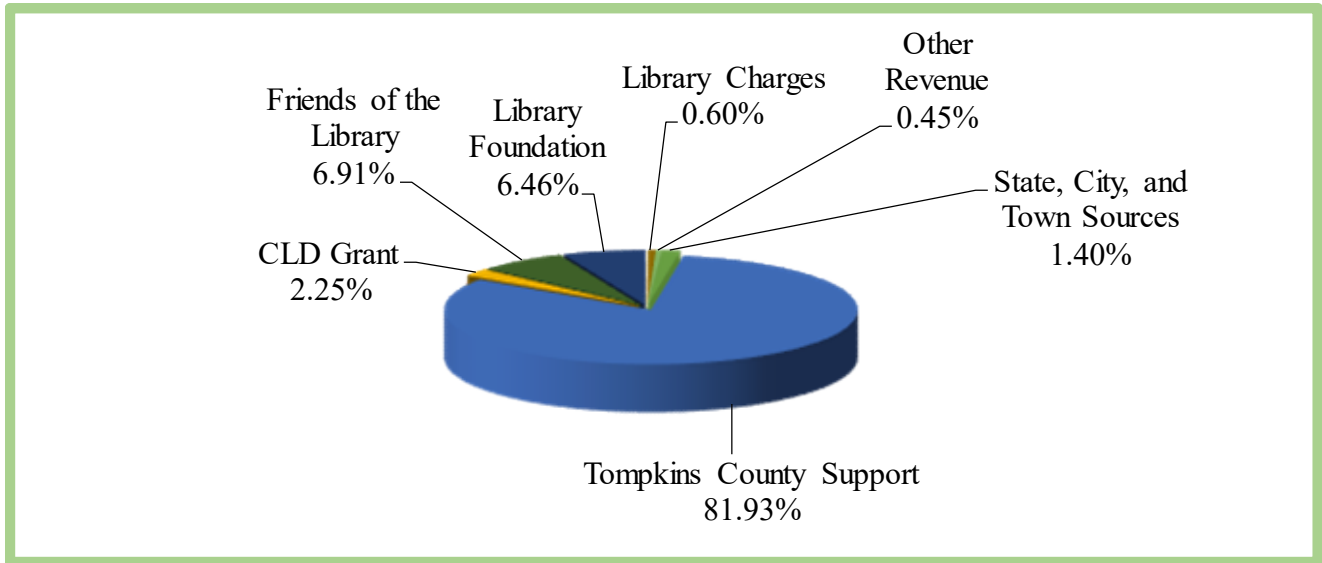
Figure 4
Sources of Revenue for 2020



TOMPKINS COUNTY PUBLIC LIBRARY

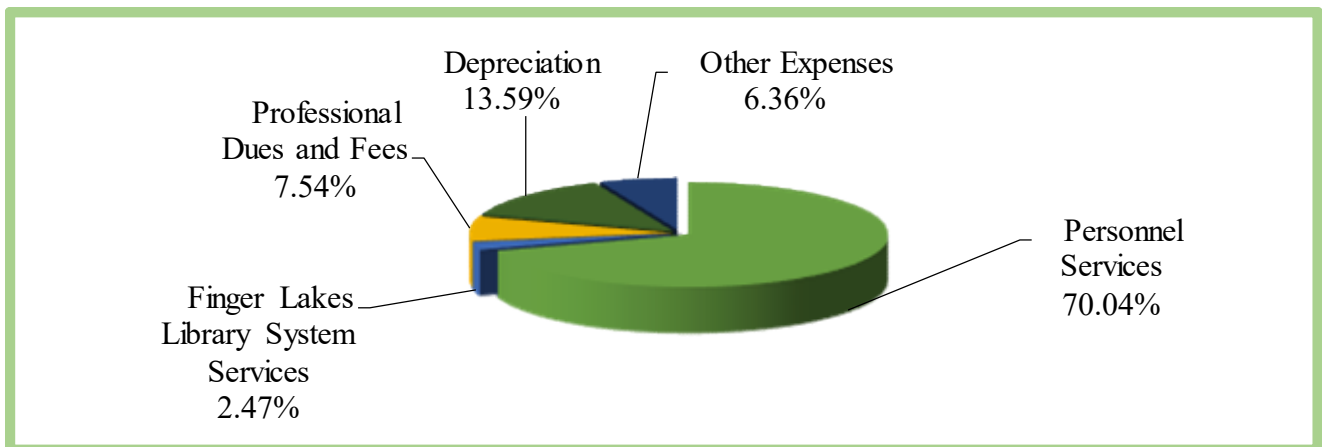
MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

*Figure 5
Sources of Revenue for 2019*



Figures 6, 7, and 8 present the expenses of the Library for the years ended December 31, 2021, 2020, and 2019.

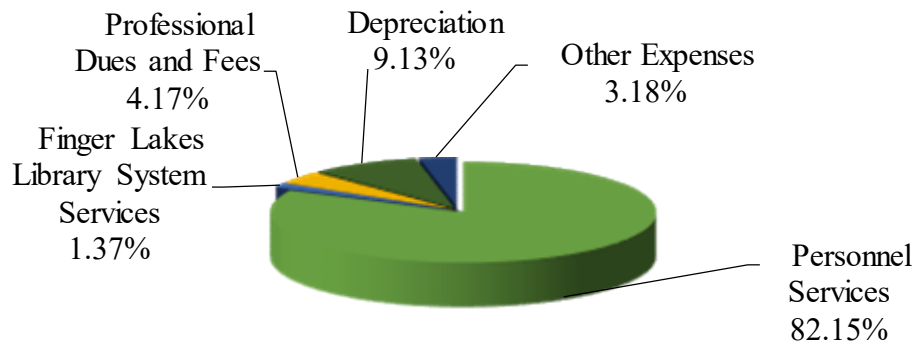
*Figure 6
Expenses 2021*



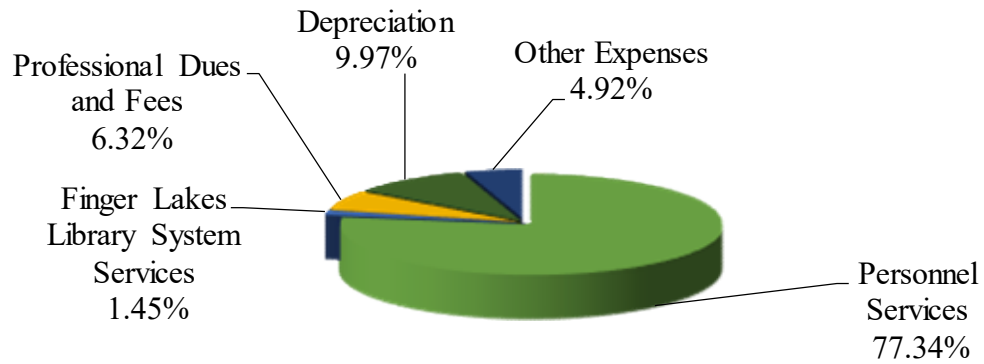
TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

*Figure 7
Expenses 2020*



*Figure 8
Expenses 2019*



TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As the Library completed the year ended December 31, 2021, the General Fund reported a combined fund balance of \$1,529,603. *Figure 9* shows the components of General Fund balance.

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

<i>General Fund Balance</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Nonspendable</i>	\$ 129,218	\$ 73,893	\$ 66,581
<i>Assigned</i>	13,500	213,905	156,432
<i>Unassigned</i>	1,386,885	608,474	511,033
<i>Total General Fund Balance</i>	\$ 1,529,603	\$ 896,272	\$ 734,046

Unassigned fund balance was 30.3% of the operating expenditures budgeted for 2022.

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 \$208,829 during 2021, primarily in order to purchase additional equipment.

The resources available for appropriation in the General Fund were \$7,801 more than budgeted. Expenditures were \$304,539 favorable when compared to budget.

CAPITAL ASSET ADMINISTRATION

Capital Assets

At December 31, 2021, the Library had invested in a broad range of capital assets totaling \$9,356,246, which is offset by accumulated depreciation of \$7,624,972. At December 31, 2020, total capital assets were \$9,177,432; offset by accumulated depreciation of \$7,440,711. *Figure 10* shows the changes in the Library's capital assets.

Figure 10

<i>Changes in Net Capital Assets, Net</i>	<i>Governmental Activities and Total Library</i>		
	<i>2021</i>	<i>2020</i>	<i>2019</i>
<i>Equipment</i>	\$ 338,887	\$ 421,455	\$ 487,694
<i>Collection</i>	758,292	664,325	738,208
<i>Leasehold Improvements</i>	634,095	650,941	687,104
<i>Total Capital Assets, Net</i>	\$ 1,731,274	\$ 1,736,721	\$ 1,913,006

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

FACTORS BEARING ON THE LIBRARY'S FUTURE

- While the Covid-19 pandemic continues to impact Library operations, the return to normal Library hours as required by New York State in mid-2021, and a return of core library services for the public, have helped to normalize operations. Some innovative services developed during the height of the pandemic, such as virtual programming and curbside service will be retained indefinitely as they have been found to fulfill a need in the community. The Library remains cautiously optimistic that conditions will continue to improve, allowing a return to typical library usage by the community.
- Tompkins County, which provides approximately 80% of the library's 2022 operational budget, increased its support to the Library by approving two ongoing over target requests. Increased ongoing 2022 fiscal support enabled the Library to meet typical contractual and benefit increases and restore 3.14 FTE staffing positions which were vital for resuming normal operations. Tompkins County also approved \$15,000 in one time funding, which in conjunction with continued Town Of Ithaca Sunday support of \$15,000 and one time Friends of the Library additional support of \$10,000, allowed the Library to be open again 18 Sundays in 2022.
- The search for a new Library Director is currently ongoing. The Library Board of Trustees authorized the formation of a search committee at year end 2020. The subsequent national search, which utilized equity and diversity postings and produced a civil service list of eligible candidates, did not prove to be successful. The Library is in the midst of re-organizing and resuming the search process. A current department head was appointed provisionally, in keeping with civil service regulations, as Acting Director 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.
- Both bargaining contracts with the Professional Staff Association and the Support Staff Association expired December 31, 2021. Negotiations are underway. The Library anticipates both contracts can be negotiated amicably and respectfully, with recognition given to staff for the excellent work and dedication employees have shown throughout the pandemic. The Library acknowledges current economic conditions may have a significant impact during negotiations.

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,

	2021	2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,498,751	\$ 926,184
Accounts Receivable	8,121	10,322
Prepaid Expenses	129,218	73,893
Total Current Assets	1,636,090	1,010,399
Noncurrent Assets		
Capital Assets, Net of Accumulated Depreciation of \$7,624,972 in 2021 and \$7,440,711 in 2020	1,731,274	1,736,721
Total Noncurrent Assets	1,731,274	1,736,721
Total Assets	3,367,364	2,747,120
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	1,782,084	1,364,659
OPEB	1,261,268	801,074
Total Deferred Outflows of Resources	3,043,352	2,165,733
LIABILITIES		
Current Liabilities		
Accounts Payable	58,189	75,509
Accrued Liabilities	48,298	38,618
Total Current Liabilities	106,487	114,127
Noncurrent Liabilities		
Compensated Absences	170,468	189,385
Net Pension Liability - Proportionate Share	7,888	1,918,564
Other Postemployment Benefits Liability	4,872,115	5,329,019
Total Noncurrent Liabilities	5,050,471	7,436,968
Total Liabilities	5,156,958	7,551,095
DEFERRED INFLOWS OF RESOURCES		
Pensions	2,341,135	73,536
OPEB	615,195	775,615
Total Deferred Inflows of Resources	2,956,330	849,151
Net Position		
Net Investment in Capital Assets	1,731,274	1,736,721
Unrestricted	(3,433,846)	(5,224,114)
Total Net (Deficit)	\$ (1,702,572)	\$ (3,487,393)

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

		Program Revenues				Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants	Capital Grants		
Culture and Recreation	\$ 2,770,034	\$ 10,744	\$ 581,371	\$ 53,406		\$ (2,124,513)
Total Functions and Programs	\$ 2,770,034	\$ 10,744	\$ 581,371	\$ 53,406		(2,124,513)
 GENERAL REVENUES						
County Appropriation						3,298,191
Use of Money and Property						1,648
Federal Sources						589,865
Sale of Property and Compensation for Loss						(726)
Gifts and Donations						2,400
Miscellaneous						17,956
Total General Revenues						3,909,334
Change in Net Position						1,784,821
Total Net Position (Deficit) - Beginning of Year						(3,487,393)
Total Net Position (Deficit) - End of Year						\$ (1,702,572)

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020

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

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

BALANCE SHEET - GOVERNMENTAL FUNDS AS OF DECEMBER 31,

	<u>2021</u>	<u>2020</u>
	<u>General</u>	<u>General</u>
	<u>Fund</u>	<u>Fund</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,498,751	\$ 926,184
Accounts Receivable	8,121	10,322
Prepaid Expenses	<u>129,218</u>	<u>73,893</u>
Total Assets	<u>\$ 1,636,090</u>	<u>\$ 1,010,399</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 58,189	\$ 75,509
Accrued Liabilities	<u>48,298</u>	<u>38,618</u>
Total Liabilities	<u>106,487</u>	<u>114,127</u>
FUND BALANCES		
Nonspendable	129,218	73,893
Assigned	13,500	213,905
Unassigned	<u>1,386,885</u>	<u>608,474</u>
Total Fund Balances	<u>1,529,603</u>	<u>896,272</u>
Total Liabilities and Fund Balances	<u>\$ 1,636,090</u>	<u>\$ 1,010,399</u>

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2021

Fund Balances - Total Governmental Funds **\$ 1,529,603**

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	\$ 9,356,246	
Less Accumulated Depreciation	<u>(7,624,972)</u>	1,731,274

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

ERS Net Pension Liability - Proportionate Share	(7,888)
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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	\$ 1,782,084	
Deferred Inflows of Resources - Pension	(2,341,135)	
Deferred Outflows of Resources - OPEB	1,261,268	
Deferred Inflows of Resources - OPEB	<u>(615,195)</u>	87,022

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	\$ (170,468)	
Other Postemployment Benefits Liability	<u>(4,872,115)</u>	<u>(5,042,583)</u>

Net (Deficit) of Governmental Activities **\$ (1,702,572)**

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>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 639,893	\$ 685,828
Employee Advance	-	9
Employee Retention Credit Receivable	47,324	-
Unconditional Promises to Give, Current Portion Net of Allowance for Unfulfilled Pledges of \$2,000 and \$2,000, Respectively	<u>23,069</u>	<u>73,402</u>
Total Current Assets	710,286	759,239
Restricted Cash and Cash Equivalents	33,874	28,731
Fixed Assets, Net of Accumulated Depreciation	3,951	5,346
Long-Term Investments	2,864,336	2,580,039
Long-Term Unconditional Promises to Give, Net of Discount	<u>20,000</u>	<u>40,000</u>
Total Assets	<u>\$ 3,632,447</u>	<u>\$ 3,413,355</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Due to Tompkins County Public Library	\$ -	\$ 6,990
Accounts Payable and Accrued Liabilities	10,519	15,842
Paycheck Protection Program Loan, Current Portion	<u>-</u>	<u>35,858</u>
Total Current Liabilities	10,519	58,690
Paycheck Protection Program Loan, Long-Term Portion	<u>-</u>	<u>4,042</u>
Total Liabilities	<u>10,519</u>	<u>62,732</u>
Net Assets		
Without Donor Restrictions	2,374,218	2,126,447
With Donor Restrictions	<u>1,247,710</u>	<u>1,224,176</u>
Total Net Assets	<u>3,621,928</u>	<u>3,350,623</u>
Total Liabilities and Net Assets	<u>\$ 3,632,447</u>	<u>\$ 3,413,355</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,

	2021	2020
	General Fund	General Fund
Revenue		
State Sources	\$ 53,406	\$ 23,212
Federal Sources	589,865	461,000
Tompkins County	3,298,191	3,234,110
City of Ithaca	14,650	22,077
Town of Ithaca	15,000	15,000
Central Development Library Grant	116,101	77,410
Friends of TCPL	215,000	237,433
TCPL Foundation	220,620	189,470
Library Charges	10,744	8,084
Use of Money and Property	1,648	2,402
Other Revenue	17,956	9,705
Total Revenue	4,553,181	4,279,903
Expenditures		
Salaries	1,926,537	2,176,771
Fringe Benefits	487,398	505,155
Health Insurance	683,039	725,244
Books	169,304	92,204
Periodicals	8,829	2,716
AV/CD ROM Materials	148,884	142,539
Insurance	18,852	18,303
Repairs and Maintenance	49,554	49,841
Supplies and Materials	43,755	35,145
Telephone	21,180	21,148
Postage	103	1,721
Finger Lakes Library System Services	65,800	68,400
Professional Fees	207,328	205,152
Membership Dues	1,547	2,645
Equipment	51,217	41,153
Staff Development	5,080	3,875
Publicity and Printing	20,605	22,530
Miscellaneous	10,838	3,135
Total Expenditures	3,919,850	4,117,677
Excess of Revenue (Expenditures)	633,331	162,226
Fund Balance, Beginning of Year	896,272	734,046
Fund Balance, End of Year	\$ 1,529,603	\$ 896,272

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, 2021

Net Change in Fund Balances - Total Governmental Funds **\$ 633,331**

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	\$ 371,805	
Depreciation Expense	(376,526)	
Net Book Value of Disposed Assets	<u>(726)</u>	(5,447)

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 affect current financial resources and are, also, not reported in the Governmental Funds.

ERS		60,502
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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	\$ 18,917	
Other Postemployment Benefits Liability, net	<u>1,077,518</u>	<u>1,096,435</u>

Net Change in Net Position of Governmental Activities **\$1,784,821**

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,

	2021		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUES			
Support			
Contributions	\$ 253,072	\$ 34,942	\$ 288,014
Revenues			
Interest Income	774	-	774
Dividend Income, Net	8,623	3,295	11,918
Realized Gain on Sale of Investments	423,063	305,730	728,793
Unrealized Gain (Loss) on Investments	(237,129)	(181,303)	(418,432)
In-Kind Contributions	100	-	100
Paycheck Protection Program Loan Forgiveness	79,800	-	79,800
Employee Retention Credit	47,325	-	47,325
Marketing Income	-	-	-
Net Assets Released from Restrictions	139,130	(139,130)	-
Total Support and Revenues	714,758	23,534	738,292
EXPENSES			
Program Services	252,052	-	252,052
Management and General	109,856	-	109,856
Fundraising	105,079	-	105,079
Total Expenses	466,987	-	466,987
Change in Net Assets	247,771	23,534	271,305
Net Assets, January 1,	2,126,447	1,224,176	3,350,623
Net Assets, December 31,	\$ 2,374,218	\$ 1,247,710	\$ 3,621,928

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,

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

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

***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, 2021 AND 2020

***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, 2021 AND 2020

***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, 2021 AND 2020

***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, 2021 AND 2020

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 U.S. GAAP 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 2021 and 2020, there were no proceeds from deaccessions.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

***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 72% of total revenue (76% in 2020), with contributions from the Foundation and Friends of the Library representing 5% and 5%, respectively (4% and 6%, respectively, in 2020).

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, 2021 AND 2020

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 \$1,502,974 and \$952,114 for the years ended December 31, 2021 and 2020, 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 \$673,767 and \$714,559, with uninsured cash balances in investment accounts of \$33,874 and \$28,731 that are reported as restricted cash, as of December 31, 2021 and 2020, respectively.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 2 Cash and Investments - Continued

The Foundation also reported long-term investments of \$2,864,336 and \$2,580,039 as of December 31, 2021 and 2020, respectively, as follows:

2021			
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds and Securities	\$ 2,803,494	\$ 2,864,336	\$ 60,842
2020			
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds and Securities	\$ 2,109,024	\$ 2,580,039	\$ 471,015

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, 2021 AND 2020

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, 2021 and 2020:

2021				
Assets	Level 1	Level 2	Level 3	Total
Fixed Income Funds	\$ 783,681	\$ -	\$ -	\$ 783,681
Domestic Equity Mutual Funds	1,346,888	-	-	1,346,888
Domestic Closed End Equity Mutual Funds	391,443	-	-	391,443
International Equity Mutual Funds	342,324	-	-	342,324
Unconditional Promises to Give	-	-	43,069	43,069
Total	\$ 2,864,336	\$ -	\$ 43,069	\$ 2,907,405
2020				
Assets	Level 1	Level 2	Level 3	Total
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
Total	\$ 2,580,039	\$ -	\$ 113,402	\$ 2,693,441

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 3 Capital Assets

Capital assets consisted of the following at December 31,:

	2021			
	Balance at 12/31/2020	Additions	Retirements & Reclassifications	Balance at 12/31/2021
Historical Cost				
Leasehold Improvements	\$ 723,267	\$ 20,122	\$ -	\$ 743,389
Equipment	2,263,044	31,095	(7,257)	2,286,882
Collection	6,191,121	320,588	(185,734)	6,325,975
Total Capital Assets	9,177,432	371,805	(192,991)	9,356,246
Less Accumulated Depreciation:				
Leasehold Improvements	(72,326)	(36,968)		(109,294)
Equipment	(1,841,589)	(112,937)	6,531	(1,947,995)
Collection	(5,526,796)	(226,621)	185,734	(5,567,683)
Total Accumulated Depreciation	(7,440,711)	(376,526)	192,265	(7,624,972)
Total Capital Assets, Net	\$ 1,736,721	\$ (4,721)	\$ (726)	\$ 1,731,274
	2020			
	Balance at 12/31/2019	Additions	Retirements & Reclassifications	Balance at 12/31/2020
Historical Cost				
Leasehold Improvements	\$ 723,267	\$ -	\$ -	\$ 723,267
Equipment	2,221,890	41,154	-	2,263,044
Collection	6,138,122	237,143	(184,144)	6,191,121
Total Capital Assets	9,083,279	278,297	(184,144)	9,177,432
Less Accumulated Depreciation:				
Leasehold Improvements	(36,163)	(36,163)	-	(72,326)
Equipment	(1,734,196)	(107,393)	-	(1,841,589)
Collection	(5,399,914)	(311,026)	184,144	(5,526,796)
Total Accumulated Depreciation	(7,170,273)	(454,582)	184,144	(7,440,711)
Total Capital Assets, Net	\$ 1,913,006	\$ (176,285)	\$ -	\$ 1,736,721

Depreciation expense amounted to \$376,526 and \$454,582 for the years ended December 31, 2021 and 2020, respectively.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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:

Balance at 12/31/2020	Additions	Payments	Balance at 12/31/2021
\$ 189,385	\$ (18,917)	\$ -	\$ 170,468
Balance at 12/31/2019	Additions	Payments	Balance at 12/31/2020
\$ 126,634	\$ 62,751	\$ -	\$ 189,385

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 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, 2021 AND 2020

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>2021</u>	<u>2020</u>	<u>2019</u>
ERS	\$ 292,776	\$ 295,572	\$ 277,213

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

At December 31, 2021 and 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, 2021 and 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>2021</u>	<u>2020</u>
Actuarial Valuation Date	04/01/2020	04/01/2019
Net Pension Liability	\$ 99,573,957	\$ 26,480,579,097
Library's Proportionate Share of the Plan's Total Net Pension Liability	7,888	1,918,564
Library's Share of the Net Pension Liability	0.007900%	0.007200%

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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 years ended December 31, 2021 and 2020, the Library recognized pension expense of \$203,723 and \$650,675, respectively, for ERS in the financial statements. At December 31, 2021 and 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	2020
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	\$ 96,335	\$ 112,915
Changes in Assumptions	1,450,363	38,631
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 Library's Contributions Subsequent to the Measurement Date	15,804	7,885
	219,582	221,679
Total Deferred Outflows of Resources	\$ 1,782,084	\$ 1,364,659
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	27,354	33,357
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,265,921	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	47,860	40,179
	47,860	40,179
Total Deferred Inflows of Resources	\$ 2,341,135	\$ 73,536

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, 2022. 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
2022	\$ (147,391)
2023	(61,385)
2024	(130,457)
2025	(439,400)
Thereafter	-

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

***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>2021</u>	<u>2020</u>
Measurement Date	March 31, 2021	March 31, 2020
Actuarial Valuation Date	April 1, 2020	April 1, 2019
Investment Rate of Return	5.9%	6.8%
Salary Increases	4.4%	4.2%
Cost of Living Adjustments	1.4%	1.3%
Inflation Rate	2.7%	2.5%

For 2021 and 2020, 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-2020.

The actuarial assumptions used in the April 1, 2020 and 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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	2021	2020
	March 31, 2021	March 31, 2020
Asset Type:		
Domestic Equities	4.1%	4.1%
International Equities	6.3%	6.2%
Real Estate	5.0%	5.0%
Private Equity/Alternative Investments	6.8%	6.8%
Opportunistic Portfolio	4.5%	4.7%
Real Assets/ARC Portfolio	6.0%	6.0%
Cash	0.5%	0.0%
Credit	3.6%	0.5%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% and 6.8% in 2021 and 2020, 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, 2021 AND 2020

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 5.9%, 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 or higher than the current rate:

2021	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Library's Proportionate Share of the Net Pension Liability	\$ 2,189,426	\$ 7,888	\$ (2,004,000)

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 2021	Dollars in Thousands 2020
Measurement Date	March 31, 2021	March 31, 2020
Employers' Total Pension Liability	\$ 220,680,157	\$ 194,596,261
Plan Net Position	(220,580,583)	(168,115,682)
Employers' Net Pension Liability	\$ 99,574	\$ 26,480,579
Ratio of Plan Net Position to the Employers' Total Pension Liability	99.9%	86.4%

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, 2021 and 2020 represent the projected employer contribution for the period of April 1, 2021 through December 31, 2021 and April 1, 2020 through December 31, 2020 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2021 and 2020 amounted to \$-0- and \$-0-.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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:

	2021		
	Beginning Balance	Change	Ending Balance
Net Pension Liability	\$ 1,918,564	\$ (1,910,676)	\$ 7,888
Deferred Outflows of Resources	(1,364,659)	(417,425)	(1,782,084)
Deferred Inflows of Resources	73,536	2,267,599	2,341,135
Total	\$ 627,441	\$ (60,502)	\$ 566,939
	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 Onflows of Resources	201,522	(127,986)	73,536
Total	\$ 265,026	\$ 362,415	\$ 627,441

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, 2021, 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
Total	63

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

***Note 6* Other Postemployment Benefits - Continued**

Total OPEB Liability

The Library's total OPEB liability of \$4,872,115 was measured as of January 1, 2021 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the December 31, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2021	2020
Long-Term Bond Rate:	2.12%	2.73%
Discount Rate	2.12%	2.73%
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	6.5% to 3.94% for 2090

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

Mortality rates were based on RHP-2014 Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.

Termination and retirement rates are based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, "Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation (June 2019)."

Healthcare Cost Trend Rates were based on the SOA Long-Run Medical Cost Trend Model. The SOA Long-Run Medical Cost Trend Model and its baseline projections are based on an econometric analysis of historical US medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.

The actuarial assumptions used in the January 1, 2020 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 6 Other Postemployment Benefits - Continued

Total OPEB Liability - Continued

Changes of assumptions and other inputs reflect a change in the discount rate from 2.73% percent in 2020 to 2.12% in 2021.

	Total OPEB Liability 2021	Total OPEB Liability 2020
Balance at January 1,	\$ 5,329,019	\$ 4,199,412
Changes for the Year		
Service Cost	306,571	197,899
Interest Cost	152,769	178,468
Changes of Benefit Terms	(1,508,930)	-
Changes in Assumptions or Other Inputs	95,993	913,660
Benefit Payments	496,693	(160,420)
	(456,904)	1,129,607
Balance at December 31,	\$ 4,872,115	\$ 5,329,019

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 higher than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
2021			
Total OPEB Liability	\$ 5,841,696	\$ 4,872,115	\$ 4,109,342

Changes of assumptions and other inputs reflect a change in the discount rate from 2.73% in 2020 to 2.12% in 2021.

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 higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
2021			
Total OPEB Liability	\$ 3,968,589	\$ 4,872,115	\$ 6,073,129

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 6 Other Postemployment Benefits - Continued

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

For the years ended December 31, 2021 and 2020, the Library recognized OPEB expense of (\$993,715) and \$336,249, respectively.

At December 31, 2021 and 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 190,098	\$ 183,416
Changes in Assumptions or Other Inputs	987,366	431,779
Contributions Subsequent to Measurement Date	83,804	-
Total	\$ 1,261,268	\$ 615,195
2020	Deferred Outflows of Resources	Deferred Inflows of Resources
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	-
Total	\$ 801,074	\$ 775,615

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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Amount
2022	\$ 89,346
2023	89,346
2024	89,346
2025	138,065
2026	214,086
2027 and Thereafter	(57,922)

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 6 Other Postemployment Benefits - Continued

Current Year Activity

The following is a summary of current year activity:

<u>2021</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
OPEB Liability	\$ 5,329,019	\$ (456,904)	\$ 4,872,115
Deferred Outflows of Resources	(801,074)	(460,194)	(1,261,268)
Deferred Inflows of Resources	775,615	(160,420)	615,195
Total	\$ 5,303,560	\$ (1,077,518)	\$ 4,226,042

<u>2020</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
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
Total	\$ 5,046,576	\$ 256,984	\$ 5,303,560

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, 2021 AND 2020

***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 years ended December 31, 2021 and 2020, the Library incurred premiums or contribution expenditures totaling \$666,704 and \$593,995, respectively. 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**

The Library applied for Paycheck Protection Program loans with the U.S. Small Business Administration through the Tompkins Trust Company. The Library received \$589,865 and \$461,000 for the years ended December 31, 2021 and 2020, respectively. Both loans were forgiven and recognized as revenue under federal sources in the years received.

***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 \$215,000 and \$237,433 from the Friends of the Tompkins County Public Library for the years ended December 31, 2021 and 2020, respectively.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

***Note 11* Component Unit Transactions**

The Library received contributions of \$220,620 and \$189,470 from the Foundation for the years ended December 31, 2021 and 2020, respectively, which are reported in the financial statements. In addition, the Library received \$16,933 and \$1,019 in-kind contributions of materials for the years ended December 31, 2021 and 2020, respectively, which are not reflected in the financial statements of the Library.

The County contributed \$3,298,191 and \$3,234,110 to the Library for the years ended December 31, 2021 and 2020, respectively, which are reported in the financial statements. Additionally, for 2021 and 2020, respectively, the County provided debt service of \$207,512 and \$205,963 for serial bond payments on the building occupied by the Library, which are not reflected in the financial statements of the Library.

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

Unrestricted net position in the Government-wide Statement of Net Position shows a deficit balance of \$3,433,846 and \$5,224,114 for the years ended December 31, 2021 and 2020, 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**

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 area in which the Library exists. While it is unknown how long these conditions will last and what the complete financial effect will be, the Library expects disruptions to businesses and residents, which could negatively impact operating results in future periods.

TOMPKINS COUNTY PUBLIC LIBRARY

BUDGETARY COMPARISON SCHEDULES FOR THE GENERAL FUND FOR THE YEAR ENDED DECEMBER 31,

	2021			
	Original Budget	Modified Budget	Actual	Variance Fav.(Unfav.)
Revenue				
State Sources	\$ 23,216	\$ 51,959	\$ 53,406	\$ 1,447
Federal Sources	-	589,865	589,865	-
Tompkins County	3,298,191	3,298,191	3,298,191	-
City of Ithaca	14,700	14,700	14,650	(50)
Town of Ithaca	15,000	15,000	15,000	-
Central Library Development Grant	77,410	111,278	116,101	4,823
Friends of TCPL	205,000	215,000	215,000	-
TCPL Foundation	231,765	220,620	220,620	-
Library Charges	6,000	6,000	10,744	4,744
Use of Money and Property	2,750	2,750	1,648	(1,102)
Other Revenue	10,876	20,017	17,956	(2,061)
Total Revenue	3,884,908	4,545,380	4,553,181	7,801
Expenditures				
Salaries	1,896,416	1,952,604	1,926,537	26,067
Fringe Benefits	532,673	543,683	487,398	56,285
Health Insurance	704,566	715,979	683,039	32,940
Books	181,059	205,260	169,304	35,956
Periodicals	5,500	13,070	8,829	4,241
AV/CD ROM Materials	137,400	174,252	148,884	25,368
Insurance	18,853	18,853	18,852	1
Repairs and Maintenance	55,164	55,164	49,554	5,610
Supplies and Materials	45,639	55,966	43,755	12,211
Telephone	21,350	21,350	21,180	170
Postage	7,000	2,000	103	1,897
Finger Lakes Library System Services	65,800	65,800	65,800	-
Professional Fees	198,406	228,564	207,328	21,236
Membership Dues	1,485	1,547	1,547	-
Equipment	87,378	107,503	51,217	56,286
Staff Development	6,000	9,760	5,080	4,680
Publicity and Printing	32,171	36,571	20,605	15,966
Miscellaneous	18,700	16,463	10,838	5,625
Total Expenditures	4,015,560	4,224,389	3,919,850	304,539
Excess of (Expenditures) Over Revenue	(130,652)	320,991	633,331	312,340
Planned Fund Balance		(320,991)		
Appropriated Fund Balance	130,652	-		-
Net Change in Fund Balances	\$ -	\$ -		\$ 312,340
Fund Balance, January 1,			896,272	
Fund Balance, December 31,			\$ 1,529,603	

See Notes to Required Supplementary Information

TOMPKINS COUNTY PUBLIC LIBRARY

BUDGETARY COMPARISON SCHEDULES FOR THE GENERAL FUND FOR THE YEAR ENDED DECEMBER 31,

	2020			
	Original Budget	Modified Budget	Actual	Variance Fav.(Unfav.)
Revenue				
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)
Total Revenue	4,434,576	4,276,278	4,279,903	3,625
Expenditures				
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
Total Expenditures	4,506,437	4,415,192	4,117,677	297,515
Excess of (Expenditures) Over Revenue	(71,861)	(138,914)	162,226	301,140
Appropriated Fund Balance	71,861	138,914		-
Net Change in Fund Balances	\$ -	\$ -		\$ 301,140
Fund Balance, January 1,			734,046	
Fund Balance, December 31,			\$ 896,272	

See Notes to Required Supplementary Information

TOMPKINS COUNTY PUBLIC LIBRARY

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 292,776	\$ 295,572	\$ 277,213	\$ 264,626	\$ 260,850	\$ 303,722	\$ 288,556	\$ 320,152	\$ 265,631	\$ 227,295
Contributions in Relation to the Contractually Required Contribution	(292,776)	(295,572)	(277,213)	(264,626)	(260,850)	(303,722)	(288,556)	(320,152)	(265,631)	(227,295)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Library's Covered Employee Payroll	1,998,018	2,113,882	1,956,175	1,869,784	1,852,253	1,798,141	1,685,339	1,489,640	1,532,665	1,457,033
Contributions as a Percentage of Covered Employee Payroll	14.7%	14.0%	14.2%	14.2%	14.1%	16.9%	17.1%	21.5%	17.3%	15.6%

See Notes to Required Supplementary Information

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Library's Proportion of the Net Pension Liability	0.007900%	0.007200%	0.007100%	0.007164%	0.007026%	0.007281%	0.006200%
Library's Proportionate Share of the Net Pension Liability \$	7,888	\$ 1,918,564	\$ 501,453	\$ 231,219	\$ 660,193	\$ 1,168,629	\$ 209,698
Library's Covered Employee Payroll During the Measurement Period	1,944,351	2,159,019	1,978,472	1,889,283	1,811,285	1,758,709	1,465,228
Library's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.41%	88.86%	25.35%	12.24%	36.45%	66.45%	14.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

See Notes to Required Supplementary Information

TOMPKINS COUNTY PUBLIC LIBRARY

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total OPEB Liability										
Service Cost	\$ 306,571	\$ 197,899	\$ 264,105	\$ 199,381	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	152,769	178,468	161,117	183,798	*	*	*	*	*	*
Changes of Benefit Terms	(1,508,930)	-	-	-	*	*	*	*	*	*
Experience		-	-	(405,068)	*	*	*	*	*	*
Changes in Assumptions or Other Inputs	95,993	913,660	(598,967)	(152,064)	*	*	*	*	*	*
Benefit Payments	496,693	(160,420)	(76,215)	(79,371)	*	*	*	*	*	*
	<u>(456,904)</u>	<u>1,129,607</u>	<u>(249,960)</u>	<u>(253,324)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total OPEB Liability - Beginning	5,329,019	4,199,412	4,449,372	4,702,696	*	*	*	*	*	*
Total OPEB Liability - Ending	<u>\$ 4,872,115</u>	<u>\$ 5,329,019</u>	<u>\$ 4,199,412</u>	<u>\$ 4,449,372</u>	<u>\$ 4,702,696</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>
Covered Employee Payroll	\$ 2,276,818	\$ 2,362,927	\$ 2,371,805	\$ 2,118,028	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Liability as a % of Covered Payroll	214%	226%	177%	210%	*	*	*	*	*	*
Discount Rate	2.12%	2.73%	4.10%	3.44%						

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

See Notes to Required Supplementary Information

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2021 AND 2020

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 ensuring 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, 2021.

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.

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 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, 2020 actuarial valuation.

Changes of Assumptions

2021: The demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020, the mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

2020: 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, 2021 AND 2020

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

Changes of Assumptions - Continued

2019: The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%.

2016: 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.

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 2021. 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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated May 18, 2022. 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. Our report includes a reference to other auditors who audited the financial statements of the Foundation, as described in our report on the Library's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing 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.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
May 18, 2022