History
The Boston Public Library was established in 1848 by an act of the Great and General Court of Massachusetts and was the first large free municipal library in the United States. Being “Free to All” was the wish of the BPL’s early benefactor, Boston-born Joshua Bates. The East Boston Branch was the first branch library in America. With the goal of increasing impact throughout the city, the library opened additional branches in Boston neighborhoods starting in 1872 and today there are now 25 branches serving the many diverse neighborhoods of Boston and beyond. In addition, the BPL was the first library to lend books and the first to have a children’s room. Over the last 172 years, the BPL has become a cultural and knowledge guardian, acquiring and safeguarding unique and distinctive collections.

Goals and Objectives
The Boston Public Library’s mission is to provide educational and cultural enrichment free to all for the residents of Boston, Massachusetts and beyond, through its collections, services, programs, and spaces. The Library achieves its mission by focusing on four core areas: reading and literacy, spaces and programs, reference and instruction, and special collections/cultural heritage. The Library is committed to achieving racial equity by focusing its power, influence and resources to create opportunities for individuals who have been historically impacted by inequities. Our commitment to be ‘Free to All’ is carved into the façade of the Central Library in Copley Square, and we are proud to welcome everyone equally, regardless of gender, race, national origin, sexual orientation, faith, or economic status.

The objectives of the Library are to:
• Ensure all patrons know of our offerings and are engaged.
• Ensure every staff person knows what they are doing and why.
• Deliver high customer service results.
• Link services and offerings to the needs of the community and obligations to future generations.
• Meet ongoing operational performance and meet rolling project goals.

Programs and Services
In today’s modern, diverse society, the Boston Public Library is proud to continue to be accessible and free to all, especially those in most need of accessing resources. As BPL’s spaces and branches are renovated and modernized, so too are the services, which include computer, technology, and Wi-Fi access, a business library and innovation center, WGBH Public Radio satellite news bureau and studio, immigrant and citizenship information, and STEAM and workforce development resources.
Structure
The Boston Public Library is a department of the City of Boston. The president of the Library reports to the Mayor of Boston and serves in the Mayor's cabinet. The Library is also a separate 501c3 nonprofit, which is governed by a 15-member board of trustees. Across the library system there are approximately 500 full-time staff. The board of trustees and staff are intentionally diverse and represent all the neighborhoods of Boston both in geography, race and ethnicity, gender, and many other facets of Bostonian's identity.

Description of Need
The Homework Assistance Program (HAP) is a multi-faceted program that addresses a multitude of needs in Boston communities. The two key issues it addresses are:

- employment and job training for teens, and
- free access to academic support, mentoring, and social development to youth.

Recent research has shown that youth employment has declined since the 2009 – 2010 Great Recession even with recent gains. From 2003 to 2016, youth employment fell from 54.6% to 51.7%. Data also shows that Black, Latino, and Asian teens have almost double the unemployment rates of white teens. They have 24% unemployment rates compared to 13.2% of white teens.

Youth employment is an essential introduction to the workforce of young people. It helps them gain skilled employment experience, build their network, and for most of our youth, provide a way to earn money that may be needed to help their families make ends meet. 80% of the BPL’s HAP mentors are youth of color and come from families characterized as medium to low socio-economics. The program not only provides skills and income to teens, but provides accessible education assistance to students and families without many available resources. A parent of a program participant shared, “the kids have improved in their class and understand better their homework. This program is a big plus for working parents.”

The BPL is one of only a few organizations in Boston to provide 100% free, drop-in homework assistance.

The program eliminates not just financial barriers to access but also the administrative requirements (applications, attendance commitments, etc.) that can be discouraging to many families from underserved communities. Because it is offered at locations around the city, it eliminates travel barriers as well.

According to the city’s most recent (2010) New Bostonians Summit Executive Report, 40% of BPS students speak a language other than English at home. Mentors provide both homework help and language practice for English Language Learners, equipping them for future success.

In past years, HAP mentors have provided assistance in as many as 12 languages other than English throughout the city. Our 2016 participant survey found that almost 50% of attendees speak a language other than English at home.
The Need

The program will begin on Monday, September 21, 2020 and typically ends the week before Memorial Day. This past school year, due to the impact on COVID-19, the BPL extended the program to the end of the school year in June in order to provide more educational access to youth and families while they transitioned to virtual learning, as well as to provide mentors with additional wages during the economic crisis. HAP will run online via Zoom starting in September 2020 to align with the City of Boston’s decision to begin the school year virtually on September 21. The program will be administered through four concurrent Zoom calls that represent branches of the BPL where HAP would regularly take place, and where it will take place if we can safely resume in-person services at some point during 2021. Mentors have been hired for each branch and will work in the Zoom call for their representative branch. Each mentor will work the same two days every week so K-8 students and families can get to know the mentors on their call and mentors can offer regular help to students in other languages. Over half of the mentors hired to the program this year are bilingual.

The mentors have suggested countless creative ways to engage students who come to HAP beyond helping homework help. Providing much needed engagement in this time of social distancing and additional academic and creative outlets will supplement school time.

The BPL is currently discussing extending the traditional program length and expanding the number of mentors this coming year, which would increase the cost of running the program. Mentor salaries are the primary expense for this program. Mentors are paid minimum wage for the hours they work and the training they attend. However, during the upcoming school year, we would like to compensate the returning mentors by increasing their pay; not only will the monetary raise encourage mentors to return, it will also show that we are acknowledging their experience and commitment. The program budget also supports a full time HAP Manager. HAP is a complex, extensive and demanding program and needs time, attention and significant project management and to expand efficiencies, capacity, visibility and collaborations with external partners.

Goals and Objectives

“Today was a very busy day, and I helped a lot of kids and we had very productive sessions today.” – HAP Teen Mentor

The Boston Public Library’s system-wide Homework Assistance Program provides an invaluable service to Boston families, draws new patrons to the library, and turns struggling students into lifelong learners.

- Goal 1 – increase the pay of returning mentors in order by $1.50 every year to compensate them for the knowledge they’ve gain.
- Goal 2 – to hire high school students with a 3.0 GPA or higher, in grades 10, 11, and 12 which reflect the diversity of the City of Boston. We look for mentors who are bilingual and speak Spanish, Mandarin,
Haitian Creole, Vietnamese, Arabic, Cantonese and Korean. Many of the mentors work in libraries where they themselves received Homework Help in years past.

- Goal 3 -- to provide teen employment opportunities to provide skills as well as much needed income.
- Goal 4 -- to ensure students in grades K-8 are provided academic support by the teen mentors. Additional goals of the program are to engage students in other learning activities (such as games, art projects, reading, and conversation), to build relationships and support positive academic and social development.
- Goal 5 -- to expand the number of youth served through additional mentors and expanded capacity to promote and market this wonderful resource.

In the 2018-19 school year BPL’s Homework Help program served a total of 7,205 youth. The goal for FY21 would be to serve approximately 10,000 youth.

Impact
“*My daughter is struggling with her homework. Coming to the library is an excellent experience. She in great spirit and positive. The mentors are a great help for her and the other kids.*” – HAP Parent

HAP will respond to the needs of students and the challenges that schools are facing during the COVID-19 pandemic. When Boston Public Schools closed in spring 2020 and at-home learning began, the Homework Assistance Program shifted to provide homework help and mentorship online. At first, the virtual version of the program replicated the group setting that existed at branches, but through trial and error the program shifted to provide drop in one-on-one tutoring and mentoring. When Boston Public Schools decide it is safe to begin a hybrid learning model, HAP will shift accordingly as best as it can to provide in-person options for students. An in-person option ensures that students who do not have access to a strong internet connection can still get comprehensive help on their homework close to school or home.

HAP will go beyond homework help to include socialization and activities to engage students. While younger students are socially isolated, mentors will provide support not just academically but also socially. A teen mentor shared that they not only “…helped her with her critical reading,” but also “talked about birthdays and her school life.” Mentors have a number of ideas for virtual activities to do with students who participate in the program that range from creative arts projects to math games to enforcing ideas and concepts with online services like Quizlet. One present need is to bolster the ability to support these additional activities.

HAP will ensure that any K-8 student can get supplemental help and one-on-one time with a high school mentor no matter their background. Polling by MassINC shows that parents report drastically varied experiences with online learning engagement, illustrating that schools have different standards and approaches to this vital aspect of learning. HAP can provide a stable place where students can come to enforce what they’ve learned in school, socialize, and even learn something new. Reporting by WBUR and the Boston Globe has covered the widening gap of educational inequality that COVID-19 has produced. While financially stable parents are able to
invest in learning pods for their children to provide a supplemental space where virtual learning can be enforced and students can have a space to thrive socially, this choice is not available to those who have been affected most by the pandemic. Students in low-income households who been hit the hardest by COVID-19 are excluded from supplemental learning forms that come with a cost. With free drop-in help and the same mentors on the same days each week, HAP can provide a close knit educational supplement for families who cannot afford to put their children in a learning pod. Despite Zoom being primarily a video conferencing software, it is possible to join meetings with a smartphone or by dialing in on the phone. Librarians have also begun to distribute flyers about the program in person and online, to share information about HAP with library patrons and community members and the BPL has launched a comprehensive communications plan to share this important resource.

**Specific Activities**

Homework Help is offered Monday, Tuesday, Wednesday, and Thursday afternoon from 3:30-5:30. Each shift is staffed by one or two mentors. Before starting to mentor, the students undergo training run by BPL staff as well as Harvard University’s Graduate School of Education Program’s SmartTALK. The program trains mentors on how to help students with their homework. Students are taught theory on the different teaching styles they may encounter. Mentors also learn how to support the students emotionally and better understand the stress school work can add to young students. This year, we are working with SmartTALK to create more support for our mentors and our Lead Mentors. Our Lead Mentors are returning mentors who work closely with the SmartTALK team and help during the two training sessions. Lead Mentors will also hold office hours this year to better support our mentors. The Lead Mentors will work closely with the Homework Assistance Program Manager to give feedback on its improvement.

During HAP time, mentors provide academic support and educational, creative, and fun learning activities with youth. A teen mentor shared, “I read with one of the kids while I was helping another with his homework. Multi-tasking while tutoring is a lot of complicated work.” Teen mentors are supervised in their daily work by the children’s librarian at their assigned branch, but their schedules, pay, and trainings are managed centrally. All mentors work two afternoons per week.

The following administrative tasks are essential to successfully managing the program: interviewing and hiring mentors, including facilitating CORI checks and running a mentor orientation; coordinating mentor schedules and making sure each branch has all shifts filled; processing mentor payroll, including verifying mentor hours and fielding parent and mentor inquiries about pay; promoting the program via flyers, collateral, social media, local paper listings, outreach to schools and community organizations, and other channels; collecting data regarding program attendance and other outcomes; coordinating mentor trainings, including orientation and the lead mentor program; communicating with mentors and librarians regarding schedule reminders, weather
cancellations, performance reviews, etc.; working with supervising librarians to address issues with mentors’ work; and planning an end-of-year party for the mentors.

**Evaluation**

“I got to realize the importance of being a standing figure to rely on.” – HAP Teen Mentor

Evaluation currently includes two surveys during the program of the teen mentors. The survey’s focus is on self-evaluation component on aspects of being employed. How are they being successful arriving on time, communicating with adults like their supervisor and youth they mentor, or do they feel they have the support and resources they need.

It is anticipated to expand evaluation of the skills and benefits the mentors feel they have gained. Those metrics currently have not been tracked but are an important component of the program. We hope that with the help of the Lead Mentors we will be able to document clearly the changes needed to be made to improve the program. The second area of expansion includes a more in-depth evaluation of the impact on the youth through interviews or surveys of students or their parents or caregivers. Anticipated results include academic, social and emotional development and success as well as answering the question if increased connection to homework help mentors increases youth and families use of the library outside of afterschool times. The new manager will also be able to track and evaluate the success of expanded marketing and promotion efforts to replicate successful initiatives and pivot away from less successful ideas.

**Experiences**

“One little girl in K2 came to the library with her mother for the first time. The mother brought her to attend Homework Help, but the little girl was too shy and would only sit at the table. The mentor tried to talk her into coming over, but she wouldn’t look up. A 6th grader, Anghel, was already at the table but had finished his work. He was playing with a pair of scissors that looked like an alligator, so he went over to the other table, showed the little girl the scissors, and asked her what grade she was in. He looked at her homework and offered advice, had a brief conversation about his own classes with the girl’s mother, and finally convinced the girl to join him and the mentor at the homework help table. This was especially gratifying because Anghel’s English language skills last year were very minimal, and it’s great to see him progressing in both fluency and confidence. A future mentor in the making!”

“Our returning mentor, Angelyn, took initiative this week in a way that made me very proud. One of the students she worked with on Monday was struggling with multiplication and mentioned that she wasn’t able to find flash cards and didn’t have supplies to make them at home. Angelyn printed out templates for making flash cards at school, then brought the stack of papers to her Thursday shift. Since it was a quiet day, Angelyn and the other mentor worked on cutting out and folding all the flash cards while they assisted the students with their work. When the students finished their homework, they also helped make the flash cards. When the girl came in later, she was excited to find the set of flash cards waiting. Angelyn explained how to use them, and they practiced with a few of the cards. Since Angelyn had made multiple sets, another student also asked if she could take them home to practice.”
**Capital Project Updates**

**In Construction/Bidding**
- Rare Books Renovation $15.7
- Johnson Roof Replacement $6.1m
- Adams Street Branch New Building $18.3m
- Roslindale Branch Renovation $10.2m
- Hyde Park Branch Waterproofing $300k
- McKim Fountain $900k
- Johnson Restroom $435k
- Faneuil Branch Renovation $14m

**In Study**
- West End Branch Programming Study $100k
- Egleston Square Branch Programming Study $100k
- McKim Master Plan $800k

**In Design**
- McKim Fire Alarm Panel $1m

**In Designer Selection**
- Codman Square Branch Programming Study $100k

**Mixed Use Test Fits/RFP**
- Chinatown Branch $1m
- Uphams Corner Branch $18m

**Projects to begin in FY21**
- Research Collections Preservation Plan $200k
- Fields Corner Branch Design $12.1m
- North End Branch Study $1.5m
- South End Branch Study $100k
Racial Equity Commitment & Action Plan
August 31, 2020

Today, the Boston Public Library formally commits itself to the following statement and action plan in response to systemic racism, inequity, and injustice prevalent in our society, and to becoming an anti-racist organization.

We begin by affirming that Black lives matter.

We honor the names of those who have lost their lives in violent deaths and have risen to prominence as symbols and victims of systemic racism, brutality and injustice. We name just some of them: Trayvon Martin, Eric Garner, Freddie Gray, Breonna Taylor, Ahmaud Arbery, and George Floyd.

We honor also the other unnamed, untold victims of 400 years of systemic racism. We acknowledge that a history of white supremacy, slavery, and colonization shapes our past and our present as a country and a society.

We acknowledge also that the Boston Public Library’s Central Library stands on land that was once a water-based ecosystem providing sustenance for the indigenous Massachusett people. We recognize the devastating effects of settler colonialism on their communities and their contemporary presence and commit to land acknowledgements for all locations at which we operate.

We recognize that Black, Indigenous and People of Color all experience racism, xenophobia and oppression in our society, whether it be individually or systemically.

We acknowledge as well that the COVID-19 pandemic has disproportionately affected Black communities and communities of color.

As a cultural institution, we recognize that our own inherited organizational legacy includes institutional and systemic racism.

To this end of becoming a truly anti-racist organization, we now formally commit to actions that will lead to an equitable future, because words without actions are empty promises.

The route to meaningful and sustained change is not always direct. It must include listening, reflection, planning, acting, and evaluating.

No plan should take final shape without the explicit contributions of people of color, starting with our own staff members from across the whole organization.

We will act with a sense of urgency, but believe that a deliberate approach will bear the most fruit for a better society.
We will realize this commitment by following two concurrent paths. One path will be focused internally, on our operations and our organization. The other path will focus on the institution’s external practices and services. Each of these paths is equally critical to our success, and work in these areas will take place in parallel.

Our first path or phase of actions includes the following actions:

Conduct a thorough, action-oriented review of both Mayor Walsh’s 2019 Executive Order on Racial Equity & Resilience and the 2020 order declaring racism a public health emergency. These documents will serve as a guide to developing specific actions for the library to act on immediately.

Fully engage the Board of Trustees in this work, both at the strategic and policy level.

Convene a comprehensive set of staff conversations on these topics, to include a specific focus on the lived experience of staff who identify as people of color and their ideas for change.

Analyze the library’s recruitment and hiring practices. Using this analysis, we will develop better practices and programs to ensure more equitable recruiting and hiring across all organization levels and departments, including the leadership layers of the organization. One such program could include a relaunched pre-professional program, recognizing that diversity of our candidate pools is an ongoing challenge for both the library and the library professions.

Review internal department and team level demographic composition in order to understand where particular challenges of diversity and representation occur, and design and execute appropriate mitigation strategies.

Engage a consulting partner with deep expertise in racial equity work in large organizations. The scope of service will include anti-racism and anti-bias training for all BPL staff members, contractors, partners-in-residence, volunteers, and interns.

Conduct a review of any existing and future reopening plans with an equity lens to ensure upcoming waves of services focus on those who need us most and who may not yet be well connected to us.

Identify and execute on opportunities to become an institutional member of caucuses or affinity groups within professional library organizations such as the American Library Association.

Formalize opportunities for increased collaboration with the following departments of the City of Boston, to align our work with that of our peer departments who have this charge as part of their formal mission and work:

- City of Boston Equity Cabinet
- City of Boston Office of Resiliency
- City of Boston Office of Diversity
- Mayor’s Office of Immigrant Advancement
• Mayor’s Office of Women’s Advancement
• City of Boston Disability Commission
• City of Boston Human Rights Commission
• City of Boston Office of Language Access

Our second path or phase of actions is expected to include a broader and deeper focus on the Library’s collections, artwork, programs, services, outreach, partners, operational, and procurement practices. Specifically, this phase will include:

A review of protocols for engaging with first responders and public safety organizations, ensuring the right response for the right situation. We will work to ensure that responses are based on the needs of the patron in difficulty, include opportunities for de-escalation and referral, and are appropriately balanced with the safety and security needs of staff, patrons, and library property.

We will recommit ourselves to increased and sustained outreach and community engagement work, focused on communities in the greatest need, particularly Black communities and communities of color; to our schools, the incarcerated, the vulnerable, and to the youth of the city of Boston.

The Library, through the office of the President, will report publicly on this work on an ongoing basis, following the immediate development of initial timelines for all of the above actions.
Goal (from library’s current strategic plan)

Community Gathering

<table>
<thead>
<tr>
<th>Objectives (if included in current strategic plan)</th>
<th>Actions</th>
<th>Timeframe for Activity</th>
<th>By Whom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimagining Spaces</td>
<td>Open the new Roxbury branch</td>
<td>October 2020</td>
<td>All</td>
</tr>
<tr>
<td></td>
<td>Complete the construction of the Adams St. and Roslindale branches</td>
<td>2021</td>
<td>Operations</td>
</tr>
<tr>
<td></td>
<td>Begin construction on Faneuil Branch</td>
<td>December 2020</td>
<td>Operations</td>
</tr>
<tr>
<td></td>
<td>Continue planning for Chinatown and Uphams Corner branches</td>
<td>2021</td>
<td>All</td>
</tr>
<tr>
<td></td>
<td>Begin programming study on West End and Egleston branches</td>
<td>September 2020 – June 2021</td>
<td>All</td>
</tr>
<tr>
<td></td>
<td>Complete Renovation of Rare Books Department Spaces</td>
<td>2020 – 2021</td>
<td>Operations</td>
</tr>
<tr>
<td></td>
<td>Begin Master Plan work for McKim renovation</td>
<td>September 2020 – 2021</td>
<td>All</td>
</tr>
</tbody>
</table>

Goal (from library’s current strategic plan)

User-Centered Organization, Center of Knowledge, and Kids & Teens

<table>
<thead>
<tr>
<th>Objectives (if included in current strategic plan)</th>
<th>Actions</th>
<th>Timeframe for Activity</th>
<th>By Whom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prioritize Public Programming</td>
<td>Launch Repairing America themes for public programming, with a focus on racial equity, economic and psychological recovery</td>
<td>2021</td>
<td>Library Services</td>
</tr>
<tr>
<td>Actions</td>
<td>Timeframe for Activity</td>
<td>By Whom</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>----------</td>
<td></td>
</tr>
<tr>
<td>Create a plan for enhanced youth engagement for school-aged children</td>
<td>2020 – 2021</td>
<td>Youth Services</td>
<td></td>
</tr>
<tr>
<td>Launch and promote Future Readers Club early literacy initiative</td>
<td>July 2020 – 2021</td>
<td>Youth Services</td>
<td></td>
</tr>
<tr>
<td>Expand and enhance Homework Assistance Program in a virtual world</td>
<td>2020 - 2021</td>
<td>Youth Services</td>
<td></td>
</tr>
<tr>
<td>Support patrons who need assistance in the areas of workforce development, both virtually and in-person where possible</td>
<td>2020 - 2021</td>
<td>Library Services</td>
<td></td>
</tr>
<tr>
<td>Focus on adding additional out of school time programs with a focus on non-users and underserved populations</td>
<td>2021</td>
<td>Youth Services</td>
<td></td>
</tr>
<tr>
<td>Improve Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support the Boston Public Library Fund as it continues to establish its infrastructure and operations</td>
<td>2020 - 2021</td>
<td>Leadership</td>
<td></td>
</tr>
<tr>
<td>Roll out complete package of brand standards and new templates</td>
<td>2020</td>
<td>Communications</td>
<td></td>
</tr>
<tr>
<td>Develop and implement new HR policies and procedures, with a special focus on improving diversity in hiring</td>
<td>2021</td>
<td>HR</td>
<td></td>
</tr>
<tr>
<td>Improve and simplify the contracting process</td>
<td>2021</td>
<td>Finance</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>Complete restructurings of Facilities and Youth Services Departments</td>
<td>2021</td>
<td>Operations &amp; Library Services</td>
<td></td>
</tr>
<tr>
<td>Implement plan to modernize BPL technology and tools, based upon forthcoming refreshed Technology plan</td>
<td>2020</td>
<td>IT</td>
<td></td>
</tr>
<tr>
<td>Improve the security of our collections, especially in preparation for the return of Special Collections, post Rare Books Renovation</td>
<td>2021</td>
<td>Collections &amp; Operations</td>
<td></td>
</tr>
<tr>
<td>Develop evaluative metrics to better determine the effectiveness of the Library’s programs and services</td>
<td>2021</td>
<td>Library Services &amp; IT</td>
<td></td>
</tr>
<tr>
<td>Streamline Vacancy Management processes</td>
<td>2021</td>
<td>HR</td>
<td></td>
</tr>
<tr>
<td>Develop strategic communications plan &amp; capacity analysis</td>
<td>2021</td>
<td>Communications</td>
<td></td>
</tr>
</tbody>
</table>

**Goal (from library’s current strategic plan)**

Center of Knowledge & Special Collections

<table>
<thead>
<tr>
<th>Objectives (if included in current strategic plan)</th>
<th>Actions</th>
<th>Timeframe for Activity</th>
<th>By Whom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stewarding our collections</td>
<td>Complete implementing new collections purchasing proposal</td>
<td>2020</td>
<td>Collection Development</td>
</tr>
<tr>
<td></td>
<td>Complete collections work in those branches currently undergoing capital improvements, such as Roxbury, Faneuil, West End and EG</td>
<td>2020 – 2021</td>
<td>Collection Development</td>
</tr>
<tr>
<td>Objectives (if included in current strategic plan)</td>
<td>Actions</td>
<td>Timeframe for Activity</td>
<td>By Whom</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>COVID Recovery</td>
<td>Aggressively develop new ways to return services to the public, keeping health and safety protocols and equity goals at the forefront</td>
<td>2020 - 2021</td>
<td>Leadership</td>
</tr>
<tr>
<td></td>
<td>Focus marquee speaker series on economic and psychological recovery</td>
<td>2021</td>
<td>Library Services</td>
</tr>
<tr>
<td></td>
<td>We will continue to support those communities most impacted by the COVID pandemic with the tools they need, especially in the areas of public health, educational supports, and workforce development and preparedness.</td>
<td>2021</td>
<td>Library Services</td>
</tr>
<tr>
<td>Work on equity, diversity, and inclusion, both internally and through our programs and services</td>
<td>Review Executive Order on Racial Equity &amp; Resilience and the 2020 order declaring racism a public health emergency as a guide to developing specific, immediate actions, and Trustee engagement.</td>
<td>September 2020</td>
<td>Leadership</td>
</tr>
<tr>
<td>Topic</td>
<td>Year</td>
<td>Responsible Party</td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------------</td>
<td>-------------------</td>
<td></td>
</tr>
<tr>
<td>Convene a comprehensive set of staff conversations on these topics, to include a specific focus on the lived experience of staff who identify as people of color and their ideas for change.</td>
<td>2020</td>
<td>Leadership</td>
<td></td>
</tr>
<tr>
<td>Engage a consulting partner for anti-racism and anti-bias training for all BPL staff members, contractors, partners-in-residence, volunteers, and interns</td>
<td>2020 – 2021</td>
<td>Leadership</td>
<td></td>
</tr>
<tr>
<td>Analyze our recruitment and hiring practices to ensure more equitable recruiting and hiring; review department and team level demographics to understand where there are challenges of diversity and representation</td>
<td>2021</td>
<td>HR</td>
<td></td>
</tr>
<tr>
<td>Review existing and future reopening plans with an equity lens to ensure upcoming waves of services focus on those who need us most and who may not yet be well connected to us</td>
<td>2020 - 2021</td>
<td>Leadership</td>
<td></td>
</tr>
<tr>
<td>Identify and execute on opportunities to become an institutional member of caucuses or affinity groups within professional library organizations such as the American Library Association</td>
<td>2020</td>
<td>Leadership</td>
<td></td>
</tr>
<tr>
<td>Review of protocols for engaging with first responders and public safety organizations to ensure appropriate levels of response based on the needs of the patron in difficulty, include opportunities for de-escalation and referral, and are appropriately balanced with safety and security of staff, patrons, and library property.</td>
<td>2021</td>
<td>Leadership</td>
<td></td>
</tr>
<tr>
<td>Increased and sustain outreach and community engagement work focused on communities in the greatest need, particularly Black communities and communities of color; schools, the incarcerated, the vulnerable, and youth of the city of Boston.</td>
<td>2021</td>
<td>Library Service</td>
<td></td>
</tr>
</tbody>
</table>
TRUSTEES OF THE
PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)

FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2020
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITORS’ REPORT</td>
<td>1</td>
</tr>
<tr>
<td>MANAGEMENT’S DISCUSSION AND ANALYSIS</td>
<td>3</td>
</tr>
<tr>
<td>BASIC FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>STATEMENT OF NET POSITION</td>
<td>17</td>
</tr>
<tr>
<td>STATEMENT OF ACTIVITIES</td>
<td>18</td>
</tr>
<tr>
<td>GOVERNMENTAL FUNDS – BALANCE SHEET</td>
<td>19</td>
</tr>
<tr>
<td>GOVERNMENTAL FUNDS – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES</td>
<td>20</td>
</tr>
<tr>
<td>RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION</td>
<td>21</td>
</tr>
<tr>
<td>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</td>
<td>22</td>
</tr>
<tr>
<td>NOTES TO FINANCIAL STATEMENTS</td>
<td>23</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS' REPORT

The Honorable Board of Trustees of the
Public Library of the City of Boston
Boston, Massachusetts

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Trustees of the Public Library of the City of Boston (the Library), a component unit of the City of Boston, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Library’s basic financial statements as listed in the table of contents.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.
Opinions
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Library, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis (located on pages 3 through 16) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated September 3, 2020, 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.

Boston, Massachusetts
September 3, 2020
As management of the Trustees of the Public Library of the City of Boston (the Library), we offer readers of these financial statements this narrative overview and analysis of the Library’s financial activities for the fiscal year that ended on June 30, 2020.

**Background of the Boston Public Library**

The Boston Public Library is an extraordinary institution that has served the citizens of Boston since 1848. Founded as the first municipal library and the first public library to lend books, the Boston Public Library is dedicated to the advancement of learning and is “Free to All,” as is carved in the façade of the historic McKim building at the Central Library in Copley Square.

The BPL is made up of the Central Library, 25 vibrant neighborhood branches, a robust web site, and learning and enrichment opportunities for all ages. The Library’s collection of more than 23 million items includes circulating books, eBooks, DVDs and CDs, as well as research and special collections that include rare books and manuscripts, prints, photographs, drawings, maps, posters, and more. The Boston Public Library’s Kirstein Business Library and Innovation Center, the Norman B. Leventhal Map and Education Center, and collections of distinction such as the personal library of John Adams, the Anti-Slavery Manuscripts collection, the Thomas Pennant Barton Collections of Shakespeare, and the Boston Pictorial Archive attract researchers and scholars from across the city and around the world.

In Fiscal Year 2020, the Boston Public Library hosted 7,953 public programs reaching 401,829 people, received 6,799,717 visits to its web site, and lent 5,118,587 items. Of the items borrowed, nearly 3,131,867 were digital downloads, comprised of 929,368 audiobooks, 640,583 streaming media and 1,561,916 eBooks. In the same fiscal year, the BPL helped 97,364 Massachusetts residents -- including adults, children, and teens -- sign up for new library cards, hosted 309,817 free computer sessions, enabled 292,633 free wireless internet connections, and hosted more than 2,394,502 million in person visits.

**FY20 Major Accomplishments**

**Core Services and Robust Demand**

The BPL continues to see increasing demand for our services and collections. In a rapidly-changing world, public libraries across the nation see more patrons coming through their doors (in person or virtually), signing up for services, and utilizing the library’s resources. Below are some illustrative data points about the robustness of Library usage:

Although physical materials circulation has declined slightly, it remains robust, and has been mitigated by a corresponding increase in digital circulation, especially spurred by the increased demands of the COVID-19 pandemic. It is notable that 2020 will be the first year in BPL’s history that digital circulation will surpass physical circulation, a trend line that was already measurable pre-covid.
Physical circulation:

2016 3.6 million
2017 3.3 million
2018 3.0 million
2019 2.8 million
2020 1.9 million

Digital circulation:

2016 1.3 million
2017 1.6 million
2018 1.8 million
2019 2.2 million
2020 3.1 million

In-person visits

Although digital lending is increasing rapidly, prior to the Library’s closure in March 2020, patrons still found extraordinary value in coming to the library to spend time. As the original co-working space, the BPL is well positioned to serve as a “third space” in this time of changing work patterns and COVID-19 recovery.

In addition, the Library is in the midst of a robust capital improvement period. Data show that every time a library space is renovated or improved, there is a marked increase in traffic following its reopening. For example, after the reopening of the Central Library’s Johnson Building, visits increased by as much as 40 percent. We anticipate that, as we return to public service, this trend will continue.

Visitors to the Library

2016 3.5 million
2017 3.8 million
2018 3.5 million
2019 3.5 million
2020 2.3 million
New library cards issued

2016 74,737
2017 82,911
2018 85,902
2019 93,994
2020 97,364

Improving neighborhood presence and services through purposeful capital projects

We are grateful to Mayor Walsh for his most recent 5-year, $140 million commitment to Boston Public Library system improvements. When completed, every branch in the system will have received meaningful improvements, if not a complete renovation. FY20 was a particularly busy year for capital improvements, with significant progress made on many critical projects system-wide that will substantially improve our ability to deliver services.

Note: A full list of projects recently completed and currently underway is provided later in this document.

Increased service to underserved + vulnerable communities

Our Library Services Division focused on underserved populations and vulnerable communities, including immigrants and ESL communities; the under-employed; seniors; returning citizens; and veterans by creating a new Community Learning Department focused on adult learning in these populations.

The Library continues its partnership with Pine Street Inn, which will now engage two Outreach Navigators who support the homeless community within the Central Library and in Copley Square, with plans to expand to branches. New this year were the establishment of open office hours, where the housing insecure can find support, including housing counseling and recovery services; and the addition of two Social work interns through a three-way partnership with Simmons University’s School of Social Work.

Regular outreach visits by our Health and Human Services Librarian to Pine St. Inn, Women’s Lunch Place, Victory Programs, and Black Seed Writer’s Group have connected many in vulnerable communities to library collections and services.

In FY20, the Library continued serving adult learners with technology through the Tech Goes Home program, which enables participants who complete a certain number of hours of training to purchase a new Chromebook for just $50. This program graduated eleven individuals in the first half of the fiscal year and is planned to extend to the small business community in FY21.
We have expanded **Literacy Classes and Conversation Circles for ESL Learners**, which have grown in attendance, and have added creative writing classes and a chorus for ESL students. Resume and cover letter clinics, and one-on-one assistance has grown as serving the unemployed and underemployed remains a major focus of our work, leveraging both the resources of the Kirstein Business Library and innovation Center, and the Community Learning department. In addition, Literacy Services partnered with St. Mark's Church in Dorchester to offer both in-person and virtual Citizenship classes for adults studying and preparing to take the Citizenship exam.

During the onset of the recent pandemic and public health crisis, the **Community Learning Team** pivoted to online services very quickly and continued to reach out to vulnerable communities with direct outreach where possible. For example, they rolled out the Distance Learning Program for Tech Goes Home; eligible participants can now receive a Google Chromebook for free as well as options for free internet access in exchange for completing 18 hours of online learning in virtual classes via Zoom.

**First All-Staff meeting: Building culture and setting a course**

With the support of the City of Boston and the Library’s Board of Trustees, on November 15th, the Boston Public Library held its first ever All-Staff meeting at the Central Library in Copley Square.

As the Library had been through significant change in the past several years, including the re-opening of the Johnson building, changes in leadership, and updates to many of our operational departments and procedures, this was an ideal time to reflect together on our mission, purpose, priorities and future initiatives.

At the meeting, we began important professional development work, focused on our patrons and organizational culture, and rolled out an update to the Library’s roadmap for work over the next several years.

The meeting was a positive experience for Library staff, allowing many people the opportunity to connect with colleagues across the system.

Follow ups to the meeting and the rollout of the new roadmap will continue through FY21 and beyond.

**Response to Covid-19**

Once closed, the Library immediately began to pivot, expanding online collections and moving as many programs and services online as possible. Within approximately one week, the vast majority of the 450 staff members had received outreach from management, been assigned work where possible, and been provided with appropriate technology to do their work from home.

As a response to Covid-19, the Library has aligned itself with the City’s focus on vulnerable populations and children, and has focused its work in four key areas:

- Bringing new in-person programs online
- Expanding online content available to patrons
- Where possible and necessary, providing new physical books to those most in need
- Ensuring the safety of our physical spaces
Examples of this work include:

- **The BPL Facilities Department and Security Team** played a critical role in the library’s response to the crisis, both before and after the closure of physical spaces to the public. Management worked closely with the Boston Office of Health and Human Services, Boston Public Health Commission, and the City’s Office of Emergency Management to ensure that we were following best practices related to cleaning and responding to incidents. Custodians modified cleaning protocols and increased the frequency of cleaning to protect the staff and public.

  Staff deployed barriers, signage and equipment to promote social distancing and good hygiene. Administrative staff worked with multiple vendors to ensure that we had all of the necessary supplies and equipment. We were able to work with our Security vendor and modify our security contract to assist in the standing up of two COB treatment and isolation facilities for homeless residents dealing with COVID 19.

  After the closure we shared supplies and equipment with multiple City departments to fill gaps in their inventory. Security staff have managed building access and protected assets throughout the crisis. Security staff have worked closely with partners from Pine Street Inn to ensure that homeless patrons sleeping or spending time on the campus are connected with appropriate resources.

- **Books For Boston** The Boston Public Library led an initiative to deliver new children’s and adult books, curated and purchased by the Library, safely to a variety of non-profit organizations serving individuals in the City of Boston who are at especially high-risk during this pandemic. This initiative provided brand new books for communities at risk, including those dealing with homelessness, seniors, those living in shelters, and youth & families. By working with independent bookstores, the Library was also able to support small businesses. We purchased over $105,200 worth of books and distributed over 11,200 volumes to 22 organizations, including Boston Hope - the supplemental Medical Center in the Boston Convention & Exhibition Center, Pine Street Inn at Suffolk University, The Kennedy Center, St. Joseph’s Rehabilitation and Nursing Center, Women’s Lunch Place and more.

- The Library continues to support **youth & families** by:
  - Scheduling a slate of up to 12 virtual story times per week, and our Children’s Librarians also initiated the ‘Creative Challenge of the Week.’ Every Wednesday, they engage families through Facebook. The program was recently featured in the Boston Globe.
  - Engaging with teens through a Twitch channel twice a week.
  - Creating twice monthly book talks for an alternative school pilot we already work with.
  - Connecting with the Snowden School in offering school virtual visits monthly
  - Bringing in bestselling author of teen books, Laurie Stolarz, to two schools
  - Enhancing our ability to provide online Homework Help
New innovative supports include:
- Phone and e-mail services are available for reference questions, basic technical assistance, resume and cover letter assistance, legal assistance, and support for small businesses.
- Offering concerts, author appearances, and yoga online.
- Book discussions and book talks are being held virtually.
- Our Beginning and Intermediate literacy classes and English Conversation Circles have transitioned online and are seeing upwards of 30 – 40 participants per class.

Expanding Online Collections: The BPL offers several hundred thousand eBooks, audiobooks, movies, TV shows, and music through downloadable and streaming media services. In the first month after the library closed to the public, an additional 12,000 eBooks and audiobooks were added to the collection to provide new content and reduce wait times for popular titles. Staff create new book lists regularly and provide personalized recommendations to people looking for something to read, including the new “Shelf Service: Live,” through which patrons can receive book recommendations via Twitter.

Program Partners: The library has continued to pay and work with external partners, both individuals and organizations, through the fiscal year, as we migrate to online service delivery.

Multi-year Projects and Investments

Restructuring of Facilities Department

Last year, the Library restructured the Facilities Department, and filled the final vacant management position in FY20. With the department now staffed close to capacity, the Library will embark on a review of all service models, staffing levels, practices and procedures. The ultimate goal will be to modernize the organization’s approach to facilities management, with full utilization of the latest tools, technology, and methodology in the profession.

With the open positions being filled and the new FY21 facilities-related position requests approved, the BPL will realize its goals for excellence in the maintenance, cleanliness, efficiency, and sustainability of all of our buildings and assets.

Restructuring of Special Collections Department

The Special Collections Restructuring began in 2017 with a focus on building the necessary staffing and expertise needed to provide stewardship to the Library’s vast and renowned special collections.

In 2019, the Library completed negotiations with both unions and hired staff in significant positions, including Stacks Coordinator, Manager of the Arts, Manager of Rare Books and Manuscripts, and Lead Archivist.
Completion of Special Collections Inventories

The inventory of the BPL's print collection began in July 2015 and completed three years later at the end of June 2018. A separate project, the inventory and digitization of the photograph collection, began in July 2017 and ended in December 2019. The combined inventories accounted for more than 350,000 items.

These two inventory projects produced item-by-item listings of the works in the collection with specific shelf locations -- a critical level of access and control that was never previously available.

The data collected for the inventory forms the basis for future cataloging records, is structured to be readily exported to a more robust data management system and provides staff access to items awaiting further cataloging. In addition, more than 20,000 digitized prints from the collection are now available online through the Library's Digital Commonwealth program.

Continuation and Completion of Capital Projects

Adams Street

Started construction of a new branch building in August 2019

Chinatown

Began test fit study for Boston Planning and Development Agency’s Parcel P12 January 2020

Roxbury (formerly Dudley)

In construction; substantial completion achieved March 2020

Faneuil

Started design phase of a renovation and addition to the branch in Summer 2019

Fields Corner

Completed programming study January 2020

Hyde Park

Waterproofing project started design Fall 2019

Johnson Building

Started construction of new roof for the Johnson building at the Central Library December 2019

Johnson Building

Started design of a new locker room, January 2020
McKim Building

Started design for repair of courtyard fountain, Fall 2019

Rare Books

Started construction August 2019

Roslindale

Completed design Summer 2019; construction started December 2019

South Boston

Completed construction of courtyard redesign September 2019

South End

Completed refresh of branch in February 2020

Uphams Corner

Completed programming study in January 2020

Budget Information

In FY20, the BPL received approximately 88% of its total operating budget from governmental sources. The majority of this – 81% or $40.5m – is provided by the City of Boston. [Note: revenue to the BPL from the City is included in the City’s audited financial statements, not the BPL’s audited financial statements].
Operating Budget Expenditures

The BPL's largest expenditures area is personnel; approximately 62% of the entire operating budget supports over 400 full-time employees and dozens of part-time employees system-wide. Facility and utility costs for BPL buildings, including the 930,000 square foot Central Library, account for 14%. The materials (books, CDs, DVDs) and program budgets compose 10% of the total budget. The balance of expenditures is dedicated to various service and maintenance contracts, licensing, memberships, training and staff development, information and technology and other costs.

LIBRARY GOVERNANCE

The Library is governed by a board of trustees which is appointed by the Mayor of the City of Boston. The BPL also conducts business as a department of the City of Boston and the financial records of these operations are included in the City of Boston's financial report.

FINANCIAL HIGHLIGHTS

The following sections of the management's discussion and analysis pertain only to the Trustees' separate Section 501(c)(3) organization as reported in these financial statements.

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by $78,606,188 (net position)
- The Library's total net position increased $112,104
- At the end of the fiscal year, unassigned fund balance for the general fund totaled $1,341,890, or 20.2% of total general fund expenditures and transfers out

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Library's financial statements. The Library’s basic financial statements include three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

The components are described as follows:

Government-Wide Financial Statements

One of the most important questions asked about the Library's finances is, “is the Library as a whole, better or worse off, as a result of the year's activities?” The government-wide financial statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector business. They present both short and long-term information about the Library’s financial position, which assists in assessing the Library’s economic condition at the end of the fiscal year.

All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid. The government-wide financial statements include two statements:
Government-Wide Financial Statements (Continued)

The statement of net position includes all assets and liabilities of the Library, with the difference between the two reported as “net position.” Over time, increases or decreases in the Library’s net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The statement of activities presents information showing how the Library’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows.

Both of the above financial statements have separate sections for the two different types of Library programs or activities. These two types of activities are:

Primary Government – The activities in this section are mostly supported by governmental appropriations, contributions, grants, and fees for services. Most services normally associated with the Library fall into this category, including certain Library staff salaries and benefits, library material purchases, programs, contractual services and utilities, equipment and furnishings costs, and other administrative costs.

Discretely Presented Component Unit – The Library’s discretely presented component unit is the Fund for the Boston Public Library (Fund for BPL). Although legally separate, the Fund for BPL is financially interrelated to the Library. For the most part, the Fund for BPL operates similar to a private sector business and its functions are intended to recover all of its operating costs as part of its mission to raise funds for the Library. Complete financial statements of the Fund for BPL can be obtained from its administrative office. Additional information about the Library’s component unit is presented in the notes to the financial statements.

In addition to examining the above statements, other nonfinancial factors need to be considered in assessing the Library’s overall financial position, such as changes to the Library’s collection, delivery of service, or condition of the Library buildings.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other governmental and nonprofit organizations, uses fund accounting to ensure and demonstrate compliance with finance or donor-related requirements.

The fund financial statements focus on the individual components of the Library’s business, reporting the Library’s operations in more detail than the government-wide financial statements.

The basic services provided by the Library are financed through governmental funds. Governmental funds are used to account for essentially the same functions as the governmental activities in the government-wide financial statements. However, unlike those statements, the fund-financial statements focus on near-term inflows and outflows of spendable resources; they also focus on spendable resources available at the end of the fiscal year.
Fund Financial Statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Library’s near-term activities.

The Library has three categories of governmental funds; the general fund, the Fund for BPL fund, and the nonmajor governmental funds. Each fund is presented in a separate column in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The general fund is the primary operating fund of the Library and accounts for all financial resources except those required to be accounted for in another fund.

The Fund for BPL fund is used to account for and report all financial resources donated by the Fund for BPL restricted for the betterment of programming support and facility operations.

The nonmajor governmental funds consist of special revenue and permanent funds that are aggregated and presented in the nonmajor governmental funds column.

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government’s programs and benefit the government or its constituents.

Notes to the Basic Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This analysis is based on the statement of net position and the statement of activities found on pages 17 and 18 of the basic financial statements.
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position
As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The Library’s assets exceeded liabilities by $78,606,188 at the close of the fiscal year and are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>$18,145,747</td>
<td>$17,194,053</td>
</tr>
<tr>
<td>Noncurrent Assets, Excluding Capital Assets</td>
<td>61,633,620</td>
<td>63,043,121</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td>84,019</td>
<td>148,945</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>79,863,386</td>
<td>80,386,119</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>1,257,198</td>
<td>1,892,035</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>84,019</td>
<td>148,945</td>
</tr>
<tr>
<td>Restricted</td>
<td>73,728,394</td>
<td>73,822,815</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>4,793,775</td>
<td>4,522,324</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>$78,606,188</td>
<td>$78,494,084</td>
</tr>
</tbody>
</table>

A portion of the Library’s net position reflects its net investment in capital assets (e.g., buildings, equipment and machinery and furniture, fixtures and improvements). These capital assets are used to provide services to customers; consequently, these assets are not available for future spending.

A majority of the Library’s net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Library’s ongoing obligations to customers and creditors.

At the end of the current fiscal year, the Library reports positive balances in all three categories of net position.
Changes in Net Position

The Library’s total net position increased by $112,104 during the current fiscal year, summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$2,361,871</td>
<td>$3,297,042</td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>6,386,504</td>
<td>7,657,918</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Grants and Contributions</td>
<td>1,522,464</td>
<td>1,466,272</td>
</tr>
<tr>
<td>Unrestricted Investment Income</td>
<td>183,218</td>
<td>172,245</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>10,454,057</td>
<td>12,593,477</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>3,296,965</td>
<td>2,352,406</td>
</tr>
<tr>
<td>Books and Related Materials</td>
<td>1,454,633</td>
<td>1,222,234</td>
</tr>
<tr>
<td>Programs</td>
<td>692,246</td>
<td>730,488</td>
</tr>
<tr>
<td>Administrative</td>
<td>1,605,194</td>
<td>1,768,048</td>
</tr>
<tr>
<td>Contractual Services and Utilities</td>
<td>1,948,397</td>
<td>2,618,057</td>
</tr>
<tr>
<td>Equipment, Furniture, and Maintenance</td>
<td>1,279,592</td>
<td>1,206,065</td>
</tr>
<tr>
<td>Unallocated Depreciation</td>
<td>64,926</td>
<td>77,606</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>10,341,953</td>
<td>9,974,904</td>
</tr>
<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td>112,104</td>
<td>2,618,573</td>
</tr>
<tr>
<td>Net Position - Beginning of Year</td>
<td>78,494,084</td>
<td>75,875,511</td>
</tr>
<tr>
<td><strong>NET POSITION - END OF YEAR</strong></td>
<td>$78,606,188</td>
<td>$78,494,084</td>
</tr>
</tbody>
</table>

Governmental activities increased the Library’s net position by $112,104. In the prior year, governmental activities increased the Library’s net position by $2,618,573. The main cause of the change from the prior year relates to decreases in special event revenues as well as decreases in restricted investment income.
FUND FINANCIAL ANALYSIS

This analysis is based on the fund financial statements on pages 19 and 20.

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

Fund Highlights

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 financial requirements. Unassigned fund balances in particular may serve as a useful measure of an organization’s financial position at the end of a fiscal year.

Nonspendable Fund Balance (Permanent Funds) – Nonspendable fund balance of permanent funds is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support Library programs. The fund balance for nonspendable permanent funds was approximately $61,526,000 at June 30, 2020.

Restricted Fund Balance – Fund balances are reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, donors or laws or regulations of other governments or is imposed by law through constitutional provisions. Many items in this fund balance reflect gifts to the Library with specific restrictions as to their use. Restricted fund balance was approximately $12,202,000 at year-end.

Committed Fund Balance – Committed fund balances include amounts that can be used only for specific purposes imposed by formal action of the board of trustees. These committed funds cannot be used for any purpose unless the board of trustees removes or changes the specified use. Committed fund balance was approximately $38,000 at year-end.

Assigned Fund Balance – Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes, but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the board of trustees or a Library official delegated that authority by charter or ordinance. Assigned fund balance was approximately $3,414,000 at year-end.

Unassigned Fund Balance – Unassigned fund balance is the residual fund balance for the general fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts. There was a balance of approximately $1,342,000 in unassigned fund balance at the end of the fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Library’s finances for all of the Library’s customers, donors, and other interested parties. This financial report seeks to demonstrate the Library’s accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Boston Public Library, 700 Boylston Street, Boston, MA 02116.
TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
STATEMENT OF NET POSITION  
JUNE 30, 2020  

See accompanying Notes to Financial Statements.
## TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)

### STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

See accompanying Notes to Financial Statements.

### Operating Net Charges for Grants and (Expense) Activities Expenses Services Contributions Revenue

<table>
<thead>
<tr>
<th>Activities</th>
<th>Expenses</th>
<th>Charges for Services</th>
<th>Operating Grants and Contributions</th>
<th>Net (Expense) Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRIMARY GOVERNMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental Activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>$3,296,965</td>
<td>$ -</td>
<td>$2,215,085</td>
<td>$(1,081,880)</td>
</tr>
<tr>
<td>Books and Related Materials</td>
<td>1,454,633</td>
<td>-</td>
<td>1,485,079</td>
<td>30,446</td>
</tr>
<tr>
<td>Programs</td>
<td>692,246</td>
<td>1,060,398</td>
<td>552,064</td>
<td>920,216</td>
</tr>
<tr>
<td>Administrative</td>
<td>1,605,194</td>
<td>1,183,924</td>
<td>718,530</td>
<td>297,260</td>
</tr>
<tr>
<td>Contractual Services and Utilities</td>
<td>1,948,397</td>
<td>-</td>
<td>1,175,225</td>
<td>(773,172)</td>
</tr>
<tr>
<td>Equipment, Furniture, and Maintenance</td>
<td>1,279,592</td>
<td>117,549</td>
<td>240,521</td>
<td>(921,522)</td>
</tr>
<tr>
<td>Unallocated Depreciation</td>
<td>64,926</td>
<td>-</td>
<td>-</td>
<td>(64,926)</td>
</tr>
<tr>
<td><strong>Total Primary Government</strong></td>
<td>$10,341,953</td>
<td>$2,361,871</td>
<td>$6,386,504</td>
<td>$(1,593,578)</td>
</tr>
<tr>
<td><strong>COMPONENT UNIT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund for BPL</td>
<td>$2,283,452</td>
<td>$ -</td>
<td>$1,695,464</td>
<td>$(587,988)</td>
</tr>
</tbody>
</table>

**CHANGES IN NET POSITION**

<table>
<thead>
<tr>
<th></th>
<th>Primary Government</th>
<th>Component Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (Expense) Revenue</td>
<td>$ (1,593,578)</td>
<td>$(587,988)</td>
</tr>
</tbody>
</table>

**GENERAL REVENUES**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Grants and Contributions</td>
<td>1,522,464</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted Investment Income</td>
<td>183,218</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total General Revenues</strong></td>
<td>1,705,682</td>
<td>-</td>
</tr>
</tbody>
</table>

**CHANGE IN NET POSITION**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>112,104</td>
<td>(587,988)</td>
<td></td>
</tr>
</tbody>
</table>

Net Position - Beginning of Year

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>78,494,084</td>
<td>7,242,637</td>
<td></td>
</tr>
</tbody>
</table>

**NET POSITION - END OF YEAR**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$78,606,188</strong></td>
<td><strong>$6,654,649</strong></td>
<td></td>
</tr>
</tbody>
</table>
TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2020

See accompanying Notes to Financial Statements.

(19)
TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2020

See accompanying Notes to Financial Statements.
Total Governmental Fund Balances $ 78,522,169

Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 84,019

Net Position of Governmental Activities $ 78,606,188

See accompanying Notes to Financial Statements.
Net Change in Fund Balances - Total Governmental Funds $ 177,030

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. This amount represents the related activity of the current period.

Depreciation (64,926)

Changes in Net Position of Governmental Activities $ 112,104

See accompanying Notes to Financial Statements.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General
The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

Reporting Entity
The Trustees of the Public Library of the City of Boston (the Library), a nonprofit, educational corporation, was established in 1848 to benefit and facilitate the needs of the City of Boston’s (the City) public library system. A board of trustees (the Trustees), which is appointed by the City’s Mayor, governs the City’s public library system. The majority of the Library’s assets are held in trust in accordance with the conditions imposed by the donors. The principal of the trust funds is invested to generate income that, in turn, is used to serve the Library’s needs that relate to the specific trust agreements. In addition, the Library receives significant support through state and federal government appropriations and private sources.

The Library is a Section 501(c)(3) organization, exempt from federal income taxes under Section 501(a) of the Internal Revenue Code. In addition, the Commonwealth of Massachusetts (the Commonwealth) has classified the Library as a nonprofit organization in nature, and, as such, it is exempt from payments of income taxes to the Commonwealth.

Separate and distinct from the Trustees’ Section 501(c)(3) organization, operations of the Boston Public Library are also conducted as a department of the City. These financial statements only represent the operations of the Trustees’ Section 501(c)(3) organization.

The Library is considered a component unit of the City for financial reporting purposes and it places substantial reliance upon the City to fund its daily operations. The City funds the majority of the Library’s costs of operations. The City pays the Library employees’ salaries; therefore, payroll liabilities and related costs of compensated absences are recorded on the City’s government-wide financial statements.

For financial reporting purposes, the basic financial statements include all funds, organizations, agencies, boards, commissions, and institutions that are not legally separate from the Library.

The Library has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the Library are such that exclusion would cause the Library’s basic financial statements to be misleading or incomplete.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Unit
The Fund for the Boston Public Library (Fund for BPL), a component unit of the Library, was formed on March 2, 1992, as a nonprofit organization, exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, to support the physical restoration and the enhancement of the public visibility of the Library. The Fund for BPL is legally separate from the Library, and the Library is not financially accountable for the Fund for BPL. The Fund for BPL has been included because of the nature and significance of its relationship with the Library. Complete financial statements can be obtained from the Fund for BPL’s administrative offices in Boston, Massachusetts.

Related Organizations
The Norman B. Levanthal Map Center, Inc., the Associates of The Boston Public Library, the City-Wide Friends, and the Friends of Branch Libraries support library objectives and raise funds for the Library. Currently, the Library’s accountability for these organizations does not extend beyond receiving their support.

Implementation of New Accounting Principles
For the year ended June 30, 2020, the Library implemented GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance; which postponed the implementation dates of certain GASB Statements.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements
The government-wide financial statements (statement of net position and statement of activities) report information on all nonfiduciary activities of the primary government (the Library) and its discretely presented component unit. Governmental activities are primarily supported by contributions, intergovernmental revenues, and investment income.

Fund Financial Statements
Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a 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 the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a specific function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a specific function or segment.
- Items not identifiable as program revenues are reported as general revenues.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental funds financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for certain claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Revenues are considered available if they are collected within 60 days after the end of the fiscal year. Investment income is susceptible to accrual. Other receipts become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

- The **general fund** is used to account for and report all financial resources not accounted for and reported in another fund.

- The **Fund for BPL fund** is a special revenue fund used to account for and report all financial resources donated by the Fund for BPL restricted for the betterment of programming support and facility operations.

- The **nonmajor governmental funds** consist of special revenue and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following describes the general use of these fund types:

  - **Special revenue funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

  - **Permanent funds** are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government’s programs and benefit the government or its constituents.

Cash and Investments

**Government-Wide and Fund Financial Statements – Library**

Cash and cash equivalents are considered to be cash on hand, demand deposits, money market mutual funds and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value; with the exception of money market mutual funds which are carried at amortized cost. Fair value is based on quotations from a national securities exchange except for pooled funds and alternative investments, for which fair value is determined as follows:
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (Continued)

Government-Wide and Fund Financial Statements – Library (Continued)

Pooled Funds
The fair value of shares in managed investment pools is based on unit value reported by the funds.

Core Bond Fund and Private Equity Funds
The core bond fund and private equity funds are recorded at fair value based on market values provided by investment firms after consideration of pertinent information, including current financial position and operating results, price-earnings multiples and available market prices of similar companies’ securities, the nature of securities, marketability, restrictions on disposition and other appropriation and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot reasonably be determined until individual securities are liquidated.

Component Unit Financial Statements – Fund for BPL
A hierarchy that prioritizes the inputs to valuation techniques used to measure fair value establishes a framework for measuring fair value. The Fund for BPL’s assets measured at fair value as of June 30, 2020 are categorized as Level 1 in the fair value hierarchy. Level 1 assets represent valuation at unadjusted quoted prices for identical asset or liabilities in active markets that the Fund for BPL has the ability to access.

Common stock, corporate bonds, U.S. government securities, and mutual funds are valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Fund for BPL believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounts Receivable

Government-Wide and Fund Financial Statements
The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fund financial statements are reported under the accrual basis of accounting and the modified accrual basis of accounting, respectively.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

Intergovernmental
Various state and federal operating and capital grants are applied for and received annually. For nonexpenditure-driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure-driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

The Commonwealth’s Board of Library Commissioners (the Board) has designated the Library as the Library for the Commonwealth (LFC). Accordingly, the LFC’s operations are included in the Library’s financial statements. The LFC provides reference and research services and materials for the Commonwealth and retains personnel with expertise and bibliographic skills needed to develop and provide access to reference and research collections.

The LFC operates under a cost reimbursement arrangement granted by the Commonwealth. The LFC is assessed certain salaries and benefits, for reimbursement to the City of Boston, and purchases books and related materials for the benefit of the Commonwealth.

Special Events
Special events receivables consist of amounts owed for events held at the Library, such as weddings, parties, meetings, and tours. Special events receivables are recorded in the fiscal year the events are held.

Departmental and Other
Departmental and other receivables are recorded as receivables in the fiscal year accrued.

Contributions and Gifts
Contributions and gifts receivables are recorded as receivables in the fiscal year in which the Library has met all the required conditions to which the contribution or gift is subject.

Interest and Dividends
Interest and dividends receivables consist of accrued investment income.

Due from City of Boston
Due from City of Boston receivables consist of grant receivables which are owed directly to the Library from the City of Boston.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

Pledges and Grants (Fund for BPL)

Pledges are recorded as receivables in the year made. Grants are recorded as receivables when the Fund for BPL has fulfilled specific requirements. Pledges and grants scheduled to be received over the next 12 months are reflected as current receivables while pledges and grants scheduled to be received in subsequent years are reflected as long-term receivables in the statement of net position and have been discounted to present value. All pledges are considered to be available for unrestricted use unless specifically restricted by the donor.

Allowance for Uncollectible Amounts

The allowance for uncollectible amounts is estimated based on historical trends and specific account analysis. Intergovernmental and interest and dividends receivables are considered 100% collectible. The allowance for uncollectible amounts for special events and departmental and other receivables is immaterial and therefore not reported. The Fund for BPL did not recognize an allowance for doubtful accounts for pledges receivable as of June 30, 2020, since management deemed all pledges receivable to be fully collectible.

Restricted Assets

Government-Wide and Fund Financial Statements

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Prepaid Expenses

Prepaid expenses consist of monies paid in advance for subscription and license renewals.

Capital Assets

Government-Wide Financial Statements

Capital assets, which consist of buildings, machinery and equipment and furniture, fixtures and improvements, are reported in the government-wide financial statements.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their estimated fair market value at the date of donation.

Purchases and construction costs in excess of $25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than two years if title/ownership of the underlying assets belongs to the Trustees. For such purchases (including books and related) and construction costs for which the title/ownership of the underlying assets belongs to the City of Boston, costs are not capitalized by the Trustees.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Government-Wide Financial Statements (Continued)
Capital assets are depreciated on a straight-line basis.

The estimated useful lives of capital assets are as follows:

<table>
<thead>
<tr>
<th>Capital Asset Type</th>
<th>Estimated Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and Equipment</td>
<td>3-10</td>
</tr>
<tr>
<td>Furniture, Fixtures, and Improvements</td>
<td>5</td>
</tr>
</tbody>
</table>

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Funds Financial Statements
Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

Works of Art and Historical Treasures
The Library maintains collections including artwork, rare book collection, and historical treasures that have been purchased or donated. These items are preserved and cared for and many are displayed in public exhibitions. The Library does not have a formal policy that requires that proceeds from the sale of these items be used to expand the collections through additional acquisitions. However, historically, the Library has not sold works of art and historical treasures and as of June 30, 2020, the Library has no intention to sell its works of art and historical treasures and not use the proceeds to either restore current holdings or expand the collection through additional acquisitions. Therefore, in accordance with the Governmental Accounting Standards Board (GASB), the Library does not capitalize collections meeting all of the above factors.

Advance Deposits
Advance deposits consist of monies received in advance for special events held at the Library and customer balances in the pay-for-print program.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables and Payables
During the course of its operations, transactions occur between and within funds that may result in amounts owed between funds.

Government-Wide Financial Statements
Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position.

Fund Financial Statements
Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “due from other funds” or “due to other funds” on the balance sheet.

Interfund Transfers
During the course of its operations, resources are permanently reallocated between and within funds.

Government-Wide Financial Statements
Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position.

Fund Financial Statements
Transfers between and within funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

Net Position and Fund Balances

Government-Wide Financial Statements (Net Position)
Net position represents the residual difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

Net position reported as “Net Investment in Capital Assets” includes capital assets, net of accumulated depreciation and any related debt.

Net position is reported as “restricted” when amounts are restricted by outside parties for a specific future use. Net position has been restricted for the following:

Nonexpendable – represents the principal value of amounts held in trust restricted by various trust agreements.

Expendable – represents the investment earnings on amounts held in trust which may be expended in accordance with various trust agreements, amounts which may be expended in accordance with various grant agreements, and other restrictions placed on assets from outside parties.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Net Position and Fund Balances (Continued)**

**Governmental Funds Financial Statements (Fund Balances)**

The following fund balance classifications describe the relative strength of the spending constraints:

- **Nonspendable** – represents amounts that cannot be spent either because they are in nonspendable form (i.e., inventory) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

- **Restricted** – represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

- **Committed** – represents amounts that can be used only for specific purposes imposed by a formal action (ordinance or resolution) of the Trustees, which is the highest level of decision-making authority for the Library. Committed amounts may be established, modified, or rescinded only through actions approved by the Trustees.

- **Assigned** – represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. In the general fund, assigned amounts represent intended uses established by the Trustees or a Library official delegated that authority by charter or ordinance.

- **Unassigned** – represents the residual fund balance for the general fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

**Investment Income**

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

Total Column

Fund Financial Statements

The total column presented on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

NOTE 2  STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The Library’s annual budget consists of two parts; its budget as a component unit of the City and its annual budget as the Trustees of the Public Library. The Library’s annual budget as a component unit of the City is prepared as part of the annual municipal budget process. Once adopted, the budget may be amended pursuant to the supplemental appropriation process, in which the Mayor submits such requests to the City Council for approval. The Library’s City budget is not part of these financial statements. The Library’s annual Trustees’ budget is prepared under the direction of the Library’s management and Trustees. The Library’s Trustees’ budget is included as an external fund budget in the City’s annual operating budget.

NOTE 3  DEPOSITS AND INVESTMENTS

Library

The by-laws of the Trustees authorize the Library to invest temporarily idle cash in bank term deposits and certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; money market accounts; and the state treasurer’s investment pool – the Massachusetts Municipal Depository Trust (MMDT).
NOTE 3  DEPOSITS AND INVESTMENTS (CONTINUED)

Library (Continued)
The Library’s permanent funds (through various trust agreements) have expanded investment powers, including the ability to invest in equity securities, corporate bonds and other specified investments. Generally, the Library’s investment activities are managed under the custody of the City Treasurer. The Library’s investing of funds in its custody is performed in accordance with investment policies approved by the Trustees. Certain permanent funds have investments in a common fund where investments are pooled. The pooled fund makes a distribution of its investment income to the various participating funds. Participating funds may purchase or redeem units of the common fund based upon the market value of the underlying investments held in the common funds.

Deposits – Custodial Credit Risk
Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Library’s deposits may not be recovered. The Library does not have a policy for custodial credit risk of deposits. As of June 30, 2020, $15,942,378 of the Library’s bank balance of $16,192,378 was uninsured, uncollateralized, and exposed to custodial credit risk. The carrying value of the Library’s deposits totaled $17,542,793 at June 30, 2020, which includes money market mutual funds totaling $3,461,826.

The Library’s investments at June 30, 2020 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>Total</th>
<th>Investment Maturities (in Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>&lt; 1</td>
</tr>
<tr>
<td>Debt Securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market Mutual Funds</td>
<td>$ 3,680,035</td>
<td>$ 3,680,035</td>
</tr>
<tr>
<td>Fixed Income Mutual Funds</td>
<td>9,640,324</td>
<td>9,640,324</td>
</tr>
<tr>
<td>Total Debt Securities</td>
<td>13,320,359</td>
<td>$ 13,320,359</td>
</tr>
<tr>
<td>Other Investments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Securities</td>
<td>14,962,890</td>
<td></td>
</tr>
<tr>
<td>Equity Mutual Funds</td>
<td>3,070,124</td>
<td></td>
</tr>
<tr>
<td>Core Bond Fund</td>
<td>3,257,355</td>
<td></td>
</tr>
<tr>
<td>Private Equity Funds</td>
<td>26,489,702</td>
<td></td>
</tr>
<tr>
<td>Total Other Investments</td>
<td>47,780,071</td>
<td></td>
</tr>
<tr>
<td>Total Investments</td>
<td>$ 61,100,430</td>
<td></td>
</tr>
</tbody>
</table>
NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Library (Continued)

 Investments – Interest Rate Risk of Debt Securities
Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Library does not have a policy for interest rate risk of debt securities.

 Investments – Custodial Credit Risk
Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library’s policy is for all investments to be insured, registered, or held by the Library’s agent in the Library’s name. As of June 30, 2020, the entire balance of investments are insured, registered, or held by the Library’s agent in the Library’s name and are not exposed to custodial credit risk.

 Investments – Credit Risk of Debt Securities
Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Library’s policy for investments in individual debt securities is for all securities to be of investment grade (BBB rating or better).

As of June 30, 2020, the Library’s investments that are classified as debt securities consisted entirely of mutual funds that were unrated by national credit rating organizations. The Library’s investment in the IR&M Core Bond Fund, which is classified as an alternative investment, consists of various fixed income and other debt security investments that are all rated BBB or better by Moody’s and Standard and Poors.

 Investments – Fair Value Measurements
The Library categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.
NOTE 3  DEPOSITS AND INVESTMENTS (CONTINUED)

Library (Continued)

The Library has the following recurring fair value measurements as of June 30, 2020:

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
<th>Level 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Securities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Mutual Funds</td>
<td>$ 3,070,124</td>
<td>$ 3,070,124</td>
</tr>
<tr>
<td>Equity Securities</td>
<td>14,962,890</td>
<td>14,962,890</td>
</tr>
<tr>
<td><strong>Total Equity Securities:</strong></td>
<td>18,033,014</td>
<td>18,033,014</td>
</tr>
<tr>
<td><strong>Debt Securities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income Mutual Funds</td>
<td>$ 9,640,324</td>
<td>$ 9,640,324</td>
</tr>
<tr>
<td><strong>Total Debt Securities:</strong></td>
<td>$ 9,640,324</td>
<td>$ 9,640,324</td>
</tr>
<tr>
<td><strong>Total Investments by Fair Value Level:</strong></td>
<td>$ 27,673,338</td>
<td>$ 27,673,338</td>
</tr>
</tbody>
</table>

Investments Measured at the Net Asset Value (NAV):

<table>
<thead>
<tr>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Bond Fund</td>
<td>$ 3,257,355</td>
</tr>
<tr>
<td>Private Equity Funds</td>
<td>$ 26,489,702</td>
</tr>
<tr>
<td><strong>Total Investments Measured at the NAV:</strong></td>
<td>$ 29,747,057</td>
</tr>
<tr>
<td><strong>Total Investments Measured at Fair Value:</strong></td>
<td>$ 57,420,395</td>
</tr>
</tbody>
</table>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Investments – Fair Value Measurements

The valuation method for investments measure at the net asset value (NAV) per share or its equivalent) is presented on the following table.

<table>
<thead>
<tr>
<th>Description</th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Bond Fund(1)</td>
<td>$ 3,257,355</td>
<td>$ -</td>
</tr>
<tr>
<td>Private Equity Funds(2)</td>
<td>$ 26,489,702</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Investments Measured at the NAV:</strong></td>
<td>$ 29,747,057</td>
<td></td>
</tr>
</tbody>
</table>

(1) Core Bond Fund – This type includes one core bond fund that invests primarily in investment-grade fixed income securities. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the System’s ownership interest in partners’ capital. This investment can be redeemed as needed, with a redemption notice period of four days.

(36)
NOTE 3  DEPOSITS AND INVESTMENTS (CONTINUED)

Library (Continued)

(2) Private Equity Funds – This type includes four private equity funds. One fund with a value of $5,653,381 invests to seek income and capital appreciation by investing in equity and equity-linked securities of non-U.S. companies. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the Library's ownership interest in partners' capital. The investment can be redeemed as needed, with notice provided five days before the end of each month. The second fund with a value of $10,017,007 seeks to approximate, as closely as practicable, before expenses, the performance of the S&P 500® Index over the long term while investing in securities which meet certain social or environmental criteria. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the Library's ownership interest in partners' capital. The investment can be redeemed as needed within two days' notice. The third fund with a value of $5,847,899 invests to seek an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index over the long term. The investment can be redeemed as needed within two days' notice. The fourth fund with a value of $4,971,415 seeks to invest in Global Resource Optimization Funds. The fair value of the investment in this type has been determined using the NAV per share (or its equivalent) of the Library's ownership interest in partners' capital. The investment can be redeemed at the end of each month as needed within three to seven days' notice.

Fund for BPL

The Fund for BPL maintains cash balances at financial institutions, and at times during the year these balances may exceed the federally insured limit. Management monitors the financial condition of these financial institutions, along with its balances in cash, to keep this potential risk at a minimum. At June 30, 2020, uninsured amounts totaled approximately $3,643,000.

The Fund for BPL's investments at June 30, 2020 are comprised of the following:

<table>
<thead>
<tr>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
</tr>
<tr>
<td>Mutual Funds</td>
</tr>
<tr>
<td>Totals</td>
</tr>
</tbody>
</table>

NOTE 4  ACCOUNTS RECEIVABLE

At June 30, 2020, receivables for the individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Gross Allowance for Net
Amount Uncollectibles Amount
Intergovernmental $ 798,121 $ - $ 798,121
Special Events 7,260 - 7,260
Departmental and Other 95,630 - 95,630
Interest and Dividends 45,931 - 45,931
Due from City of Boston 39,375 - 39,375
Total Receivables $ 986,317 $ - $ 986,317

Fund for BPL
Pledges receivable are primarily from long-time supporters located throughout Massachusetts. The long-term portion of receivables is discounted at 3.0%.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Beginning</th>
<th>Increases</th>
<th>Decreases</th>
<th>Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>Balance</td>
<td>Increases</td>
<td>Decreases</td>
<td>Balance</td>
</tr>
<tr>
<td>Capital Assets Being Depreciated</td>
<td>$ 2,087,976</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 2,087,976</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>$ 482,362</td>
<td>-</td>
<td>-</td>
<td>$ 482,362</td>
</tr>
<tr>
<td>Furniture, Fixtures, and Improvements</td>
<td>2,570,338</td>
<td>-</td>
<td>-</td>
<td>2,570,338</td>
</tr>
<tr>
<td>Total Capital Assets Being Depreciated</td>
<td>2,570,338</td>
<td>-</td>
<td>-</td>
<td>2,570,338</td>
</tr>
<tr>
<td>Less Accumulated Depreciation for:</td>
<td>(2,051,059)</td>
<td>(9,302)</td>
<td>-</td>
<td>(2,060,361)</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>(370,334)</td>
<td>(55,624)</td>
<td>-</td>
<td>(425,958)</td>
</tr>
<tr>
<td>Furniture, Fixtures, and Improvements</td>
<td>(2,421,393)</td>
<td>(64,926)</td>
<td>-</td>
<td>(2,486,319)</td>
</tr>
<tr>
<td>Total Accumulated Depreciation</td>
<td>(2,421,393)</td>
<td>(64,926)</td>
<td>-</td>
<td>(2,486,319)</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$ 148,945</td>
<td>$ (64,926)</td>
<td>-</td>
<td>$ 84,019</td>
</tr>
</tbody>
</table>

NOTE 6 DUE TO CITY OF BOSTON

The following represents a summary of amounts owed to the City at June 30, 2020:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Reimbursements - Library for the Commonwealth</td>
<td>$ 132,344</td>
</tr>
<tr>
<td>Collections of Fines</td>
<td>$ 383</td>
</tr>
<tr>
<td>Total</td>
<td>$ 132,727</td>
</tr>
</tbody>
</table>
NOTE 7  INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2020 are summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>General Fund</th>
<th>Managed City Funds</th>
<th>Managed Managed Governmental Funds</th>
<th>Total Nonmajor Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual 5% Distribution to Library Managed Funds(1)</td>
<td>$</td>
<td>-</td>
<td>$ 2,547,557</td>
<td>$(2,547,557)</td>
</tr>
<tr>
<td>Annual 5% Distribution to General Funds(1)</td>
<td>288,126</td>
<td>-</td>
<td>-</td>
<td>(288,126)</td>
</tr>
<tr>
<td>To Transfer Funds to Trust Fund Corpus (14,100)</td>
<td>(14,100)</td>
<td>-</td>
<td>14,100</td>
<td>14,100</td>
</tr>
<tr>
<td>To Fund Programs from Hearst/Humanities Funds</td>
<td>189,950</td>
<td>(189,950)</td>
<td>-</td>
<td>(189,950)</td>
</tr>
<tr>
<td>To Fund Pay for Print and Employee Training</td>
<td>237,413</td>
<td>(237,413)</td>
<td>-</td>
<td>(237,413)</td>
</tr>
<tr>
<td>Miscellaneous Transfers 50,035</td>
<td>50,035</td>
<td>(50,035)</td>
<td>-</td>
<td>(50,035)</td>
</tr>
<tr>
<td>Transfers, Net</td>
<td>$ 751,424</td>
<td>$ 2,070,159</td>
<td>$(2,821,583)</td>
<td>$ (751,424)</td>
</tr>
</tbody>
</table>

(1) Since fiscal year 2003, it is the Trustees’ policy to authorize the City to distribute 5% of the Library’s perpetual permanent fund balances (using a three-year average of market values) to help fund the Library’s operations.

NOTE 8  PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS

Persons that perform services for the Library are employees of the City only. City employees participate in the City’s retirement plan. The City is responsible for contributions to the State-Boston Retirement System (the System), a cost-sharing, multiemployer, defined benefit pension plan. The System provides retirement disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System issues a publicly available financial report, which can be obtained through the State-Boston Retirement System, Boston City Hall, Boston, Massachusetts.

In addition to providing pension benefits, the City is required to provide certain health care and life insurance benefits for retired employees of the City. Substantially all of the Library’s employees may become eligible for these benefits if they reach retirement age while working for the Library. Eligible retirees are required to contribute a specified percentage of health care benefit costs which is comparable to contributions required from employees.

In accordance with GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, no liability has been recorded on the Library’s financial statements since the City has not allocated any portion of other postemployment benefit liabilities to the Library as of June 30, 2020, since persons that perform services for the Library are employees of the City only.
NOTE 9  RISK FINANCING

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Library carries commercial insurance. For the previous three years, coverage has remained consistent and there were no losses which exceeded coverage.

NOTE 10  RELATED PARTY TRANSACTIONS

The Library receives support from the City as a component unit. This support is received for expenditure assistance and various programs. Per a mutual agreement with the City, appropriations for salary and retirement expenses and general and administrative expenses of the Library have been omitted from these basic financial statements, as those costs are included in the City’s budget. Capital asset purchases made by the City for the benefit of the Library, the value of the main Library buildings and its land, have also been excluded from these basic financial statements. All of the aforementioned amounts, and the related receivables and accruals, appear in the audited financial statements of the City.

NOTE 11  CONTINGENCIES

Various legal actions and claims are pending against the Library. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Library at June 30, 2020.
THE TRUSTEES OF THE PUBLIC LIBRARY
OF THE CITY OF BOSTON

MANAGEMENT LETTER

JUNE 30, 2019
Honorable Board of Trustees  
The Public Library of the City of Boston, Massachusetts

In planning and performing our audit of the financial statements of The Trustees of the Public Library of the City of Boston (Library), a component unit of the City of Boston, Massachusetts, as of and for the year ended June 30, 2019, 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, we considered the Library’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We also want to make you aware of recently issued accounting standards that may impact your financial statements in future years. The memorandum that accompanies this letter summarizes our comments and recommendations regarding those matters. This letter does not affect our report dated September 19, 2019, on the financial statements of the Library.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Library personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

The Library’s written response to the matters identified in our audit were prepared by the Library’s Chief Financial Officer. The response has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, the Board of Trustees and others within the organization and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Boston, Massachusetts
April 30, 2020
THE TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

MANAGEMENT LETTER

JUNE 30, 2019

TABLE OF CONTENTS

Page
Comments and Recommendations........................................................................................................... 1
Pay for Print Program............................................................................................................................ 1
Informational Comment - Fiduciary Activities .................................................................................... 4
Informational Comment - Lease Accounting and Financial Reporting .............................................. 5
Comments and Recommendations

Pay for Print Program

Comment

We evaluated the Library’s procedures related to the pay for print program. The following is a summary of our observations:

- Accounting Department employees at the Central Library are assigned a common user name which includes a single set of user access rights and permissions to the Pharos information system.

  The current setup of user access rights and permissions could be improved. If feasible, each Accounting Department employee that uses the Pharos system to process transactions should have their own unique user name and password. This would assign accountability to each transaction. In addition, if feasible, permissions within the Pharos system should be setup to grant access to modules/capabilities that are consistent with each of the individual Accounting Department employee’s unique responsibilities. This would reduce the risk of Accounting Department employees performing functions outside of their responsibilities.

- As part of the pay for print program, money is stored in kiosks. The kiosks are periodically emptied to deposit and record funds collected by the kiosks. To access the kiosks, a key is used that is shared amongst employees of the Accounting Department. Policies and procedures have employees login to Pharos prior to emptying the kiosks. However, the kiosks do not require a login in order to gain access. In addition, due to the user name and password structure identified above, the accountability of kiosk collections to a specific employee does not exist through the Pharos system.

- The Pharos system does not prohibit customers from using the pay for print program if their account is in a deficit balance. This creates the potential for uncollectible accounts receivable.

- The Pharos system has the following reporting limitations:
  - Customer account balances cannot be generated as of a historical date
  - We identified there are some “time lag” delays with certain reporting. For example, customer account balances are not instantly updated after funds are deposited by customers. In addition, there are instances in which kiosk collections are not reported by Pharos until the subsequent kiosk collection occurs.
  - On occasion, transactions are archived in Pharos to enhance the efficiency of the program. In some instances, archived transactions do not show up on reports used by the Accounting Department to perform reconciliations.
Recommendations

We recommend the following:

- If feasible within the Pharos system, establish separate user names, passwords and access rights for each Accounting Department employee that is involved in the pay for print program.

- If feasible within the Pharos system and the kiosks, implement procedures that require a login to Pharos in order to gain physical access to the kiosks.

- If feasible within the Pharos system, consider the cost/benefit of prohibiting customers from using the pay for print program without an account balance or otherwise establishing limits on the use of the program by customers with outstanding amounts owed.

- Consider the feasibility and cost/benefit of improvements to Pharos’ reporting capabilities, as outlined in the Comment section.

Management's Response

The Pharos system has some inherent weaknesses that cannot be corrected until we replace it with a new system. The vendor has discontinued this product, it was installed in 2014, so their support is very limited. The kiosks is designed in a way that enables staff to collect the cash without it being recorded, and that cannot be corrected. The vendor has not been able to explain why some accounts have been able to overspend their balances, but the scope of the negative balances is relatively small. The archiving issue does create a problem when one of the devices are replaced and the transactions on the old device are archived. This does effect some of our reporting, but we do have access to the archived data which we can refer to when answering a patron’s question. It does not affect the current monthly reporting that we use to record the transactions in the Accounting system.

Auditors Recommendations:

If feasible within the Pharos system, establish separate user names, passwords and access rights for each Accounting Department employee that is involved in the pay for print program.

This has been corrected; Accounting staff now have their own unique log in to Pharos.

If feasible within the Pharos system and the kiosks, implement procedures that require a login to Pharos in order to gain physical access to the kiosks.

Our manual procedures require the following: staff must log in, record clearing the cash, then collect the cash. There is nothing physically preventing staff from collecting the cash without recording the transaction. We do have sufficient reporting to determine if all the cash is accounted for, with the following “check and balance” procedure: One staff member clears the kiosks, collects the cash, and the deposits the cash at the bank. A different staff member reconciles the cash deposit slip to the system generated Pharos reports, to ensure all cash is properly accounted for. The system weakness in being able to collect the cash without recording the transaction, can only be fixed by replacing our outdated existing system.
If feasible within the Pharos system, consider the cost/benefit of prohibiting customers from using the pay for print program without an account balance or otherwise establishing limits on the use of the program by customers with outstanding amounts owed.

The current system is limited in this area. There are currently 137,427 accounts with balances, of which 237 have negative balances totaling $1,263.90. There are 16 inactive accounts with negative balances over $10 (one for $622.300). The remaining negative balances average $1.02. We do look at the balance report monthly to look for large growing balances, so we can inactivate accounts that are being abused. We collected over $208K in FY19 for both fines and printing, and well over $1 million the last 5 years. The vendor has not been able to explain why negative balances are allowed and has been unable to correct it. It is an intermittent problem and the scope is relatively small. We do not have a solution for this problem other than monitoring it monthly, and inactivating accounts if needed.

Consider the feasibility and cost/benefit of improvements to Pharos’ reporting capabilities, as outlined in the Comment section.

This is not feasible and not an option with the current system. The vendor has discontinued this software and no longer supports it. Although we can’t run reports as of a certain date retroactively, we have established mandatory action plan, to run reports before the start of the first day of every month. While this report capture has been inconvenient, it has not been a problem in getting a proper cut off for all the reports. The issue with the time lag in reporting is not a frequent occurrence.
Informational Comment - Fiduciary Activities

Comment

In January of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*, which establishes new criteria for identifying and reporting fiduciary activities of state and local governments. The criteria generally focuses on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom the fiduciary relationship exists.

Activities meeting the criteria will be required to report (1) a statement of fiduciary net position and (2) a statement of changes in fiduciary net position in one of the following four fiduciary fund types in the basic financial statements:

1. Pension (and other employee benefit) trust funds
2. Investment trust funds
3. Private-purpose trust funds
4. Custodial funds

Furthermore, agency funds will no longer be reported and activities that do not meet the new fiduciary fund criteria will be reported as resources of the government. Any changes in activities adopted to conform to the provisions of GASB Statement No. 84 will require a restatement of beginning net position/fund balance.

The required implementation date is fiscal year 2021. CLA recommends management familiarize itself with the requirements of GASB Statement No. 84 and prepare for its implementation.
Informational Comment - Lease Accounting and Financial Reporting

Comment

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which establish new financial reporting requirements for governments that enter into lease contracts.

The implementation of this Statement will represent a significant change in the accounting and financial reporting of leased assets, as well as lease liabilities. The implementation of this statement requires:

- Leases previously classified as operating leases to be recognized as lease assets or lease liabilities.
- Lessees to recognize a lease liability and an intangible right-to-use lease asset.
- Lessors to recognize a lease receivable and a deferred inflow of resources.
- Expanded note disclosures.

The required implementation date is fiscal year 2022. CLA recommends management familiarize itself with the requirements of GASB Statement No. 87 and prepare for its implementation.
## Gifts, Grants, Donations to the Boston Public Library

### Fiscal Year 2020

<table>
<thead>
<tr>
<th>Donor</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Fund for The BPL</td>
<td>Programs, Salaries</td>
<td>1,019,799</td>
</tr>
<tr>
<td>Associates of the Boston Public Library</td>
<td>Programs, Salaries, Conservation, Collections</td>
<td>663,004</td>
</tr>
<tr>
<td>City-Wide Friends</td>
<td>Programs, Museum Passes</td>
<td>41,030</td>
</tr>
<tr>
<td>Estate R.E. Schiesske</td>
<td>Schiesske Fund</td>
<td>14,000</td>
</tr>
<tr>
<td>Charity E. Alker</td>
<td>Dorothy Alker Fund</td>
<td>10,000</td>
</tr>
<tr>
<td>Art in Boston Inc.-Benjamin Shepherd</td>
<td>Sinclair Hitchings Fund</td>
<td>7,801</td>
</tr>
<tr>
<td>Donation-WGBH Fund</td>
<td>Educational Foundation</td>
<td>4,000</td>
</tr>
<tr>
<td>Taylor Sakurai Family Fund</td>
<td>Unrestricted</td>
<td>2,000</td>
</tr>
<tr>
<td>Multiple Donors</td>
<td>Sinclair Hitchings Fund</td>
<td>1,441</td>
</tr>
<tr>
<td>Nouria Energy Corp.</td>
<td>East Boston Branch</td>
<td>1,000</td>
</tr>
<tr>
<td>Emily V. Wade</td>
<td>Unrestricted</td>
<td>1,000</td>
</tr>
<tr>
<td>Donation Box</td>
<td>Unrestricted</td>
<td>10,431</td>
</tr>
<tr>
<td>8 Miscellaneous donations</td>
<td>ranging from $8 to $250</td>
<td>1,268</td>
</tr>
</tbody>
</table>

**Fundraising Initiatives:**

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marathon</td>
<td>Programs</td>
<td>98,513</td>
</tr>
<tr>
<td>Just Giving-Website</td>
<td>Unrestricted</td>
<td>300</td>
</tr>
<tr>
<td>Tour Guides</td>
<td>Unrestricted</td>
<td>474</td>
</tr>
<tr>
<td>AmazonSmile Foundation</td>
<td>Unrestricted</td>
<td>230</td>
</tr>
</tbody>
</table>

**Branch Friends Groups**

<table>
<thead>
<tr>
<th>Friends</th>
<th>Purpose</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends of South End</td>
<td>Capital Improvements</td>
<td>43,872</td>
</tr>
<tr>
<td>Friends of Jamaica Plain</td>
<td>Museum Passes</td>
<td>2,216</td>
</tr>
<tr>
<td>Friends of Connolly</td>
<td>Zoo Passes</td>
<td>595</td>
</tr>
<tr>
<td>Friends of South Boston</td>
<td>South Boston Zoo Passes</td>
<td>400</td>
</tr>
<tr>
<td>Friends of Honan Allston</td>
<td>Zoo Passes</td>
<td>400</td>
</tr>
<tr>
<td>Friends of Parker Hill</td>
<td>Miscellaneous</td>
<td>375</td>
</tr>
<tr>
<td>Friends of West Roxbury</td>
<td>Zoo and Museum Passes</td>
<td>350</td>
</tr>
<tr>
<td>Friends of Uphams Corner</td>
<td>Zoo Passes</td>
<td>250</td>
</tr>
<tr>
<td>Friends of Brighton</td>
<td>Museum Passes</td>
<td>90</td>
</tr>
<tr>
<td>Friends of North End</td>
<td>Miscellaneous</td>
<td>15</td>
</tr>
</tbody>
</table>

**Total** 1,924,853