

**Chappaqua Central School District  
Public Library, New York**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2022



# Chappaqua Central School District Public Library, New York

## Table of Contents

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|   | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report  | 1           |
| Management's Discussion and Analysis  | 4           |
| Basic Financial Statements  |             |
| Government-Wide Financial Statements  |             |
| Statement of Net Position   | 8           |
| Statement of Activities   | 9           |
| Fund Financial Statements   |             |
| Balance Sheet - Governmental Funds  | 10          |
| Reconciliation of the Governmental Funds Balance Sheet to the<br>Statement of Net Position  | 11          |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance - Governmental Funds   | 12          |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and<br>Changes in Fund Balance to the Statement of Activities   | 13          |
| Statement of Revenues, Expenditures and Changes in<br>Fund Balance – General Fund – Budget and Actual   | 14          |
| Notes to Financial Statements   | 15          |
| Required Supplementary Information  |             |
| Other Postemployment Benefits   |             |
| Schedule of Changes in the Library's Total OPEB Liability and Related Ratios  | 34          |
| New York State and Local Employees' Retirement System   |             |
| Schedule of the Library's Proportionate Share of the Net Pension Liability (Asset)  | 35          |
| Schedule of Contributions   | 35          |
| Individual Fund Financial Statements and Schedules  |             |
| General Fund  |             |
| Comparative Balance Sheet   | 36          |
| Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance -<br>Budget and Actual   | 37          |
| Capital Projects Fund   |             |
| Comparative Balance Sheet   | 39          |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance   | 40          |
| Report on Internal Control Over Financial Reporting and on Compliance and<br>Other Matters Based on an Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> | 41          |

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## **Independent Auditors' Report**

**The Board of Trustees of the  
Chappaqua Central School District Public Library, New York**

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

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Chappaqua Central School District Public Library, New York ("Library") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Library, as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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.

#### ***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 judgement, 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 Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit for the year ended June 30, 2022 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The individual fund financial statements for the year ended June 30, 2022 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2022 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Library as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated January 19, 2022 which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The individual fund financial statements for the year ended June 30, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2021.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2023 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 solely 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.

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
May 23, 2023

**Chappaqua Central School District Public Library, New York**  
Management's Discussion and Analysis (MD&A)  
June 30, 2022

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**Introduction**

This discussion and analysis of Chappaqua Central School District Public Library, New York's ("Library") financial statements provides an overview of the financial activities of Library for the year ended June 30, 2022. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director, Chappaqua Library, 195 South Greeley Avenue, Chappaqua, NY 10514.

**Financial Highlights for Fiscal Year 2022**

- On the government-wide financial statements, the assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$668,504. Of this amount, the unrestricted net position is a deficit of \$1,992,391.
- As of the close of the current fiscal year, the Library's Governmental Funds reported an ending fund balance of \$1,217,593, which represents an increase of \$250,124 from fiscal year 2021. Of the \$1,217,593 the unassigned fund balance is \$14,425.

**Overview of the Financial Statements**

The MD&A provides an analysis and overview of the Library's financial activities. The basic financial statements include three components: 1) general purpose financial statements, 2) individual fund financial statements and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

*Government-Wide Financial Statements*

The *government-wide financial statements* are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Position and Statement of Activities.

The *Statement of Net Position* presents the Library's total assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator as to whether the financial position of the Library is improving or deteriorating.

The *Statement of Activities* presents information showing the change in the Library's net position during the current fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in



expenses in future fiscal periods such as pension obligations. The focus of this statement is on the net cost of providing various services to the citizens of the Library.

The government-wide financial statements distinguish functions of the Library that are principally supported by taxes and intergovernmental revenues (“*governmental activities*”). The governmental activities of the Library include culture and recreation.

### *Fund Financial Statements*

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures, as appropriate. Government resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements.

Governmental Funds: Most of the basic services provided by the Library are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Library’s financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The focus of governmental funds is narrower than that of the government-wide financial statements. Comparing one to the other promotes a better understanding of the long-term impact of the Library’s near-term financing decisions. Reconciliations of both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance are provided to facilitate this comparison.

The Library has two governmental funds, the General Fund, for which it adopts an annual budget, and the Capital Projects Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the respective budget. The schedules of budget to actual comparisons can be found immediately following the notes to the financial statements.

### *Notes to the Financial Statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements section of this report.

## **Government-wide Financial Analysis**

The government-wide financial statements are designed to provide readers with a broad overview of the Library’s finances, in a manner similar to a private-sector business.

The following table reflects the condensed Statement of Net Position at June 30:

| <b>Net Position</b>            |                    |                    |
|--------------------------------|--------------------|--------------------|
|                                | <u>2022</u>        | <u>2021</u>        |
| Current Assets                 | \$ 1,888,145       | \$ 1,724,749       |
| Capital Assets, Net            | <u>2,620,851</u>   | <u>2,744,102</u>   |
| Total Assets                   | <u>4,508,996</u>   | <u>4,468,851</u>   |
| Deferred Outflows of Resources | <u>1,717,692</u>   | <u>1,078,868</u>   |
| Current Liabilities            | 364,646            | 757,280            |
| Long-term Liabilities          | <u>3,421,832</u>   | <u>3,048,801</u>   |
| Total Liabilities              | <u>3,786,478</u>   | <u>3,806,081</u>   |
| Deferred Inflows of Resources  | <u>1,771,706</u>   | <u>1,247,245</u>   |
| Net Position                   |                    |                    |
| Investment in Capital Assets   | 2,620,851          | 2,744,102          |
| Restricted                     | 40,044             | 40,044             |
| Unrestricted                   | <u>(1,992,391)</u> | <u>(2,289,753)</u> |
| Total Net Position             | <u>\$ 668,504</u>  | <u>\$ 494,393</u>  |

**Changes in Net Position  
Years Ended June 30,**

|                                    | <u>2022</u>       | <u>2021</u>       |
|------------------------------------|-------------------|-------------------|
| <b>REVENUES</b>                    |                   |                   |
| Real Property Taxes                | \$ 3,331,139      | \$ 3,281,062      |
| Charges for Services               | 12,981            | 1,974             |
| Operating Grants and Contributions | 35,581            | 47,870            |
| Capital Grants and Contributions   | 5,349             | -                 |
| Use of Money and Property          | <u>4,416</u>      | <u>4,256</u>      |
| Total Revenues                     | <u>3,389,466</u>  | <u>3,335,162</u>  |
| <b>EXPENDITURES</b>                |                   |                   |
| Culture and recreation             | <u>3,215,355</u>  | <u>2,782,303</u>  |
| Change in Net Position             | 174,111           | 552,859           |
| <b>NET POSITION</b>                |                   |                   |
| Beginning                          | <u>494,393</u>    | <u>(58,466)</u>   |
| Ending                             | <u>\$ 668,504</u> | <u>\$ 494,393</u> |

## Financial Analysis of the Government's Funds

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the Library's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Library's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the Library's governmental funds reported an ending fund balance of \$1,217,593 an increase of \$250,124 from fiscal year 2021. The General Fund reflects revenues in excess of expenditures in the amount of \$265,409. The majority of the increase was the result of appropriations being in excess of actual expenditures. However, \$390,000 was transferred to the Capital Projects fund to fund capital projects, bringing the net decrease in General Fund fund balance to \$(124,591). The Capital projects fund reflects a net increase in fund balance of \$374,715 as current project expenditures were less than current year transfers. The Library's unassigned fund balance decreased to \$14,425 from \$86,303 in 2021.

### Capital Assets

The Library's capital assets for its governmental activities as of June 30, 2022, amounted to \$2,620,851 (net of accumulated depreciation). These capital assets include leasehold improvements, furniture and fixtures and equipment.

#### Capital Assets (Net of Accumulated Depreciation)

|                          | 2022                | 2021                |
|--------------------------|---------------------|---------------------|
| Construction-in-progress | \$ 7,250            | \$ 428,309          |
| Leasehold improvements   | 2,477,683           | 2,147,503           |
| Furniture and fixtures   | 125,437             | 151,597             |
| Equipment                | 10,481              | 16,693              |
|                          | <u>\$ 2,620,851</u> | <u>\$ 2,744,102</u> |

### Tax Levy Limitation

As disclosed in Note 2 of the Notes to Financial Statements, the Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by the Library in a particular year, beginning with the 2015 year. The Board of Trustees adopted a budget for the year 2022 that is within the tax levy limit for that year.

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# Chappaqua Central School District Public Library, New York

Statement of Net Position  
June 30, 2022

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## ASSETS

|                         |         |    |                  |
|-------------------------|---------|----|------------------|
| Cash and equivalents    | Note 1E | \$ | 1,535,174        |
| Accounts receivable     | Note 1E |    | 18,030           |
| Prepaid expenses        | Note 1E |    | 29,035           |
| Net pension asset - ERS | Note 3C |    | 305,906          |
| Capital assets          |         |    |                  |
| Not being depreciated   | Note 3A |    | 7,250            |
| Being depreciated, net  | Note 3A |    | <u>2,613,601</u> |
| Total Assets            |         |    | <u>4,508,996</u> |

## DEFERRED OUTFLOWS OF RESOURCES

|                                      |         |  |                  |
|--------------------------------------|---------|--|------------------|
| Pension related                      | Note 3C |  | 761,457          |
| OPEB related                         | Note 3C |  | <u>956,235</u>   |
| Total Deferred Outflows of Resources |         |  | <u>1,717,692</u> |

## LIABILITIES

|                           |         |  |                  |
|---------------------------|---------|--|------------------|
| Accounts payable          |         |  | 22,112           |
| Accrued liabilities       | Note 3B |  | 33,169           |
| Due to other governments  | Note 3C |  | 309,365          |
| Non-current liabilities   |         |  |                  |
| Due within one year       | Note 3C |  | 5,597            |
| Due in more than one year | Note 3C |  | <u>3,416,235</u> |
| Total Liabilities         |         |  | <u>3,786,478</u> |

## DEFERRED INFLOWS OF RESOURCES

|                                     |         |  |                  |
|-------------------------------------|---------|--|------------------|
| Pension related                     | Note 3C |  | 1,094,757        |
| OPEB related                        | Note 3C |  | <u>676,949</u>   |
| Total Deferred Inflows of Resources |         |  | <u>1,771,706</u> |

## NET POSITION

|                                 |         |    |                       |
|---------------------------------|---------|----|-----------------------|
| Investment in capital assets    | Note 3D |    | 2,620,851             |
| Restricted for special purposes | Note 3D |    | 40,044                |
| Unrestricted                    | Note 3D |    | <u>(1,992,391)</u>    |
| Total Net Position              |         | \$ | <u><u>668,504</u></u> |

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



**Chappaqua Central School District Public Library, New York**

Governmental Funds  
 Balance Sheet  
 June 30, 2022

|                                     |         | General           | Capital<br>Projects | Total<br>Governmental<br>Funds |
|-------------------------------------|---------|-------------------|---------------------|--------------------------------|
| <b>ASSETS</b>                       |         |                   |                     |                                |
| Cash and equivalents                | Note 1E | \$ 424,674        | \$ 1,110,500        | 1,535,174                      |
| Accounts receivable                 | Note 1E | 18,030            | -                   | 18,030                         |
| Prepaid expenditures                | Note 1E | 29,035            | -                   | 29,035                         |
|                                     |         | <u>471,739</u>    | <u>1,110,500</u>    | <u>1,582,239</u>               |
| Total Assets                        |         | <u>\$ 471,739</u> | <u>\$ 1,110,500</u> | <u>\$ 1,582,239</u>            |
| <b>LIABILITIES AND FUND BALANCE</b> |         |                   |                     |                                |
| Liabilities                         |         |                   |                     |                                |
| Accounts payable                    |         | \$ 22,112         | \$ -                | \$ 22,112                      |
| Accrued liabilities                 | Note 3B | 33,169            | -                   | 33,169                         |
| Due to other governments            | Note 3C | 309,365           | -                   | 309,365                        |
|                                     |         | <u>364,646</u>    | <u>-</u>            | <u>364,646</u>                 |
| Total Liabilities                   |         | <u>364,646</u>    | <u>-</u>            | <u>364,646</u>                 |
| Fund Balance                        |         |                   |                     |                                |
| Nonspendable                        | Note 3E | 29,035            | -                   | 29,035                         |
| Restricted                          | Note 3E | 40,044            | -                   | 40,044                         |
| Committed                           | Note 3E | 23,589            | 1,110,500           | 1,134,089                      |
| Unassigned                          | Note 3E | 14,425            | -                   | 14,425                         |
|                                     |         | <u>107,093</u>    | <u>1,110,500</u>    | <u>1,217,593</u>               |
| Total Fund Balance                  |         | <u>107,093</u>    | <u>1,110,500</u>    | <u>1,217,593</u>               |
| Total Liabilities and Fund Balance  |         | <u>\$ 471,739</u> | <u>\$ 1,110,500</u> | <u>\$ 1,582,239</u>            |

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

**Chappaqua Central School District Public Library, New York**

Reconciliation of the Governmental Funds Balance Sheet to  
the Statement of Net Position  
June 30, 2022

---

Amounts Reported for Governmental Activities in the Statement of Net  
Position are Different Because

|                                    |  |              |
|------------------------------------|--|--------------|
| Total Fund Balances - General Fund |  | \$ 1,217,593 |
|------------------------------------|--|--------------|

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds.

|                                  |         |                    |
|----------------------------------|---------|--------------------|
| Capital assets - non-depreciable | Note 3A | 7,250              |
| Capital assets - depreciable     | Note 3A | 4,981,189          |
| Accumulated depreciation         | Note 3A | <u>(2,367,588)</u> |
|                                  |         | <u>2,620,851</u>   |

Differences between expected and actual experiences, assumption changes  
and net differences between projected and actual earnings and  
contributions subsequent to the measurement date for the postretirement  
benefits (pension and OPEB) are recognized as deferred outflows of  
resources and deferred inflows of resources on the statement of  
net position

|                                     |         |                  |
|-------------------------------------|---------|------------------|
| Deferred outflows - pension related | Note 3C | 761,457          |
| Deferred outflows - OPEB related    | Note 3C | 956,235          |
| Deferred inflows - pension related  | Note 3C | (1,094,757)      |
| Deferred inflows - OPEB related     | Note 3C | <u>(676,949)</u> |
|                                     |         | <u>(54,014)</u>  |

Other long-term assets are not available to pay for current-period  
expenditures and, therefore are either deferred or not reported in the funds.

|                         |  |                |
|-------------------------|--|----------------|
| Net pension asset - ERS |  | <u>305,906</u> |
|-------------------------|--|----------------|

Long-term liabilities that are not due and payable in the current  
period and therefore, are not reported in the funds.

|                      |         |                    |
|----------------------|---------|--------------------|
| Total OPEB Liability | Note 3C | (3,365,867)        |
| Compensated absences | Note 3C | <u>(55,965)</u>    |
|                      |         | <u>(3,421,832)</u> |

|   |  |                   |
|---|--|-------------------|
| Net Position of Governmental Activities |  | <u>\$ 668,504</u> |
|---|--|-------------------|

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



**Chappaqua Central School District Public Library, New York**

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Governmental Funds  
 Year Ended June 30, 2022

|  | General           | Capital<br>Projects | Total<br>Governmental<br>Funds |
|--|-------------------|---------------------|--------------------------------|
| <b>REVENUES</b>                                      |                   |                     |                                |
| Real property taxes                                  | \$ 3,331,139      | \$ -                | \$ 3,331,139                   |
| Use of money and property                            | 4,416             | -                   | 4,416                          |
| Fines and forfeitures                                | 12,981            | -                   | 12,981                         |
| Sale of property and compensation for loss           | -                 | 5,349               | 5,349                          |
| State aid  | 4,684             | -                   | 4,684                          |
| Miscellaneous  | 30,897            | -                   | 30,897                         |
|  | <u>3,384,117</u>  | <u>5,349</u>        | <u>3,389,466</u>               |
| <b>EXPENDITURES</b>                                  |                   |                     |                                |
| Current  |                   |                     |                                |
| Culture and recreation                               |                   |                     |                                |
| Personal services                                    | 1,643,978         | -                   | 1,643,978                      |
| Equipment and maintenance                            | 8,299             | -                   | 8,299                          |
| Contractual  | 685,348           | -                   | 685,348                        |
| Employee benefits                                    | 781,083           | -                   | 781,083                        |
| Capital outlay                                       | -                 | 20,634              | 20,634                         |
|  | <u>3,118,708</u>  | <u>20,634</u>       | <u>3,139,342</u>               |
| Total Expenditures                                   | <u>3,118,708</u>  | <u>20,634</u>       | <u>3,139,342</u>               |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 265,409           | (15,285)            | 250,124                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                   |                     |                                |
| Transfers in   | -                 | 390,000             | 390,000                        |
| Transfers out  | (390,000)         | -                   | (390,000)                      |
|  | <u>(390,000)</u>  | <u>390,000</u>      | <u>-</u>                       |
| Total Other Financing Sources (Uses)                 | <u>(390,000)</u>  | <u>390,000</u>      | <u>-</u>                       |
| Net Change in Fund Balance                           | (124,591)         | 374,715             | 250,124                        |
| <b>FUND BALANCE</b>                                  |                   |                     |                                |
| Beginning of Year                                    | <u>231,684</u>    | <u>735,785</u>      | <u>967,469</u>                 |
| End of Year  | <u>\$ 107,093</u> | <u>\$ 1,110,500</u> | <u>\$ 1,217,593</u>            |

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

**Chappaqua Central School District Public Library, New York**

Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balance  
to the Statement of Activities  
Year Ended June 30, 2022

---

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

|   |         |                          |
|---|---------|--------------------------|
| Net Change in Fund Balance - General Fund   |         | <u>\$ 250,124</u>        |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. |         |                          |
| Capital outlay expenditures   | Note 3A | 23,011                   |
| Depreciation expense  | Note 3A | <u>(146,262)</u>         |
|   |         | <u>(123,251)</u>         |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.                               |         |                          |
| Changes in pension liabilities and deferred outflows and inflows of resources   | Note 3C | 201,716                  |
| Compensated absences  | Note 3C | (7,796)                  |
| Changes in OPEB liabilities and related deferred outflows and inflows of resources  | Note 3C | <u>(146,682)</u>         |
|   |         | <u>47,238</u>            |
| Change in Net Position of Governmental Activities   |         | <u><u>\$ 174,111</u></u> |

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

**Chappaqua Central School District Public Library, New York**

General Fund  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2022

|   | Original<br>Budget | Final<br>Budget  | Actual            | Variance with<br>Final Budget |
|---|--------------------|------------------|-------------------|-------------------------------|
| <b>REVENUES</b>                         |                    |                  |                   |                               |
| Real property taxes                     | \$ 3,331,139       | \$ 3,331,139     | \$ 3,331,139      | \$ -                          |
| Use of money and property               | 5,000              | 5,000            | 4,416             | (584)                         |
| Fines and forfeitures                   | 10,000             | 10,000           | 12,981            | 2,981                         |
| State aid                               | 4,000              | 4,000            | 4,684             | 684                           |
| Miscellaneous                           | 3,100              | 3,100            | 30,897            | 27,797                        |
| Total Revenues                          | <u>3,353,239</u>   | <u>3,353,239</u> | <u>3,384,117</u>  | <u>30,878</u>                 |
| <b>EXPENDITURES</b>                     |                    |                  |                   |                               |
| Current                                 |                    |                  |                   |                               |
| Culture and recreation                  |                    |                  |                   |                               |
| Personal services                       | 1,768,773          | 1,768,773        | 1,643,978         | 124,795                       |
| Equipment and maintenance               | 14,374             | 14,374           | 8,299             | 6,075                         |
| Contractual                             | 662,881            | 662,881          | 685,348           | (22,467)                      |
| Employee benefits                       | 817,211            | 817,211          | 781,083           | 36,128                        |
| Total Expenditures                      | <u>3,263,239</u>   | <u>3,263,239</u> | <u>3,118,708</u>  | <u>144,531</u>                |
| Excess of Revenues<br>Over Expenditures | 90,000             | 90,000           | 265,409           | 175,409                       |
| <b>OTHER FINANCING USES</b>             |                    |                  |                   |                               |
| Transfers out                           | <u>(90,000)</u>    | <u>(90,000)</u>  | <u>(390,000)</u>  | <u>300,000</u>                |
| Net Change in Fund Balance              | -                  | -                | (124,591)         | (124,591)                     |
| <b>FUND BALANCE</b>                     |                    |                  |                   |                               |
| Beginning of Year                       | <u>-</u>           | <u>-</u>         | <u>231,684</u>    | <u>231,684</u>                |
| End of Year                             | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 107,093</u> | <u>\$ 107,093</u>             |

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

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

The Chappaqua Central School District Public Library ("Library") is a school district library chartered by the Board of Regents of the State of New York. The Library is chartered to serve the residents of the Chappaqua Central School District, New York ("School District") and is a member of the Westchester Library Association. The Board of Trustees is the legislative body responsible for the overall operation of the Library and are elected by the voters of the Library. The Executive Director serves as the chief executive officer.

The financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Library's significant accounting policies are described below:

**A. Financial Reporting Entity**

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

In evaluating how to define the Library, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Library's reporting entity was made by applying the criteria set forth by GASB including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Library as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Library at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Library does not allocate indirect expenses to functions in the Statement of Activities.

While separate government-wide and fund financial statements are presented, they are interrelated. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**C. Fund Financial Statements**

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Library maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Library's resources are reflected in the fund financial statements in one broad fund category, in accordance with generally accepted accounting principles as follows:

**Fund Categories**

Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the Library's major governmental funds.

General Fund - The General Fund constitutes the primary fund of the Library in that it includes all revenues and expenditures not required by law to be reported in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

## Chappaqua Central School District Public Library, New York

Notes to Financial Statements (Continued)

June 30, 2022

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

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the flow of *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditures is made and the amounts are expected to be collected within one year of the fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to net pension liabilities, other postemployment benefit liability and compensated absences are recognized later based on significant accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

#### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances**

##### **Cash and Equivalents, Investments and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short term investments with original maturities of less than three months from the date of acquisition.

The Library's deposits and investment policies are governed by State statutes. The Library has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Library is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Library has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

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

The Library follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in

## Chappaqua Central School District Public Library, New York

Notes to Financial Statements (Continued)

June 30, 2022

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

active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### **Risk Disclosure**

**Interest Rate Risk** - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Library does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Library does not invest in any long-term investment obligations.

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Library's name. The Library's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2022.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Library does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York. U.S. government obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

**Concentration of Credit Risk** - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Library's investment policy limits the amount on deposit at each of its banking institutions.

**Taxes Receivable** - Real property taxes attach as an enforceable lien on real property as of July 1st and are levied and payable in September and January. The Towns of New Castle and Mount Pleasant, New York which are included in the levy are responsible for the billing and collection of the taxes. The towns remit the entire levy to the School District who in turn remits it to the Library. The towns guarantee the full payment of the Library's warrant and assume responsibility for uncollected taxes.

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of insurance costs and other miscellaneous amounts which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.



**Chappaqua Central School District Public Library, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Inventory** - There are no inventory values presented in the balance sheet of the Library. Purchases of inventoriable items are recorded as expenditures at the time of purchase and year end balances are not material.

**Other Receivables** - Other receivables include amounts due from other governments and individuals for services provided by the Library. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

**Capital Assets** - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Construction-in-progress is not depreciated. Property, plant and equipment of the Library are depreciated using the straight line method over the following estimated useful lives.

| <u>Class</u>           | <u>Life in<br/>Years</u> |
|------------------------|--------------------------|
| Leasehold Improvements | 20-39                    |
| Furniture and Fixtures | 7                        |
| Equipment              | 5-7                      |

The costs associated with the acquisition or construction of capital assets are shown as expenditures in the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

## Chappaqua Central School District Public Library, New York

Notes to Financial Statements (Continued)

June 30, 2022

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

The Library reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial statements. These amounts are detailed in the discussion of the Library's pension and other postemployment benefit liabilities in Note 3C.

**Compensated Absences** - The Library's employee handbook provides for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated time is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

**Net Pension Liability** - The net pension liability represents the Library's proportionate share of the net pension liability (Asset) of the New York State and Local Employees' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68".

**Other Post-Employment Benefit Liability ("OPEB")** - In addition to providing pension benefits, the Library provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions".

**Net Position** - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: investment in capital assets, restricted, and unrestricted.

*Investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Library includes restricted for special purposes.

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**Fund Balance** - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Library is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

## Chappaqua Central School District Public Library, New York

Notes to Financial Statements (Continued)

June 30, 2022

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

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Library Board of Trustees is the highest level of decision making authority for the Library that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Library removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Library Board of Trustees.

Assigned fund balance represents amounts constrained either by policies of the Board of Trustees or the Executive Director to assign amounts for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Library's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Library's policy to use fund balance in the following order: committed, assigned, and unassigned.

#### **F. Use of Estimates**

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

**Chappaqua Central School District Public Library, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**G. Subsequent Events Evaluation by Management**

The Library has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 23, 2023.

**H. New Accounting Pronouncement**

GASB Statement No. 87, "Leases", established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the Library's fiscal year ended June 30, 2022. The Library has completed its evaluation of the financial impact of GASB Statement No. 87 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

The Library generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) The proposed annual budget and supplemental propositions for the Library as established by the Trustees shall be placed before the voters in the general election.
- b) All budget propositions require approval by a majority of voters in the Library.
- c) Upon approval of such proposed operating budget and of the propositions, the proposed budget becomes the budget of the Library.
- d) The General Fund budget is legally adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. The Capital Projects Fund is budgeted on a project basis.
- e) The Board of Trustees has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Trustees. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- f) Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding fiscal year pursuant to the Uniform System of Accounts as promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted.

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

**B. Property Tax Limitation**

Chapter 97 of the Laws of 2011, as amended (“Tax Levy Limitation Law”), modified previous law by imposing a limit on the amount of real property taxes that a school district library may levy. Prior to its enactment, there was no statutory limitation on the amount of real property taxes that a school district library could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district library was required to adopt a contingency budget. Under a contingency budget, budget increases were limited to the lesser of 4% of the prior year’s budget or 120% of the consumer price index (“CPI”).

Under the Tax Levy Limitation Law, there is now a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the CPI subject to certain exclusions. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget, the tax levy for the school district library’s budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year. School districts libraries will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior year.

The Tax Levy Limitation Law permits certain significant exclusions to the tax levy limit for school districts libraries. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Tax Levy Limitation Law. However, such exclusion does not apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

**C. Expenditures in Excess of Budget**

Contractual and transfers out categories in the General Fund exceeded their budgetary authorization by \$22,467 and \$300,000, respectively.

**Note 3 - Detailed Notes on All Funds**

**A. Capital Assets**

Changes in the Library’s capital assets are as follows:

| Class   | Balance<br>July 1, 2021 | Additions | Deletions  | Balance<br>June 30, 2022 |
|---|-------------------------|-----------|------------|--------------------------|
| Capital Assets, not being depreciated -<br>Construction-in-progress | \$ 428,309              | \$ 7,250  | \$ 428,309 | \$ 7,250                 |

**Chappaqua Central School District Public Library, New York**

Notes to Financial Statements (Continued)  
June 30, 2022

**Note 3 - Detailed Notes on All Funds (Continued)**

| Class   | Balance<br>July 1, 2021 | Additions      | Deletions      | Balance<br>June 30, 2022 |
|---|-------------------------|----------------|----------------|--------------------------|
| Capital Assets, being depreciated:                  |                         |                |                |                          |
| Leasehold Improvements                              | \$ 3,385,043            | \$ 443,609     | \$ -           | \$ 3,828,652             |
| Furniture and Fixtures                              | 485,792                 | 461            | -              | 486,253                  |
| Equipment   | 666,284                 | -              | -              | 666,284                  |
| <br>Total Capital Assets,<br>being depreciated      | <br>4,537,119           | <br>444,070    | <br>-          | <br>4,981,189            |
| Less Accumulated Depreciation for:                  |                         |                |                |                          |
| Leasehold Improvements                              | 1,237,540               | 113,429        | -              | 1,350,969                |
| Furniture and Fixtures                              | 334,195                 | 26,621         | -              | 360,816                  |
| Equipment   | 649,591                 | 6,212          | -              | 655,803                  |
| <br>Total Accumulated Depreciation                  | <br>2,221,326           | <br>146,262    | <br>-          | <br>2,367,588            |
| <br>Total Capital Assets, being<br>depreciated, net | <br>\$ 2,315,793        | <br>\$ 297,808 | <br>\$ -       | <br>\$ 2,613,601         |
| <br>Capital Assets, net                             | <br>\$ 2,744,102        | <br>\$ 305,058 | <br>\$ 428,309 | <br>\$ 2,620,851         |

Depreciation expense was all charged to the culture and recreation function/programs.

**B. Accrued Liabilities**

Accrued liabilities at June 30, 2022 of \$33,169 in the General Fund were for payroll and employee benefits.

**C. Long-Term Liabilities**

The changes in the Library's long-term liabilities during the year ended June 30, 2022 are summarized as follows:

|   | Balance,<br>July 1, 2021 | New Issues/<br>Additions | Maturities<br>and/or<br>Payments | Balance<br>June 30,<br>2022 | Due Within<br>One Year |
|---|--------------------------|--------------------------|----------------------------------|-----------------------------|------------------------|
| Net Pension Liability - ERS                 | \$ 4,182                 | \$ -                     | \$ 4,182                         | \$ -                        | \$ -                   |
| Other Postemployment<br>Benefit Liabilities | 2,996,450                | 531,413                  | 161,996                          | 3,365,867                   | -                      |
| Compensated Absences                        | 48,169                   | 7,796                    | -                                | 55,965                      | 5,597                  |
| <br>Total Long-Term Liabilities             | <br>\$ 3,048,801         | <br>\$ 539,209           | <br>\$ 166,178                   | <br>\$ 3,421,832            | <br>\$ 5,597           |

The Library's indebtedness for net pension liability, other postemployment benefit liability and compensated absences are liquidated by the General Fund.

**Note 3 - Detailed Notes on All Funds (Continued)**

**Pension Plan**

The Library participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, 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, which provides death benefits in the form of life insurance. The ERS 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/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

ERS is noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. The employer contribution rates for the plans' year ending in 2022 are as follows:

| <u>Tier/Plan</u> | <u>Rate</u> |
|------------------|-------------|
| 2 75I            | 23.1 %      |
| 3 A14            | 18.3        |
| 4 A15            | 18.3        |
| 5 A15            | 15.3        |
| 6 A15            | 10.7        |

At June 30, 2022, the Library reported the following for its proportionate share of the net pension asset:

|   |                |
|---|----------------|
| Measurement date                                      | March 31, 2022 |
| Net pension asset                                     | \$ (305,906)   |
| Library's proportion of the net pension asset         | 0.0037414 %    |
| Change in proportion since the prior measurement date | (0.0004587) %  |

**Chappaqua Central School District Public Library, New York**

Notes to Financial Statements (Continued)

June 30, 2022

**Note 3 - Detailed Notes on All Funds (Continued)**

The net pension asset was measured as of March 31, 2022 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended June 30, 2022, the Library recognized pension expense in the government-wide financial statements of \$50,692. Pension expenditures of \$252,408 was recorded in the fund financial statements and were charged to the General Fund.

At June 30, 2022, the Library reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience   | \$ 23,167                            | \$ 30,048                           |
| Changes of assumptions   | 510,522                              | 8,614                               |
| Net difference between projected and actual earnings on pension plan investments                             | -                                    | 1,001,713                           |
| Changes in proportion and differences between Library contributions and proportionate share of contributions | 165,895                              | 54,382                              |
| Library contributions subsequent to the measurement date   | 61,873                               | -                                   |
|  | <u>\$ 761,457</u>                    | <u>\$ 1,094,757</u>                 |

\$61,873 reported as deferred outflows of resources resulting from the Library's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Year Ended<br>June 30, |                     |
|------------------------|---------------------|
| 2023                   | \$ (35,493)         |
| 2024                   | (80,421)            |
| 2025                   | (237,374)           |
| 2026                   | (41,885)            |
|                        | <u>\$ (395,173)</u> |



**Note 3 - Detailed Notes on All Funds (Continued)**

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

|                            | <u>ERS</u>     |
|----------------------------|----------------|
| Measurement Date           | March 31, 2022 |
| Actuarial valuation date   | April 1, 2021  |
| Investment rate of return  | 5.9% *         |
| Salary scale               | 4.4%           |
| Inflation rate             | 2.7%           |
| Cost of living adjustments | 1.4%           |

\*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020.

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

| <u>Asset Type</u>           | <u>March 31, 2022</u>    |   |
|-----------------------------|--------------------------|---|
|                             | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| Domestic Equity             | 32 %                     | 3.30 %  |
| International Equity        | 15                       | 5.85  |
| Private Equity              | 10                       | 6.50  |
| Real Estate                 | 9                        | 5.00  |
| Opportunistic/ARS Portfolio | 3                        | 4.10  |
| Credit                      | 4                        | 3.78  |
| Real Assets                 | 3                        | 5.80  |
| Fixed Income                | 23                       | -   |
| Cash                        | 1                        | (1.00)  |
|                             | <u>100 %</u>             |   |

The real rate of return is net of the long-term inflation assumption of 2.7%.

**Chappaqua Central School District Public Library, New York**

Notes to Financial Statements (Continued)

June 30, 2022

**Note 3 - Detailed Notes on All Funds (Continued)**

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those 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.

The following presents the Library's proportionate share of the net pension liability (asset) 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 (4.9%) or 1 percentage point higher (6.9%) than the current rate:

|  | 1%<br>Decrease<br>(4.9%) | Current<br>Discount Rate<br>(5.9%) | 1%<br>Increase<br>(6.9%) |
|--|--------------------------|------------------------------------|--------------------------|
| Library's proportionate share of the net pension liability (asset) | \$ 787,398               | \$ (305,906)                       | \$ (1,220,401)           |

The components of the collective net pension asset as of the March 31, 2022 measurement date were as follows:

|   | <u>ERS</u>                |
|---|---------------------------|
| Total pension liability   | \$ 223,874,888,000        |
| Fiduciary net position  | <u>232,049,473,000</u>    |
| Employers' net pension liability                                  | <u>\$ (8,174,585,000)</u> |
| Fiduciary net position as a percentage of total pension liability | <u>103.65%</u>            |

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Accrued retirement contributions as of June 30, 2022 were \$309,365, which includes \$247,492 for the fiscal year ended March 31, 2022 invoice that was reimbursed to the School District subsequent to year end.

**Note 3 - Detailed Notes on All Funds (Continued)**

*Voluntary Defined Contribution Plan*

The Library can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Library will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

**Other Postemployment Benefit Obligations (“OPEB”)**

In addition to providing pension benefits, the Library provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The Library’s employee handbook stipulate the employees covered and the percentage of contribution. Contributions by the Library may vary according to length of service. The cost of providing postemployment health care benefits is shared between the Library and the retired employee as noted below. Substantially all of the Library’s employees may become eligible for those benefits if they reach normal retirement age while working for the Library. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions”, so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2022, the following employees were covered by the benefit terms:

|   |    |
|---|----|
| Inactive employees currently receiving benefit payments | 20 |
| Active employees  | 18 |
|   | 38 |

The Library’s total OPEB liability of \$3,365,867 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |  |
|--|--|
| Inflation rate                           | 3.0%   |
| Salary increases                         | 3.0%   |
| Discount rate                            | 4.09%  |
| Healthcare cost trend rates              | 8.0% for 2023, decreasing 0.5% per year to an ultimate rate of 5.0% for 2029 and later years |
| Retirees' share of benefit-related costs | 25% for individual coverage and 50% for family coverage                                      |

The discount rate was based on the S&P 20 AA Municipal Bond Index as of June 30, 2022.

Mortality rates were based on the PUB 2010 mortality table with MP-2021 projection.

**Chappaqua Central School District Public Library, New York**

Notes to Financial Statements (Continued)

June 30, 2022

**Note 3 - Detailed Notes on All Funds (Continued)**

The Library's change in the total OPEB liability for the year ended June 30, 2022 is as follows:

|  |                                |
|--|--------------------------------|
| Total OPEB Liability - Beginning of Year           | \$ 2,996,450                   |
| Service cost                                       | 48,928                         |
| Interest   | 63,557                         |
| Changes of benefit terms                           | -                              |
| Differences between expected and actual experience | 1,434,352                      |
| Changes in assumptions or other inputs             | (1,015,424)                    |
| Benefit payments                                   | <u>(161,996)</u>               |
| <br>Total OPEB Liability - End of Year             | <br><u><u>\$ 3,365,867</u></u> |

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 (3.09%) or 1 percentage point higher (5.09%) than the current discount rate:

|                      | 1%<br>Decrease<br>(3.09%) | Current<br>Discount Rate<br>(4.09%) | 1%<br>Increase<br>(5.09%) |
|----------------------|---------------------------|-------------------------------------|---------------------------|
| Total OPEB Liability | <u>\$ 3,849,162</u>       | <u>\$ 3,365,867</u>                 | <u>\$ 2,975,560</u>       |

The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

|                      | 1%<br>Decrease<br>(7.0% decreasing<br>to 4.0%) | Current<br>Healthcare Cost<br>Trend Rates<br>(8.0% decreasing<br>to 5.0%) | 1%<br>Increase<br>(9.0% decreasing<br>to 6.0%) |
|----------------------|--|---|--|
| Total OPEB Liability | <u>\$ 2,964,138</u>                            | <u>\$ 3,365,867</u>   | <u>\$ 3,873,142</u>                            |

For the year ended June 30, 2022, the Library recognized OPEB expense of \$308,678 in the government-wide financial statements. At June 30, 2022, the following amounts were reported in deferred outflows/inflows of resources related to OPEB.

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 956,235                           | \$ -                                |
| Changes of assumptions                            | <u>-</u>                             | <u>676,949</u>                      |
|   | <u>\$ 956,235</u>                    | <u>\$ 676,949</u>                   |

**Chappaqua Central School District Public Library, New York**

Notes to Financial Statements (Continued)

June 30, 2022

**Note 3 - Detailed Notes on All Funds (Continued)**

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

|      | Year Ended<br>June 30, |                |
|------|------------------------|----------------|
| 2023 | \$                     | 139,642        |
| 2024 |                        | 139,644        |
|      |                        | <u>279,286</u> |

**Compensated Absences**

Pursuant to the Library’s employee handbook, all full-time employees are entitled to be compensated for accumulated vacation time upon separation of service or retirement. Vacation time is earned based on the calendar year and is required to be taken by January 31<sup>st</sup> of the following year or it shall be forfeited. Unused sick days are not paid upon separation of service or retirement.

**D. Net Position**

The components of net position are detailed below:

*Investment in Capital Assets* - the component of net position that reports the difference between capital assets less the accumulated depreciation.

*Restricted for Special Purpose* - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

*Unrestricted* - all other net position that do not meet the definition of “restricted” or “investment in capital assets”.

**E. Fund Balances**

|                      | General<br>Fund   | Capital<br>Fund     | Total               |
|----------------------|-------------------|---------------------|---------------------|
| Nonspendable -       |                   |                     |                     |
| Prepaid expenditures | <u>\$ 29,035</u>  | <u>\$ -</u>         | <u>\$ 29,035</u>    |
| Restricted:          |                   |                     |                     |
| Reader's Digest Fund | 30,044            | -                   | 30,044              |
| Schlanger Fund       | <u>10,000</u>     | <u>-</u>            | <u>10,000</u>       |
| Total Restricted     | <u>40,044</u>     | <u>-</u>            | <u>40,044</u>       |
| Committed:           |                   |                     |                     |
| Capital              | -                 | 1,110,500           | 1,110,500           |
| Carol Burk Bequest   | 20,577            | -                   | 20,577              |
| Other                | <u>3,012</u>      | <u>-</u>            | <u>3,012</u>        |
| Total Committed      | <u>23,589</u>     | <u>1,110,500</u>    | <u>1,134,089</u>    |
| Unassigned           | <u>14,425</u>     | <u>-</u>            | <u>14,425</u>       |
| Total Fund Balances  | <u>\$ 107,093</u> | <u>\$ 1,110,500</u> | <u>\$ 1,217,593</u> |

**Note 3 - Detailed Notes on All Funds (Continued)**

Certain elements of fund balances are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

Prepaid expenditures have been provided to account for certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not “available” for appropriation or expenditure even though they are a component of current assets.

Committed funds are designated by the Board of Trustees for specific purposes as indicated above.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

**F. Revenues and Expenditures**

**Interfund Transfers**

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reported as transfers.

|               | Transfer In                 |
|---------------|-----------------------------|
| Transfers Out | Capital<br>Projects<br>Fund |
| General Fund  | \$ 390,000                  |

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects funds expenditures.

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

The Library, in common with other municipalities, receives numerous notices of claims for money damages arising from property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Library if adversely settled.

**B. Risk Management**

The Library purchases various conventional insurance policies to reduce its exposure to loss. The Library maintains general liability coverage with policy limits of \$1 million each occurrence and \$3 million general aggregate. In addition, the Library maintains an umbrella liability policy which provides coverage up to \$5 million. The Library also purchases conventional workers’ compensation and medical insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**C. Related Party Transactions**

The Library is party to an agreement with the School District, the owner of record of the land and building occupied by the Library. Under the agreement, the Library is responsible for the operation and maintenance of the library facility. The Library does not pay rent for the use of the land and building.

**Note 5 - Recently Issued GASB Pronouncements**

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Library believes will most impact its financial statements. The Library will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

\*\*\*\*

**Chappaqua Central School District Public Library, New York**

Required Supplementary Information - Schedule of Changes in the  
Library's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years (1)(2)

|  | 2022                | 2021                | 2020                | 2019                | 2018                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability:  |                     |                     |                     |                     |                     |
| Service cost   | \$ 48,928           | \$ 44,091           | \$ 35,402           | \$ 34,879           | \$ 34,441           |
| Interest   | 63,557              | 75,170              | 88,520              | 97,890              | 95,930              |
| Difference between expected and actual experience                | 1,434,352           | (45,815)            | (392,173)           | (199,256)           | 50,202              |
| Changes of benefit terms   | -                   | -                   | -                   | -                   | -                   |
| Changes of assumptions or other inputs                           | (1,015,424)         | 158,916             | 42,552              | 70,226              | -                   |
| Benefit payments   | (161,996)           | (123,727)           | (118,521)           | (113,174)           | (116,456)           |
| Net Change in Total OPEB Liability                               | 369,417             | 108,635             | (344,220)           | (109,435)           | 64,117              |
| Total OPEB Liability – Beginning of Year                         | 2,996,450           | 2,887,815           | 3,232,035           | 3,341,470           | 3,277,353 (3)       |
| Total OPEB Liability – End of Year                               | <u>\$ 3,365,867</u> | <u>\$ 2,996,450</u> | <u>\$ 2,887,815</u> | <u>\$ 3,232,035</u> | <u>\$ 3,341,470</u> |
| Library's covered-employee payroll                               | <u>\$ 1,693,866</u> | <u>\$ 1,490,567</u> | <u>\$ 1,613,061</u> | <u>\$ 1,585,848</u> | <u>\$ 1,536,867</u> |
| Total OPEB liability as a percentage of covered-employee payroll | <u>198.71%</u>      | <u>201.03%</u>      | <u>179.03%</u>      | <u>203.80%</u>      | <u>217.42%</u>      |
| *Discount Rate   | <u>4.09%</u>        | <u>2.18%</u>        | <u>2.66%</u>        | <u>2.79%</u>        | <u>2.98%</u>        |

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

See independent auditors' report.



**Chappaqua Central School District Public Library, New York**

Required Supplementary Information -  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years (1)

Schedule of the Library's Proportionate Share of the Net Pension Liability (Asset) (2)

|  | 2022 (4)     | 2021 (4)     | 2020 (3)     | 2019         | 2018         |
|--|--------------|--------------|--------------|--------------|--------------|
| Library's proportion of the net pension liability (asset)  | 0.0037414%   | 0.0042001%   | 0.0041861%   | 0.0042385%   | 0.0047457%   |
| Library's proportionate share of the net pension liability (asset)   | \$ (305,906) | \$ 4,182     | \$ 1,108,531 | \$ 300,397   | \$ 153,134   |
| Library's covered payroll  | \$ 1,439,673 | \$ 1,767,754 | \$ 1,433,672 | \$ 1,325,109 | \$ 1,383,609 |
| Library's proportionate share of the net pension liability (asset)<br>as a percentage of its covered payroll | (21.25%)     | 0.24%        | 77.32%       | 22.67%       | 11.07%       |
| Plan fiduciary net position as a percentage<br>of the total pension liability                                | 99.95%       | 99.95%       | 86.39%       | 96.27%       | 98.24%       |
| Discount Rate  | 5.90%        | 5.90%        | 6.80%        | 7.00%        | 7.00%        |

Schedule of Contributions

|  | 2022         | 2021         | 2020         | 2019         | 2018         |
|--|--------------|--------------|--------------|--------------|--------------|
| Contractually required contribution                                  | \$ 247,492   | \$ 223,595   | \$ 209,449   | \$ 224,404   | \$ 224,466   |
| Contributions in relation to the contractually required contribution | (247,492)    | (223,595)    | (209,449)    | (224,404)    | (224,466)    |
| Contribution excess  | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Library's covered payroll  | \$ 1,435,434 | \$ 1,604,117 | \$ 1,616,946 | \$ 1,381,171 | \$ 1,196,770 |
| Contributions as a percentage of covered payroll                     | \$ 17.24%    | \$ 13.94%    | 12.95%       | 16.25%       | 18.76%       |

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) Increase in the Library's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(4) Decrease in the Library's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains.

See independent auditors' report.

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**Chappaqua Central School District Public Library, New York**

General Fund  
 Comparative Balance Sheet  
 June 30,

|                                     | 2022              | 2021              |
|-------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                       |                   |                   |
| Cash and equivalents                | \$ 424,674        | 508,206           |
| Accounts receivable                 | 18,030            | 9,892             |
| Prepaid expenditures                | 29,035            | 81,748            |
|                                     | <u>471,739</u>    | <u>599,846</u>    |
| Total Assets                        | <u>\$ 471,739</u> | <u>\$ 599,846</u> |
| <b>LIABILITIES AND FUND BALANCE</b> |                   |                   |
| Liabilities                         |                   |                   |
| Accounts payable                    | \$ 22,112         | \$ 5,487          |
| Accrued liabilities                 | 33,169            | 83,181            |
| Due to other governments            | 309,365           | 279,494           |
|                                     | <u>364,646</u>    | <u>368,162</u>    |
| Total Liabilities                   | <u>364,646</u>    | <u>368,162</u>    |
| Fund Balance                        |                   |                   |
| Nonspendable                        | 29,035            | 81,748            |
| Restricted                          | 40,044            | 40,044            |
| Committed                           | 23,589            | 23,589            |
| Unassigned                          | 14,425            | 86,303            |
|                                     | <u>107,093</u>    | <u>231,684</u>    |
| Total Fund Balance                  | <u>107,093</u>    | <u>231,684</u>    |
| Total Liabilities and Fund Balance  | <u>\$ 471,739</u> | <u>\$ 599,846</u> |

See independent auditors' report.

**Chappaqua Central School District Public Library, New York**

General Fund

Comparative Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Years Ended June 30,

|   | 2022               |                  |                   |                               |
|---|--------------------|------------------|-------------------|-------------------------------|
|   | Original<br>Budget | Final<br>Budget  | Actual            | Variance with<br>Final Budget |
| <b>REVENUES</b>                         |                    |                  |                   |                               |
| Real property taxes                     | \$ 3,331,139       | \$ 3,331,139     | \$ 3,331,139      | \$ -                          |
| Use of money and property               | 5,000              | 5,000            | 4,416             | (584)                         |
| Fines and Forfeitures                   | 10,000             | 10,000           | 12,981            | 2,981                         |
| State aid                               | 4,000              | 4,000            | 4,684             | 684                           |
| Miscellaneous                           | 3,100              | 3,100            | 30,897            | 27,797                        |
| <b>Total Revenues</b>                   | <b>3,353,239</b>   | <b>3,353,239</b> | <b>3,384,117</b>  | <b>30,878</b>                 |
| <b>EXPENDITURES</b>                     |                    |                  |                   |                               |
| Current                                 |                    |                  |                   |                               |
| Culture and recreation                  |                    |                  |                   |                               |
| Personal services                       | 1,768,773          | 1,768,773        | 1,643,978         | 124,795                       |
| Equipment and maintenance               | 14,374             | 14,374           | 8,299             | 6,075                         |
| Contractual                             | 662,881            | 662,881          | 685,348           | (22,467)                      |
| Employee benefits                       | 817,211            | 817,211          | 781,083           | 36,128                        |
| <b>Total Expenditures</b>               | <b>3,263,239</b>   | <b>3,263,239</b> | <b>3,118,708</b>  | <b>144,531</b>                |
| Excess of Revenues<br>Over Expenditures | 90,000             | 90,000           | 265,409           | 175,409                       |
| <b>OTHER FINANCING USES</b>             |                    |                  |                   |                               |
| Transfers out                           | (90,000)           | (90,000)         | (390,000)         | (300,000)                     |
| <b>Net Change in Fund Balance</b>       | <b>-</b>           | <b>-</b>         | <b>(124,591)</b>  | <b>(124,591)</b>              |
| <b>FUND BALANCE</b>                     |                    |                  |                   |                               |
| Beginning of Year                       | -                  | -                | 231,684           | 231,684                       |
| End of Year                             | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 107,093</u> | <u>\$ 107,093</u>             |

See independent auditors' report.

2021

| Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget |
|--------------------|-----------------|--------------|-------------------------------|
| \$ 3,281,062       | \$ 3,281,062    | \$ 3,281,062 | \$ -                          |
| 5,000              | 5,000           | 4,256        | (744)                         |
| 20,000             | 20,000          | 1,974        | (18,026)                      |
| 5,000              | 5,000           | 5,764        | 764                           |
| 3,100              | 3,100           | 42,106       | 39,006                        |
| 3,314,162          | 3,314,162       | 3,335,162    | 21,000                        |
| 1,755,124          | 1,755,124       | 1,492,780    | 262,344                       |
| 14,374             | 14,374          | 63,675       | (49,301)                      |
| 663,667            | 663,667         | 653,935      | 9,732                         |
| 790,997            | 790,997         | 707,795      | 83,202                        |
| 3,224,162          | 3,224,162       | 2,918,185    | 305,977                       |
| 90,000             | 90,000          | 416,977      | 326,977                       |
| (90,000)           | (90,000)        | (391,406)    | (301,406)                     |
| -                  | -               | 25,571       | 25,571                        |
| -                  | -               | 206,113      | 206,113                       |
| \$ -               | \$ -            | \$ 231,684   | \$ 231,684                    |

**Chappaqua Central School District Public Library, New York**

Capital Projects Fund  
Comparative Balance Sheet  
June 30,

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|                                     | <u>2022</u>         | <u>2021</u>         |
|-------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                       |                     |                     |
| Cash and equivalents                | <u>\$ 1,110,500</u> | <u>\$ 1,124,903</u> |
| <b>LIABILITIES AND FUND BALANCE</b> |                     |                     |
| Liabilities                         |                     |                     |
| Accounts payable                    | \$ -                | \$ 389,118          |
| Fund balance                        |                     |                     |
| Committed                           | <u>1,110,500</u>    | <u>735,785</u>      |
| Total Liabilities and Fund Balance  | <u>\$ 1,110,500</u> | <u>\$ 1,124,903</u> |

See independent auditors' report.

**Chappaqua Central School District Public Library, New York**

Capital Projects Fund  
Comparative Statement of Revenues, Expenditures and Changes  
in Fund Balance  
Years Ended June 30,

|  | <u>2022</u>                | <u>2021</u>              |
|--|----------------------------|--------------------------|
| <b>REVENUES</b>                            |                            |                          |
| Sale of property and compensation for loss | \$ 5,349                   | \$ -                     |
| <b>EXPENDITURES</b>                        |                            |                          |
| Capital outlay                             | <u>20,634</u>              | <u>436,959</u>           |
| Deficiency of Revenues over Expenditures   | (15,285)                   | (436,959)                |
| <b>OTHER FINANCING SOURCES</b>             |                            |                          |
| Transfers in                               | <u>390,000</u>             | <u>391,406</u>           |
| Net Change in Fund Balance                 | 374,715                    | (45,553)                 |
| <b>FUND BALANCE</b>                        |                            |                          |
| Beginning of Year                          | <u>735,785</u>             | <u>781,338</u>           |
| End of Year                                | <u><u>\$ 1,110,500</u></u> | <u><u>\$ 735,785</u></u> |

See independent auditors' report.

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**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**

**Independent Auditors' Report**

**The Board of Trustees of the  
Chappaqua Central School District Public Library, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Chappaqua Central School District Public Library, New York ("Library") as of and for the year ended June 30, 2022, 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 23, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **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.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

May 23, 2023