

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
Meeting of the Trustees as a Corporation and Administrative Agency (First Meeting)
Tuesday, May 18, 2021 at 8:30 a.m.
via Zoom

MINUTES

The annual meeting of the Trustees of the Public Library of the City of Boston (“BPL”) held on Tuesday, May 18, 2021 at 8:30 a.m. via Zoom conference call.

All Trustees were present at the meeting including: Chair Priscilla H. Douglas, Vice Chair Evelyn Arana-Ortiz Trustees: Zamawa Arenas, Jabari Asim, Navjeet Bal, Joe Berman, Ben Bradlee, Jr., Cheryl Cronin, Linda Dorcena Forry, John Hailer, Jeff Hawkins, Joyce Linehan, Senator Mike Rush, Representative Chynah Tyler, and Christian Westra. Also present: Boston Public Library President David Leonard, Clerk of the Board Pamela Carver, Boston Public Library staff, and members of the public.

Chair Priscilla H. Douglas presided, and called the meeting to order at 8:31 a.m. A roll call was taken determining there was a quorum. Ms. Douglas acknowledged that Mr. Leonard and his staff would review the accomplishments of 2021, but she wanted to recognize some highlights.

Ms. Douglas acknowledged the success of the Repairing America theme and all the programs in the neighborhoods which were designed to invite conversations, explore new ideas, and develop new job skills that launched in January. She encouraged everyone to watch them.

She began by reading an excerpt from the institutional statement that was ratified by the Board in September 2020:

“The Trustees of The Boston Public Library reaffirm our commitment to racial equity and to principles of diversity equity and inclusion, more broadly.

The Library is formally committed to becoming an anti-racist organization in response to systemic racism, inequity, and injustice prevalent in our 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 Massachusetts people and is a place which has long served as a site of meeting and exchange among nations.

We are committed to land acknowledgements for all locations at which we operate. We reaffirm this commitment to set the context for our planning, deliberations, and public engagement so that they take place from the spirit of welcome and respect, found in our motto ‘free to all.’”

Ms. Douglas asked that all Trustees adopt these principles. A motion was duly made, seconded and voted unanimously to approve via a roll call,

VOTED: “that the Trustees of the Public Library of the City of Boston and that Committee Chairs use and adopt the opening statement as presented for all the public Trustees meetings.”

Ms. Douglas’ second matter of business was the approval of the meeting minutes from March 23, 2021. A
Pamela R. Carver, Clerk of the Board 9.14.20

motion was duly made, seconded, and approved unanimously by the board without questions or comments.

Ms. Douglas continued that she was reviewing all the Trustees committees. She thanked the former Special Collections Committee members, with a particular nod to Dr. Bill Stoneman for his years as Chair. She recognized each member by name and thanked them for their service to the BPL. The new members of the Special Collections Committee were currently being selected. Ms. Douglas noted the formation of a new Committee with the working title “Strategic Community Engagement” and asked Joyce Linehan to Chair it. She noted that the committee members would be taking deeper dives into and determining the committees’ charters. All committee members would be posted on the BPL website.

David Leonard began his President’s report by reviewing the FY2021-2022 Initiatives and Goals that would be presented at the upcoming budget meeting with the Boston City Council. Key accomplishments over the last year were summarized. Noting that during the reality of COVID, a robust group of services were offered, and highlighted the digital equity work manifested through the lending of hot spots, Chromebooks, and extending Wi-Fi at different locations. Book bundles and craft kits were offered as one more way we could replace the ability to come into the branches. They held virtual tours and to the McKim Building. He predicted the BPL would be at the highest circulation total at 5.2 million items (included BPL to Go program and digital lending) and anticipated the statistics as we turn to the year ahead. Additionally, there were seventy-seven thousand new ecard sign ups.

Mr. Leonard noted some major achievements regarding Diversity, Equity, and Inclusion (“DEI”) were the Repair America programs, the formal ratification of the DEI statement and the work around it. Including a \$75,000 grant coordinated through the BPL Fund to increase the Library’s anti-racist materials, and the work with YW Boston as an equity consulting partner. He noted the significant impacts on the branches (even while they were closed) particularly the completion of the Roxbury, Adams, and upcoming Roslindale branches.

Additional accomplishments included the virtual services of Tech Goes Home, ESL conversation circles, a rebooted Homework Assistance program, and the launch of the Future Readers Club.

Next, Mr. Leonard presented the five-year Strategic Roadmap, which will serve as a bridge from the full Compass Plan towards a future strategic planning exercise. This Roadmap document covers key principles that will help shape the work of the library over the next five years with a deep and robust stakeholder engagement.

Mr. Leonard noted that through the expanded digital access to the collections, nearly all manuscripts have been digitized. He added that with respect to the Mayor’s proposed budget and a key FY22 initiative, they would initiate the permanent elimination of fines for adults. It was an exciting development that they have been given the revenue relief with the Trustees consent and approval vote to proceed with the elimination.

Within Library Services, they were prioritizing and expanding youth engagement, workforce development programming, an additional out of school time programming with stronger collaborations with Boston Public Schools. With respect with ongoing and new initiatives, will be assessing our collections storage needs at Central and at the Archival Center, implementing a new collections security policy, and developing a digital preservation plan.

The President's office focus was on reopening, recovery, and renewal while developing support and our Affiliates collaboration.

Mr. Leonard reviewed the capital projects and investments. He highlighted completed/completing projects such as Adams and Roslindale branches, the Rare Books renovation, and the McKim Master Plan programming study. Some continuing projects included the Faneuil Branch renovation, the McKim fire panel, and several programming studies. He noted some projects kicking off in FY22 included Fields Corner design, the South End, North End, and South Boston programming studies. He also noted they were actively engaged with other city departments for the planning of the new Chinatown branch and the new Uphams Corner Branch.

Mr. Leonard continued with key priorities for Collections included the executing on the \$2.1 million grant to revitalize the library's Founding Research Collection; anticipate Phase One will continue through 2023. Language access and equitable outreach has become a particular priority for the City of Boston and the BPL will be doing that work in conjunction with the Language and Communications Access ("LCA") department.

The board had a discussion and answered some questions regarding some of the new initiatives and work with the LCA department.

Mr. Leonard gave a brief update on the BPL's reopening plans, which were not able to make a public announcement to any specific dates, but anticipated it to be over the course of the month of June 2021. The Trustees discussed their anticipation of continuing online services vs. in person and the staff's ability to work through the pandemic. Mr. Leonard noted they were short staffed across the entire system due to vacancies and working diligently to fill these positions to be best prepared for reopening.

The Trustees thanked the BPL staff for their continued service and commitment to serving our patrons, as well as all the accolades they received during the pandemic.

Upon the conclusion of Mr. Leonard's President's report, Ms. Douglas called for a motion to approve that was duly made, seconded and approved via a roll call vote,

VOTED: "that, the Trustees of the Public Library of the City of Boston approve the BPL Strategic Roadmap as presented at the Board meeting on May 18, 2021."

Next, Ms. Evelyn Arana-Ortiz gave the updates for the Finance and Audit Committee. She asked Ms. Donaghey to review Mayor Janey's FY22 Operating and Capital Budgets. Ms. Donaghey explained the key funding sources of the BPL include: City, External Affiliates funds, and Enterprise funding. She reviewed the chart that outlined the FY22 budget which was included in the accompanying meeting materials. This explained four new positions, salaries, utilities, repairs/maintenance, contracted services, and miscellaneous costs. The FY22 budget was \$51,634,300.

Next, Ms. Donaghey reviewed the Capital Projects Budgets chart which outlined the costs of all renovation and study projects. The FY22 budget was \$20,977,918.

After some discussion and questions, Ms. Arana-Ortiz called for a motion that was duly made and

seconded and voted to approve via a roll call vote,

VOTED: “that, the Trustees of the Public Library of the City of Boston vote to accept Mayor Kim Janey’s FY22 Recommended Operating and Capital Budgets, subject to further amendments in advance of final approval by City Council.”

Ms. Arana-Ortiz reviewed and explained each of the annual votes. She asked if there were any questions for which there were none. She called for motion, that was duly made and voted to approve via a roll call vote,

VOTED: “that, the Trustees of the Public Library of the City of Boston authorize the President, or designee, on behalf of the Trustees of the Public Library of the City of Boston, to enter into a contract or contracts for various goods or services relating to the Boston Public Library Critical Repair Budget for the period July 1, 2021 through June 30, 2022 provided that each contract entered into pursuant to this authorization shall have been estimated to be less than one hundred thousand dollars (\$100,000.00). In no event will the contracts cumulatively exceed three hundred thousand dollars (\$300,000.00).”

VOTED: “that, the Trustees of the Public Library of the City of Boston enter into a non-advertised contract, as authorized under G.L., c.30-B, Section 7(a), referred to as a “Procurement of Library Books,” between the Trustees of the Public Library of the City of Boston (a Corporation under Chapter 114 of the Acts of 1878), and the vendors listed therein (including any subsidiaries or agents), for the acquisitions of books and for certain other library bibliographical acquisitions materials, in an amount not to exceed the amount appropriated in the Library Department budget for books and other related bibliographical acquisitions materials, during the period July 1, 2021 through June 30, 2022.”

VOTED: “that, the Trustees of the Public Library of the City of Boston approve the expenditure from the Fellowes Athenaeum Trust Fund in an amount not to exceed Two Hundred Forty Two Thousand Nine Hundred Forty Dollars and eighteen cents (\$242,940.18) to support the Fellowes Athenaeum Trust Fund Programmatic Plan for FY22 as recommended by the Fellowes Athenaeum Trust Advisory Committee and to be presented at an upcoming meeting.”

VOTED: “that, the Trustees of the Public Library of the City of Boston delegate approval of any contract deemed to be of a critical nature by the President of the Library during the period between May 2021 and September 2021 to the Finance and Audit Committee.”

Ms. Irmischer, Chief of Collections explained that the BPL would be putting out an RFP to hire a project manager to oversee a \$2.1 million project funded by a grant. That person would be responsible for identifying the different components of the grant which involved inventory cleaning, cataloging, and preserving the collection. The vote is to ask the Board to delegate the approval of this contract for the RFP to hire a project manager to the Finance and Audit Committee. The delegation was requested due to the summer hiatus of the board and to ensure the contract is approved in a timely manner.

A motion was duly made, seconded, and voted to approve via a roll call vote,

VOTED: “that, the Trustees Finance and Audit Committee recommend that the Trustees of the Public Library of the City of Boston delegate approval of the Research Collection Consultant Contract to the Finance and Audit Committee due to the timing of the vote needed to award.”

Ms. Arana-Ortiz explained the next vote was for a contract to assess the storage space we have, to measure the size of our research collection, and determine storage space needs now and in the future. Ms. Irmischer added that this was the first step in a long term storage strategy. It is the BPL's assessment to understand how much our collection should be using and how much space we need, so that we can do a lot more planning for the best storage conditions for our collections.

A motion was duly made, seconded, and voted to approve via a roll call vote.

VOTED: “that, the Trustees Finance and Audit Committee recommend that the Trustees of the Public Library of the City of Boston authorize a contract in the amount of \$171,178.00 (one hundred seventy one thousand, one hundred seventy eight dollars) with Perry Dean Rogers Partners Architects, 177 Milk Street, Seventh Floor, Boston, MA 02109, the most highly advantageous vendor, for the study and analysis of the Research Collection Space and Storage per the Request for Proposal (“RFP”) specifications.”

Lastly, Ms. Arana-Ortiz explained the fine forgiveness vote. She noted that she was very excited to take this matter to Trustee vote. Mr. Colford explained that last year, the City and Trustees voted to eliminate fines for all patrons under the age of eighteen. This current vote would eliminate fines for all patrons. He noted that accrual of fines was largely an equity issue that puts a barrier between some communities from using the Library. Fines are often insurmountable to people that are affected most due to economic hardship and prevents their future use of library materials. Some positive implications of eliminating fines are it eliminates those barriers for equal access to the Library reinforcing our mission statement of “free to all”. Mr. Colford explained that the fines referred to “late fees” and not for loss of books.

Mr. Leonard clarified that procedurally we are required by the City of Boston, to give us revenue relief permission to proceed with this. Therefore, it is part of the City's budget, which the City Council will vote on by June 30th. This vote will allow the ability to make the policy changes consistent with this. While we have eliminated all fines during COVID, this will allow us to officially put into place permanently starting July 1st.

With no questions, Ms. Arana-Ortiz called for a motion that was duly made and seconded, and voted to approve unanimously via a roll call vote.

VOTED: “that, the Trustees of the Public Library of the City of Boston authorize the President of the Boston Public Library to implement any and all policy changes to permanently waive and eliminate late fines on all regular library materials, in concert with Mayor Janey's FY22 City of Boston Operating Budget.”

Ms. Douglas moved onto the Board of Trustees 2021-2022 Schedule. The dates were presented and approved by the Board. The schedule would be posted on the BPL website under the Trustees page (noting all dates and times were subject to change).

Ms. Douglas asked for any New Business for which there was none and she welcomed Public Comment.

Mr. David Vieira, member of the City-Wide Friends noted that there was no mention of the Hyde Park Branch library. He added that the branch had been closed during the entire COVID period due to a water remediation project. He made the observation that it took longer to do this project than the entire Adams Street branch renovation. He asked Mr. Leonard for a timeline on when he could expect the Hyde Park branch to reopen. The clerk noted that someone would reach out to him after the meeting to address his question.

Elissa Cadillic, President of AFSCME 1526. She noted when the Trustees voted to eliminate youth fines, she spoke in favor of eliminating fines for all. So to echo what was heard, this will increase access to our resources for many of our patrons. As President of AFSCME 1526, half of their membership actually feel that the strategic roadmap outlined by President Leonard does not go far enough to building a staff culture for all, based on respect and professional development. It is not enough to become an anti-racist organization. We also have to address the perpetuated inequity staff and lack of true professional growth within the BPL. Her members were the face of diversity and yet all too often are not afforded the respect or recognition of the work they do. They are excluded from many of the BPL initiatives because of a lack of respect by co-workers and some leadership. This is the very opposite of creating an inclusive workplace, a good start would be for leadership to define professionals as they see it, and not depend on a definition under MA General Law, relative to BPL staff. It was unclear if the YW Boston work would address this issue. Depending on recommendations that may solely focus on racial inequity, while important, may not make any changes to the internal workings of the BPL. The pandemic has highlighted the importance of air quality within buildings. Our HVAC systems across our branches, need a lot of TLC. A report of the air exchanges per hour shows many of our branches are not providing adequate air circulation. As we think about protecting workers and the public, it needs to be addressed. She gave an example of the North End's inefficiencies and other buildings that have been told they would not be fixed. This is unacceptable to both workers and the public. She also asked that the Trustees examine the hiring practices for the practical implementation of the funding Research Collection Plan. Once the project is set to begin, to determine if they represent the best use of the funds by the library. The proposed plan is once the contracted project manager is hired, to outsource the handling of those materials, instead of hiring library employees to safeguard their collections. Instead, the Chief of Collections prefers to pay money to supporting the salary of corporations and external contractors, instead of investing in good paying jobs, and working towards increasing the diversity and equity within our Library.

Marie Firmin, a lifelong Roxbury resident, and Founder and President of BlackBiz Development Group, LLC. She wanted to talk about the digital divide in the black community. She added that even though you boast that you went from serving families to a digital platform. A lot of families did not get served. She wondered how the BPL would compensate for that with the budget and with programs that are going to support families and students in the community. Also, that the library is used very differently these days than it was when she was growing up. Many families and students use the libraries as refuge because their houses are overcrowded or because they are homeless. Wondered when a discussion around those kinds of issues would be had. She was in favor of changing the name to Nubian Library for a number of reasons. She can write the Board to let them know all the reasons that she is totally in favor, not to think that it should have been a natural process. You name the library after the square. She was not sure why they had to fight to rename it Nubian Library. She was hoping that with all the wonderful things that are happening for the library this year, because of the pandemic where so many families have lost members, she hoped that the Trustees see that the Nubian library is very important and significant in this time and day. The thanked them for serving.

Yvette Jarreau, thanked everyone for all that they have been doing in support of the library services over the last year plus. She asked if the money for the South End Programming Study was being rolled over from FY21.

Elizabeth Nagarajah, President of the Friends of the Roxbury Branch Library, on behalf of their

Board, there has been a two-year discussion on the renaming of the branch. While they have meet with Mr. Sadiki Kambon, who is one of the big pushes on the renaming of the library, the Friends did support the Board of Trustees in naming the library the “Roxbury Branch Library”. She wanted to go on record that the Friends are still standing by that support, so that is known. She hoped that as we listen to the various comments that we can come to a conclusion on the official name of “Roxbury Branch Library”.

Ms. Douglas moved onto the next agenda item regarding Executive Session for the purpose to discuss the status of the legal guardianship of the John Adams Library under Exemption 3 of MA Open Meeting Law. She explained that the Board needed to take a vote to enter into Executive Session immediately following the 2nd public meeting. They Board would not reconvene in a public session. A motion was duly made, seconded, and voted to approve via a roll call vote.

VOTED: “that, the Trustees of the Public Library of the City of Boston vote to enter into Executive Session.”

With no further business, Ms. Douglas adjourned the first meeting at 10:03 a.m.

Respectfully submitted,

Pamela Carver

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

Annual Meeting of the Trustees as a Corporation (Second Meeting)

Tuesday, May 18, 2021 at 10:00a.m. Via Zoom

DRAFT MINUTES

The annual meeting of the Trustees of the Public Library of the City of Boston (“BPL”) as a Corporation was held via a Zoom virtual conference on Tuesday, May 18, 2021 at 10:03 a.m.

Present at the meeting were Chair Priscilla H. Douglas, Vice Chair Evelyn Arana-Ortiz, Trustees: Jabari Asim, Navjeet Bal, Joe Berman, Ben Bradlee, Jr., Cheryl Cronin, Priscilla Douglas, John Hailer, Jeff Hawkins, Linda Dorcena Forry, Joyce Linehan, Sen. Mike Rush, Rep. Chynah Tyler, and Christian Westra. Also present: Boston Public Library President David Leonard, Clerk of the Board Pamela Carver, Boston Public Library staff, and members of the public.

Chair, Priscilla H. Douglas presided and addressed the agenda’s Call to Order of the Governance and Development Committee.

Committee Chair of the Trustees Governance and Development Committee, Mr. John Hailer presented the slate of officers for the Fiscal Year 2021-2021: Priscilla H. Douglas for Chair, Evelyn Arana-Ortiz for Vice Chair, and Pamela Carver for Clerk of the Board. Each will serve a one-year term from May 2021-May 2022.

With no other nominations, a motion was duly made, seconded, and

VOTED: that, the Trustees of the Public Library of the City of Boston approve the recommendation of the Trustees Governance and Development Committee for the Slate of Officers of the Trustees of the Public Library of the City of Boston and the Clerk of the Board for the period May 18, 2021 through May 18, 2022.”

Mr. Hailer noted that this was the first time that all three executive officers for the corporation were women and a great sign of how things have changed.

Ms. Priscilla Douglas addressed the agenda’s Call to Order, and described the votes in this meeting as “enabling” votes. Ms. Douglas reviewed the votes and asked if any members of the Board of Trustees wished to speak to, or had questions concerning, any of the enabling votes before the Board. There were no comments made or questions asked. Thus, upon motion duly made and seconded, and,

VOTED: “that, the President, Director of Library Services, Director of Operations, Chief Financial Officer, or the Clerk of the Corporation be, and hereby are, authorized to sign on behalf of the Corporation, bills, special drafts, and payrolls of the Library.”

VOTED: “that, the President, Director of Library Services, Director of Operations, Chief Financial Officer, or the Clerk of the Corporation be, and hereby are, authorized to sign any and all contracts, except as otherwise authorized, voted to be made by the Board in the name and on behalf of the Corporation and any and all communications in connection with the award of contracts so voted or recommended to be so voted and to authorize payments under contracts so voted.”

VOTED: “that, the President, Director of Library Services, Director of Operations, Chief Financial Officer, or the Clerk of the Corporation be, and hereby are, authorized to accept on behalf of the Trustees gifts, payments made in recognition for the special services rendered, and payments received for the publications and prints executed under library sponsorship and, in connection with the acceptance of the same, to endorse on behalf of the Trustees checks so received, said amounts to be reported to the Board at the September Meeting.”

VOTED: “that, until the next Annual Meeting, by delegation of the Trustees of the Public Library of the City of Boston, the President, Director of Library Services, Director of Operations, Chief Financial Officer, or the Clerk of the Corporation, hereby are, authorized to accept on behalf of the Trustees gifts to be added to funds already established in the General Investment Account, the acceptance of said amounts to be reported to the Board at the meeting following any such acceptance.”

VOTED: “that, the President, or Chief Financial Officer, be and hereby is, authorized and directed to distribute and pay to the Trustees of the Public Library of the City of Boston the income of the General Investment Account for the period from July 1, 2021 to June 30, 2022; and further,

VOTED: that, the President, or Chief Financial Officer, be and hereby is, authorized to cause to be paid to the Rector of Trinity Church for the period from July 1, 2021 to June 30, 2022 income on the Children's Fund now held in the custody of the Collector-Treasurer of the City of Boston pursuant to the provisions of the 11th Clause of the will of Josiah H. Benton, as required by the 19th Clause of said will; and further,

VOTED: that, the President, or Chief Financial Officer, be and hereby is, authorize and directed to cause to be distributed and paid to the Rector of Trinity Church, to be held by said Rector pursuant to the provisions of the 12th Clause of the will of Josiah H. Benton, as defined by the Agreement of Compromise, dated January 15, 1935 and made in connection with the administration of the trust created by such Clause, four-tenths of the income of the Benton Book Fund for the period from July 1, 2021 to June 30, 2022, inclusive, now held in the custody of the Collector-Treasurer of the City of Boston, and to the Trustees of the Public Library of the City of Boston the remaining six-tenths of said income for said period to be applied to the purchases provided in said Agreement of Compromise.”

VOTED: “that, the President, Director of Library Services, Director of Operations, Chief Financial Officer, or the Clerk of the Corporation, until the next annual meeting, is authorized to spend for the purpose of buying library materials any authorized and proper purpose income from those Trust Funds held by the Trustees of the Public Library of the City of Boston, where no specific vote of the Trustees is required by the Trust instrument.”

With no new business, the Trustees voted to adjourn the second meeting at 10:08 a.m.

Respectfully submitted,

Pamela Carver, Clerk of the Board



Boston Public Library Fund
Named Giving Policy
September 2020

1.0 Named Giving Policy

The Boston Public Library Fund (BPLF) and the Boston Public Library (BPL) are formalizing the practice of recognizing gifts and pledge commitments that may be connected to or have the potential to include formal naming recognition on facilities, programs, positions or endowed funds.

Naming opportunities can recognize donors or those they wish to honor or memorialize. All naming opportunities are to be reviewed and approved by the Executive Director of the BPLF who will make recommendations to the President of the BPL for approval and if necessary, submission to the BPLF/BPL Board of Directors and Board of Trustees for approval. Naming opportunities are typically offered only for outright gifts, pledges of no more than five years in duration, or for planned or deferred gifts when the gift amount is accessible, (defined as 'cash in hand' or realized, etc.); or irrevocable.

Nothing in this policy, prevents or abrogates the existing authority of the Trustees to accept gifts or to name buildings or spaces for reasons other than those related to philanthropy. Further, community interest, avoidance of corporatization, maintenance of public trust, support for the unfettered pursuit of knowledge and personal improvement, preservation of the understood neutrality and objectivity of libraries and the avoidance of conflicts of interest, are acknowledged to be of paramount concern in the evaluation of any public naming opportunities, but especially those for key spaces or leadership positions.

The following list provides general guidelines for various named giving opportunities:

- 1.1** *Entire Building (New).* Newly constructed buildings and facilities may be named for donor contributions that equal or exceed 50% of the fundraising goal associated with the project (with the recommendation that a facility should not be named for less than 25% of the estimated project cost). Funding arrangements that best serve the interests of the BPLF/BPL can be negotiated by the President and Executive Director, subject to approval by the BPLF/BPL Boards.
- 1.2** *Building Addition or Renovation.* The amount must be at least 50% of the project cost.
- 1.3** *Portions of Buildings.* The amount required to name individual rooms or wings in new or existing buildings such as auditoriums, lecture halls, reading rooms, lobbies, etc. shall be considered on a case-by-case basis. The amounts will depend in part upon type of usage, visibility and traffic flow.
- 1.4** *Unnamed Existing Building.* Unnamed buildings may be named by the establishment of an endowment equivalent to 25% of the replacement cost of the building.
- 1.5** *Relocation or Replacement.* Naming is generally granted for the useful life of the entity unless otherwise specified in the gift agreement (and subject to the terms of revocation as set

forth in this Policy). The name on a facility, wing, or room to be demolished will not be transferred to a new facility except in such cases as when a useful facility is relocated to serve the greater interests of the BPL.

- 1.6** *Program.* Associating a name with a program acknowledges great commitment on the part of the donor. Funding arrangements that best serve the interests of BPLF/BPL can be negotiated by the President and Executive Director, subject to approval by the BPLF/BPL Boards, where required.
- 1.7** *Named Endowed Funds.* An Endowed Fund is a donation of money or property which the BPLF invests and uses the resulting investment income for a specific purpose designated by the donor.

An endowment is a permanent gift, “a gift that keeps growing.” Distribution from an endowment supports the area for which it was established. The principal remains intact and only a percentage of the earned income is used annually. Donors may make a single gift or build an endowed fund over time.

Donors can establish endowments to support a collection in a specific subject or service area, or to support BPLF funding priorities. Endowments can be named for the donors themselves or the ones they wish to honor.

To aid in the appropriate funding level for naming, the following suggested levels should be considered guidelines to minimum funding:

Minimum Endowment Amount: \$50,000+
Restricted Named Endowment Opportunities:
Boston Public Library Presidency: \$5,000,000
Archivists, Curators: \$1,500,000+
Senior Librarians: \$1,000,000+
Fellows: \$500,000+
Lecture Series: \$250,000-\$500,000+

For further information on endowed fund opportunities, contact the BPLF.

- 1.8** *Current Fund Gifts.* Current fund gifts/pledge commitments can also name lectures, and other institutional priorities for a specified period of time. Current fund gifts/pledge commitments must cover a minimum period of five years and for naming purposes will be reviewed on a case- by-case basis.

Minimum Gift Amount: \$100,000 payable over a maximum of five years

- 1.9** *Expendable Gifts in support of Departments, Centers or Programs.* Upon the recommendation of the President, the BPLF/BPL Boards will have final approval in any decision to name a department, center or program. In considering the naming of one of these important, socially valuable areas, it is critical that BPLF/BPL proceeds with extreme sensitivity considering a number of factors in addition to the level of gift. Therefore, in consideration of such naming, the following conditions must be satisfied:

If naming is in recognition of a gift, the scale, nature, and designated use of the gift must

enable transformational change to occur at the BPL. This criterion implies that the gift will allow BPL to undertake a well-defined series of strategic program improvements that will significantly materially strengthen its community standing. Ideally, these improvements will elevate the BPL within a distinguished group of peers, consisting of the top public libraries, museums or service organizations.

Any particular proposal for naming is clearly and broadly supported as being consonant with the reputation and aspirations of the BPL. The background, character, reputation, and other qualities of the person for whom the department, center, or program is to be named are consistent with the reputation of the BPL.

- 1.10** *Permanence of Naming.* The naming of Physical Space (buildings, facilities and grounds, or portions thereof) is intended to be in place for the life of the specific Physical Space. The naming of endowed funds is intended to be in perpetuity. If, in the determination of the BPLF/BPL Boards, circumstances change so that the purpose for which the Physical Space was established is significantly altered or if the Physical Space is no longer needed or habitable, the BPLF/BPL Boards, in consultation with appropriate administrative leadership and the donor(s), if possible, will determine an appropriate way to recognize the donor's named gift for an agreed upon period such as the useful life of the entity named or as specified in the gift agreement, but rarely if ever. in perpetuity. If the BPLF and the donor(s) previously established a Gift Agreement or contract that provides a practicable course of action, then that action shall be followed.

Naming opportunities affiliated with expendable gifts are in place for the time period outlined in the gift agreement.

- 1.11** *Removal of a Name.* BPLF/BPL naming opportunities shall bear only the name of individuals or entities that exemplify the attributes of integrity, character and leadership consistent with the highest values of the BPLF/BPL. If, in the sole determination of the BPLF and BPL Boards, those attributes are not maintained, the Boards reserve the right to remove the donor's/honoree's name from a Physical Space, Branch, Department, Center, or Program at any time. The BPLF additionally may revoke a naming if any of the following conditions occurs: The pledge obligation is unfulfilled and/or written off (if partial funding was received that is sufficient for an alternative naming opportunity, the terms of this Policy shall govern any renegotiation for a suitable naming); or if a change in family or organizational circumstances causes the donor or other affected individual(s)/organization(s) to request a name change or revocation.
- 1.12** *Declining a Naming Opportunity.* If, after consideration of a potential naming gift, the BPLF/BPL Boards, President or Executive Director determine that a gift, or a relationship with a particular donor, could be damaging to the BPLF/BPL, or its mission and values, the BPLF/BPL retains the right to decline either the gift or the naming opportunity related to that gift.
- 1.13** *Exceptions.* The BPLF/BPL Boards and the President or his/her Cabinet-level designee(s) shall have the latitude to approve the establishment of named funds in amounts less than those stated above, or to determine minimum levels for naming of positions, programs, or facilities not outlined in this document. For instance, if a donor provides a gift for a building that is already funded through other means or already constructed, lower minimum gifts might be appropriate.

2.0 Miscellaneous

- 2.1** *Naming Rights.* In serving the best interests of BPLF/BPL, and following the authority given above, the Boards and the President retain the right to approve or disapprove any naming opportunities.
- 2.2** *Permanent Naming Consideration for a Pledge.* If a naming will be the result of a total gift pledged to be paid over a period of years, the timing of the official naming must be clearly articulated in a formal Gift Agreement. Two options are: 1) Subject to approval by the Executive Director of the BPLF, naming will go into effect immediately with a clear and documented understanding that the naming will be altered or removed if the full pledge is not paid in a mutually agreed upon timeframe; or 2) naming will go into effect after the pledge is fulfilled and the required total amount has been received by BPLF.

If the pledge is not fulfilled, but the naming has been authorized by the Boards, then this change must be reported to the Boards—through the appropriate committee—so that it can be reflected in the official minutes. If only partial funding is received that is less than the required naming threshold, yet sufficient for an alternative naming opportunity, the above procedures will govern any renegotiation.

- 2.3** *Permanent Naming Consideration for a Deferred Gift (e.g. bequest, charitable trust, charitable gift annuity, retirement fund provision).* Notwithstanding the exceptions, deferred gifts qualify for a naming opportunity only when the gift funds are realized. Any exceptions to this policy must be reviewed by the Executive Director of the BPLF, with all final decisions being made at the discretion of the Executive Director, in consultation with the President.

If a donor provides a fully signed, documented irrevocable bequest or other planned gift to ultimately create an endowed position, the naming can be put into effect at the time of the receipt of the signed document, provided that the donor signs a gift agreement to give annually, in perpetuity until the bequest or planned gift is realized, a gift that is the equivalent of the annual spendable income that would be generated from the minimum endowment amount based upon the endowment payout rate at the time the current fund gifts are made.

- 2.4** *Naming Consideration for Honorary, Memorial, or Recognition Purposes.* If the naming to be considered is in honor or recognition, but does not carry with it a gift or a significant enough gift to meet naming policy thresholds, the request should be forwarded to the Executive Director of the BPLF, and upon his/her approval, to the President. Depending on the details of the naming request, the President will make the final decision or determine whether additional approval is needed through the BPLF/BPL Boards.

Previous Draft Approved by the BPLF Board of Directors 10.13.2020. Edited 2/2/21



Boston Public Library Fund
Gift Acceptance Policy
 September 22, 2020

1.0 Purpose and Policy Objectives

The Boston Public Library Fund (the “Fund”) is dedicated to inspiring transformative philanthropic support for Boston Public Library programs and services which advance literacy and lifelong learning, foster workforce development, preserve world class collections and spaces, and strengthen civic engagement for the betterment of our community and the wider world.

Charged with promoting and securing charitable gifts to the Library, we act as both a catalyst and partner in strategies that energize innovation and experimentation, leverage emerging opportunities, and respond to community needs in changing times.

The Fund was established to supplement, but not supplant, funding from governmental and other sources, including the City of Boston. Gifts to the Fund may be used for capital improvements, for designated programs or projects, or as unrestricted funds. However, gifts are not intended to replace the Library’s usually available operating funds deriving from governmental sources in a given year.

This Gift Acceptance Policy is intended to provide guidance to prospective donors and their advisors, and to establish a fair and consistent approach to stewardship of gifts in a way that honors the charitable intent of the donors while ensuring that all gifts are accepted and administered in the best interests of the Fund and in a manner consistent with the Library’s mission, values and status as a public institution.

This policy establishes the Gift Acceptance Committee which shall consist of the Executive Director, Director of Finance and Operations, and, as needed, the President of the Boston Public Library, as well as any other Boston Public Library Fund and Boston Public Library representatives, as needed.

2.0 Responsibility

Overall responsibility for assuring compliance with the requirements of this policy is assigned to the Fund’s Executive Director, in coordination with the Gift Acceptance Committee, and subject to the concerns noted in Section 8.5 below.

Fund staff shall screen all gift proposals initially. In select cases, as the Executive Director determines are appropriate and consistent with this Gift Acceptance Policy, gift proposals shall be further vetted by the Gift Acceptance Committee, legal or accounting counsel, the Development Committee Chair, the Board Chair, the Finance Committee Chair, or the President of the Library.

3.0 Gift Acceptance Principles

Our goal is to encourage support of the Library without encumbering the Fund or the Library with gifts which may prove to generate more liability than benefit, which are restricted in a manner not in keeping with the Library's goals or with applicable law, or which otherwise may have a negative impact (including financial, legal, or reputational) on the Fund or on the Library.

Below are some guiding principles for acceptance of gifts.

- 3.1 We cannot accept a gift if:
 - i. The property donated was acquired by other than legal means.
 - ii. The gift is restricted to a purpose or subject to a requirement that is inconsistent with the mission or the priorities of the Library.
 - iii. The gift would be inconsistent with any law applicable to the Library or any agreement between the Fund and the Library.
 - iv. Because of purpose restrictions or otherwise, acceptance of the gift would endanger the Library's funding from governmental sources.
- 3.2 We may decline to accept a gift for any reason, including because we determine that the costs or risks outweigh the benefits of acceptance, because the purposes or restrictions imposed are unduly burdensome, or because acceptance could inflict damage to the reputation, standing or mission of the Fund or the Library.
- 3.3 The acceptance of a gift does not imply nor mean that the Fund or the Library endorses or approves of the donor's views, opinions, businesses, or activities.

4.0 Types of Gifts Accepted

- 4.1 *Liquid Gifts.* We will accept gifts of cash and unrestricted securities that are traded on a recognized stock exchange.
- 4.2 *Distributions.* We also welcome distributions from foundations, donor-advised funds, and retirement plans.
- 4.3 *Illiquid Gifts.* We will consider illiquid gifts, including real estate, tangible personal property, closely-held securities or private equity interests, and life insurance on a case-by-case basis. Acceptance of any illiquid gifts must be approved by the Gift Acceptance Committee, after review and consideration of the nature of the asset, of any potential risks and costs of accepting or holding the asset, and of options for liquidating the asset. As a general rule, we will sell donated property as soon as practicable upon receipt, and no representative of the Fund may promise that the Fund or the Library will keep illiquid gifts for any period of time without the consent of the Gift Acceptance Committee. Acceptance of objects and materials that are intended as permanent gifts to the Library's special collections are not in the Fund's gift acceptance purview and instead must be reviewed and accepted by the Library only, subject to their policies and procedures, which include the potential costs to process, maintain, and preserve such contributions.

- 4.4 *Pledges and Planned or Structured Gifts.* We welcome unconditional pledges and commitments for future gifts, as well as planned and structured gifts, including gifts in trust, bequests, and remainder interests in retirement plans and insurance policies. We encourage donors to coordinate with us to ensure that a planned or structured gift is one that we can appropriately accept in support of the Library, and to ensure that we have information (including copies of the relevant pages of wills, trust instruments, and beneficiary designation forms) sufficient to allow us to execute the gift when the time comes. We may decline to accept a planned gift or bequest for any reason. For example, restrictions on the bequest may be too onerous or may be inconsistent with the mission or priorities of the Fund or the Library. We may also decide that declining a bequest may best protect the reputation and mission of the Fund or the Library. Any concerns about accepting a bequest should be discussed with the Gift Acceptance Committee, and with legal counsel, to ensure that any disclaimer of the bequest is legally effective. Alternatively, in appropriate situations and to the extent allowed by law, we may accept a bequest subject to modification (generally by a petition in court) of any restrictions or requirements imposed upon the bequest.
- 4.5 *Purpose Restricted Gifts.* Certain programs and projects require special attention and special funding efforts. Restricted gifts that are designated by a donor for a particular purpose, consistent with the mission of the Library, are welcome. Acceptance of restricted gifts may require approval of the Library's Board of Trustees.
- 4.6 *Endowment Gifts.* A gift is an endowment gift if we may expend only the income (or an appropriate amount or percentage in lieu of income) of the gift annually. Endowment gifts may have purpose restrictions, as well. Endowment gifts will be administered in accordance with the Massachusetts Prudent Management of Institutional Funds Act (UPMIFA), and acceptance of such gifts may require approval of the Library's Board of Trustees.

5.0 Naming Rights

The Fund may agree to the naming of endowment funds as appropriate, subject to this Gift Acceptance Policy and to the consent of the Gift Acceptance Committee, and when necessary, the consent and approval of the Library.

Opportunities are available for the naming of spaces, programs, positions or centers within the purview of the Library. In considering proposals for such naming opportunities, the Fund and the Library shall exercise judgment with regard to whomever the proposal is intended to honor. We cannot approve proposals for naming where, in our judgment, doing so is not aligned with the mission of the Fund or the Library, or where doing so may inflict damage on the reputation, standing, or integrity of the Fund, the Library or its Trustees.

All naming rights are subject to the provisions of this Gift Acceptance Policy and to any requirements, policies or limitations imposed by law, the Fund Board, the Library or its Trustees. Please contact the Executive Director to discuss particular naming opportunities.

6.0 Gift Agreements

Gifts with restrictions (including endowment gifts) or conditions (including naming rights) \$25,000 or more must be made pursuant to a gift agreement, which must be approved in advance by the Gift Acceptance Committee.

Each gift agreement must expressly state that the gift agreement is subject to this Gift Acceptance Policy. Note that the Fund does not have the authority to deviate from requirements or restrictions arising from applicable law or from any agreement with the Library.

7.0 Variation from Restrictions or Conditions

We reserve the right to vary from the terms of any gift agreement (including naming opportunities) or to transfer any gift to one or more other charitable organizations to the extent that (i) the terms of the gift become impossible, impracticable or wasteful to fulfill, (ii) doing so is necessary to comply with legal or ethical requirements applicable to the Fund or the Library from time to time, or (iii) failure to do so will significantly undermine the charitable purposes of the gift or the mission, reputation, or governmental funding of the Library. In effecting any such variance or transfer, we will exercise reasonable best efforts to find a solution that adheres as closely as is practicable to the conditions of the gift agreement while adequately addressing the concern that required the variation or transfer.

8.0 Other Provisions

- 8.1 *Transfer Documents and Expenses.* The donor is responsible for supplying and signing all legal documents necessary or advisable in connection with the transfer of any property to us, and for payment of all expenses required to complete the transfer.
- 8.2 *No Tax, Financial or Legal Advice.* We cannot provide tax, financial, or legal advice to donors. We strongly recommend that donors seek advice from professional financial advisors or attorneys. Any tax deduction or income tax projections sent to donors should include a disclaimer noting that the information provided is for illustration purposes only, and that each donor should confirm with his or her tax advisors what the actual tax impacts of any gift would be in the donor's particular circumstance. The responsibility for reporting any gift to the Internal Revenue Service in a manner consistent with federal tax rules belongs to the donor. Under federal tax law, donors must be responsible for payment of costs necessary to secure qualified appraisals of donated property for tax reporting purposes, where required.
- 8.3 *Administrative Costs.* We reserve the right to allocate administrative costs (also referred to as Program Enhancement Fees), including overhead expenses, to a gift or fund to the extent that such costs are reasonably attributable to that gift or fund.
- 8.4 *Acknowledgement Letters.* Where appropriate, we will issue the donor a written acknowledgement letter with IRS-required substantiation information, guidelines for which can be found in IRS Publication 1771.
- 8.5 *Confidentiality and Anonymity.* To the greatest extent permitted by legal and ethical requirements, we will take reasonable efforts to maintain the confidence of donors and honor requests for anonymity. However, a gift will not be treated as anonymous with the purpose of shielding the Fund or the Library from damage to its reputation or disguising a gift which it would not otherwise have accepted. Donors should be aware that because the Library is a public entity, all communications with the Library, the Library's Board of Trustees or with any other governmental employees are subject to disclosure per the Massachusetts Public Records Law.

Approved by the BPLF Board of Directors 9.22.20

AGREEMENT

This Memorandum of Understanding is made between the Trustees of the Public Library of the City of Boston, as a statutory corporation (see Chapter 114 of the Acts of 1878, as amended), an administrative department of the City of Boston and an independent 501(c), and the Board of Directors of the Boston Public Library Fund, an independent 501(c)(3) incorporated organization. In this Agreement the Trustees of the Public Library of the City of Boston are referred to as “the Trustees” and the Boston Public Library Fund is referred to as “the Fund.”

BACKGROUND

1. The Trustees have the general care and control and the financial responsibility for the Central Library, the Branches and the Collections, which are collectively known as the Boston Public Library (the “Library” or “BPL”). The Trustees, currently consisting of a Board of up to fifteen (15) members, as recently amended, organized with a Chairperson (‘Chair’), and supported by a President, are in charge of the Library Department of the City of Boston, which provides comprehensive free library services to the people of the City of Boston, the Commonwealth of Massachusetts and the general public. The Trustees also execute these duties in their role as the Board of the Library as a statutory corporation per the Massachusetts Acts of 1878, Chapter 114, as amended.
2. The Boston Public Library’s major source of funds for library operations comes from the City of Boston; significant operating funds are also received from the Commonwealth of Massachusetts, from private trust funds, earned revenue and from directed private philanthropy. Federal funds are received only on a competitive grant basis. Funds for building needs and capital improvements have traditionally come from the above-described sources, principally the City of Boston.
3. In 1992, the Trustees organized the Fund’s predecessor, the Boston Public Library Foundation, Inc. (the “Foundation”) as a Massachusetts charitable corporation with stated purposes of “supporting the physical restoration and enhancing the public visibility of the Boston Public Library,” as well as general charitable purposes.
4. In 1994, the Trustees and the Foundation formalized their relationship and their mutual rights and responsibilities by executing an Agreement, which was revised in 2002. In 2016, the Foundation effectively ceased operations per board vote and stakeholders undertook a strategic planning process to identify a more effective model to raise philanthropic funds for the BPL.

5. In 2019, the Fund was launched as the successor organization to the Foundation. In recognition of the Fund's assumption of the Foundation's duties and mission, the Fund shall assume all rights and privileges accorded in any extant agreements, between the Trustees and the Foundation including those set forth in this agreement:
 - A. DUTIES OF THE TRUSTEES. The duties of the Trustees with respect to the Fund are as follows:
 1. The Trustees and the President of the BPL will periodically inform the Fund about the special needs of the Boston Public Library (central library, branches, collections and services) which are not likely to be met through customary funding from the City of Boston, the Commonwealth, or from federal grants or trust fund income. They will discuss these needs at least annually with the Fund's directors and staff in order to formulate and maintain a mutual strategy of how the Boston Public Library's goals can be enhanced through the Fund activities.
 2. The Trustees will maintain separate and segregated accounts of all receipts from the Fund, from Fund activities and of their expenditures from these funds. The Fund recognizes that such accounts are audited annually. These records and audited accounts will enable donors to ascertain that their donative intentions are being carried out and that their funds are used only for the specific purpose that was designed upon their donation or grant.
 3. The Trustees will use funds raised for the Boston Public Library by the Fund pursuant to Paragraph A. (1) only for the purposes specified by a particular donor or by the Trustees or the President if no purpose is specified by the donor. The Trustees recognize that the Fund has a fiduciary obligation to its donors. The Fund recognizes that the Trustees are Special Municipal Employees of the City of Boston per M.G.L. c. 268A, et seq. and have a public duty to ensure that all donated funds, minus routine or agreed-to administrative costs, are used for the exclusive benefit of the BPL, its facilities and its patrons.
 4. Subject to the restrictions described below, the Trustees hereby designate the Fund as its principal philanthropic partner. The Trustees authorize the Fund to represent the Library in its role as its principal philanthropic partner. Gifts will be directed as the donor instructs. Certain gifts, however, such as new BPL Trust Funds, Friends of the Boston Public Library contributions and other gifts as agreed upon may remain with the BPL, which will then be responsible for gift acknowledgement and donor reporting in those cases, unless explicitly coordinated with the Fund. The Library acknowledges that over time continuing to make these the exceptions rather than the norm is desirable, efficient and in the best service of the Library and good donor relationship management.

5. The Trustees shall inform the BPL's Affiliates of the Fund's designation as the Library's principal philanthropic partner and will take steps to coordinate fundraising efforts under the general strategic guidance of the Fund. Entities which raise significant money for the BPL shall be designated as an Affiliate, and operate pursuant to an MOU, and recognize the Fund as the principal philanthropic partner of the BPL.
6. Funds for a donor designated project will be transferred to the BPL Trustees twice per year, except when otherwise mutually agreed. Reporting by BPL to the Fund on such projects will occur quarterly or as otherwise agreed.
7. Funds transferred to the Trustees, but not expended immediately for the intended purpose, will earn a current interest rate. Balances of these unexpended funds will be reported to the Fund annually.
8. The Trustees will use their best efforts to ensure that separate funds raised through the Fund's efforts will not reduce the general operating and capital support provided to the BPL from the City of Boston or any other source.
9. The Trustees will report to the Fund on ongoing projects and use of funds, at least on an annual basis, or quarterly where needed. Additionally, the Trustees through the BPL's administrative staff will assist the Fund in preparing any periodic and final project reports required by donors. The Trustees will submit these reports to the Fund on a mutually agreed schedule.
10. The Trustees will structure projects and initiatives in a way to ensure that donor and grantor funds are fully utilized in a manner consistent with both donor and grantor guidelines and with BPL policy.

B. DUTIES OF THE FUND. The duties of the Fund under this Agreement are as follows:

1. Under the auspices of its Executive Director, the Fund shall solicit and receive funds exclusively for the benefit of the BPL and for no other organization, except in so far as the BPL is partnering with another organization for the purposes of carrying out a particular mission, and has designated that organization for this purpose. The Fund will use a portion of its unrestricted funds for its own operating costs. The Fund shall conduct its activities in accordance with any written gift acceptance policy which will be approved by the Fund's Board of Directors and BPL Board of Trustees. The Fund shall make every effort to ensure a high degree of transparency in all of its endeavors and shall provide an annual summary of its activities to the Trustees, normally to the Trustees' Nomination, Governance and Development Committee, or as directed by the Chair of the Library Board.

2. The Fund shall provide and coordinate with the Trustees through their respective administrative staffs fundraising proposals and materials. Neither the Fund's Executive Director nor any member of the Fund's staff shall attend internal BPL staff meetings for any part of a meeting where the subject of procurement, or other legally sensitive issues is on the agenda.
3. To comply with M.G.L. c. 268A and avoid any perceived conflicts of interest, the Fund shall not knowingly solicit any individual or entity that is an active vendor with the City of Boston. The Fund may seek assistance from the BPL's Business Office for access to current lists of active vendors. For purposes of this agreement "active vendors" shall mean any entity or individual with an open purchase order or contract. Such prohibition shall also include any entity or individual in the process of responding to a City-issued Request for Proposals or other procurement process.
4. The Fund is responsible for communicating relevant donor and grantor guidelines and expectations to the BPL. Copies of all grant proposals and awards will be provided upon request to both the Director of Strategic Partnerships, the Chief Financial Officer of the BPL and administrative staffs responsible for implementing the grant-funded program.
5. The Fund will make timely and accurate reports to its donors and grantors, with a copy available for the President's office and for the Trustees review.
6. The Fund shall invest received funds according to its approved Investment Policy Statement. There will be no limit as to how long the Fund may hold its own trust and operating funds, other than as required by donor intent or Library funding priorities. Earnings from these invested funds shall be available to the Fund for operational needs and to be used in a manner determined by the Fund's Board of Directors to support BPL programming, consistent with relevant donor intentions, and to support the Fund's administrative operations, as needed.
7. The Fund will use its best efforts to ensure that, within a reasonable time after its launch, funds raised by the Fund on an annual basis substantially exceed the sum of the funds disbursed annually to the Library for its baseline requirements and the Fund's annual cost of operations.
8. The Fund will maintain books and records that shall be available to the Trustees at all reasonable times. In return, the BPL will share relevant budget, staffing and other information needed for funding proposals.
9. The Fund will make copies of its federal tax return, Form 990, and its Massachusetts charitable report, Form PC, available to the Trustees as soon as they are respectively filed with the IRS and the Commonwealth. The Fund acknowledges that for accounting purposes, through its properly audited financials, is considered a component entity of the Boston Public Library.

- C. LIAISON ACTIVITIES. The Trustees and the Fund shall undertake the following liaison activities in order to maintain communication and mutual assistance:
1. The Fund's Executive Director will regularly meet with BPL administration, report annually to the Board of Trustees and attend Trustee meetings when needed in order to keep them apprised of the Fund's activities on behalf of BPL.
 2. The Fund's Executive Director and staff, while not public employees, shall undergo annual state ethics training in order to ensure a high level of understanding of the fundraising restrictions imposed on public employees and institutions.
 3. The President of the BPL, the Chair of the Board of Trustees, and one additional Trustee, to be appointed by the Chair of the Board of Trustees (this position to be known as "Chair's Choice") shall be ex-officio members of the Fund's Board of Directors with full voting rights. In the event that a matter comes before the Fund that creates a conflict of interest or an appearance thereof, the above-named officers shall consult with the BPL's legal counsel and either recuse themselves or take any and all actions to remove such conflicts, or any appearance thereof.
 4. At no time will the number of ex-officio voting directors who are special or appointed employees of the City of Boston exceed the number of elected BPL Fund board members.
 5. The Chair of the Fund or their designee shall be welcomed as an observer at the meetings of the Trustees and his/her participation will be encouraged as appropriate. From time to time, in respect of a vacancy on the BPL Board of Trustees, and when no other Fund Board member serves on the Library Board, the Trustees may nominate the Chair of the BPL Fund or their designee to become a Trustee of the Library.
 6. Both parties agree and understand that any and all communications, documents and other records exchanged between them, their respective employees and agents may be subject to disclosure under the Massachusetts Public Records Law, M.G.L. c. 66, § 10. In the event that the BPL receives a lawfully submitted public records request, the Fund shall work with the BPL to provide any publicly available records that the BPL is required to release. Failure to cooperate with such requests shall be considered a breach of this Agreement.

D. GENERAL PROVISIONS. The following provisions shall apply to this Agreement and its implementation:

1. This Agreement may be amended at any time by the Trustees and the Fund, by mutual consent.
2. This Agreement may be terminated by either signatory upon written notice to the other, but no such termination will change the use of funds already transferred to the Trustees by the Fund, unless otherwise stipulated by the donor.
3. In the event this Agreement is terminated, the Fund shall promptly dissolve or change its corporate name, deleting reference to the BPL, so that potential donors and others will not be misinformed as to its then-current purposes. Subject to the laws of the Commonwealth of Massachusetts, upon termination of this Agreement or dissolution of the Fund, any and all remaining funding (with any and all documentation of donor intent or restrictions) shall be transferred to the Boston Public Library less any routine administrative costs. Such termination shall include notice to immediately cease use of any in-kind resources, including office space made available to the Fund.

Executed on this day of, 202_ by the

Trustees of the Public Library of the City of Boston and The Boston Public Library Fund, Inc.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

By:

THE BOSTON PUBLIC LIBRARY FUND

By:

APPROVED AS TO FORM:

By: _____

Corporation Counsel of the City of Boston

**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, 2021

FINAL DRAFT

**TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
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YEAR ENDED JUNE 30, 2021**

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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, 2021, 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, 2021, 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 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 REPORT DATE, 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
REPORT DATE

**TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021.

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.

Overview

Although an unprecedented year in terms of impacted Library operations, FY2021 was also a year that the BPL will be able to point to with pride. Far from being stymied by the continuing challenges of the COVID-19 pandemic, BPL staff brought their most creative and innovative thinking to ways in which the library could continue to provide critical services to our patrons, with a special focus on those most in need. Work continued on ongoing projects and initiatives including new strategies, capital projects, and a continued commitment to growing, learning and becoming an anti-racist institution.

FY21 Major Accomplishments

Innovative COVID-19 programming and services: examples

Book Bundles – With patrons unable to enter branch libraries and browse for the books they needed, library staff quickly took to creating bundles of books based on genre, subject, and reading level to have on hand for circulation. For example, if a parent of a four-year old came to a branch and asked for some books for their child, the library could respond with a pre-selected bundle of books that could just be checked out. Similarly, if a patron wanted some dystopian science fiction and a few graphic novels, that could be supplied as well. Library staff created an innovative way to get patrons what they needed without necessitating in-person browsing.

Craft Kits – Many of the programs geared toward children involved a craft. While librarians focused on incorporating simple crafts into their virtual storytimes that only necessitated basic household items, they also recognized that there was a need to provide materials for crafts, especially to households that might not have this type of material on-hand. Children's Librarians in branches have been creating kits with craft materials related to storytimes and distributing them through BPL to Go and at Storywalks around the City.

**TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Digital Equity Initiatives – As part of BPL to Go, the BPL's program of services available during the pandemic, BPL launched the **Public Computer Access** program, which allowed residents to sign up for a two-hour appointment to use library computers in a socially distanced space within the Central Library in Copley Square.

At the same time, working with the Mayor's Office of New Urban Mechanics, BPL also expanded its Wi-Fi access to create the **Outdoor Wi-Fi Program**, providing 24-hour outdoor internet access at nine BPL branch locations across the city, allowing users to socially distance while accessing the Internet for free.

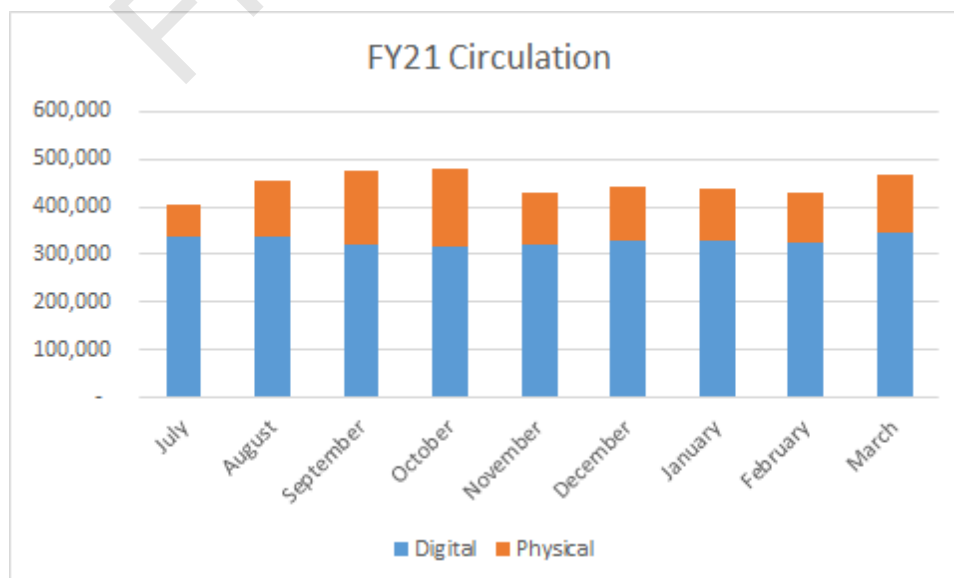
BPL also created and rolled out **Printing To Go**, a free print-on-demand service, to all open BPL branches. Patrons can upload documents they need printed by filling out a form at bpl.org/printing-to-go, selecting their location, and picking up their print jobs 72 hours later at the branches, or 24 hours later at the Central Library in Copley Square.

BPL's most recent expansion of its digital initiatives came with the recently launched **Connectivity Kits**. Connectivity Kits are designed to help patrons bridge the digital divide by providing free, reliable internet access in any location. The kits include a 14" Chromebook, a hotspot, and a mouse, as well as the necessary chargers and a quick start guide, all in a BPL bag for easy access and transportation. While the BPL continues to offer Public Computer Access at the Central Library in Copley Square, Connectivity Kits extend this service into patrons' homes and neighborhoods, on a schedule that works for them.

Continued robust demand for services

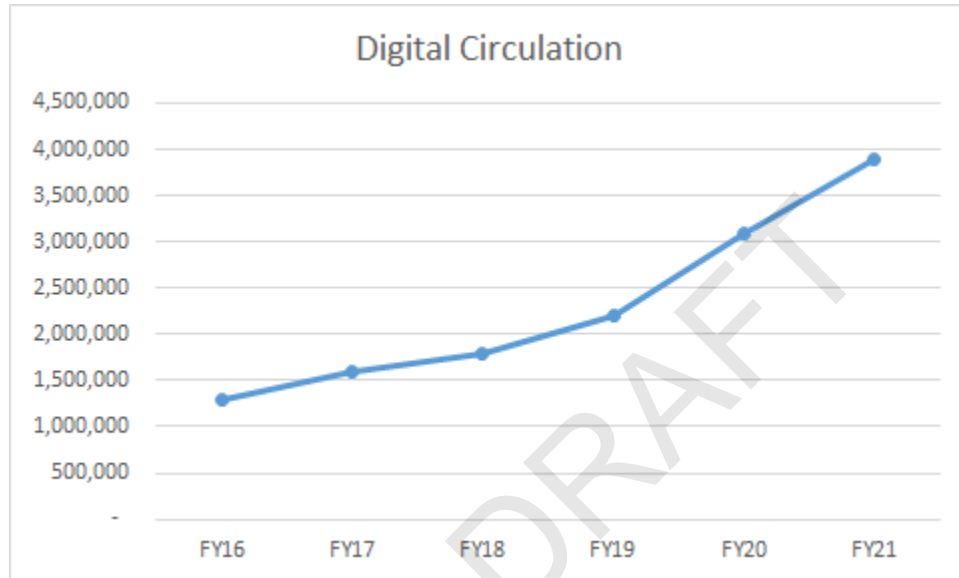
Record levels of circulation

It is remarkable to note that even with our buildings closed to in-person service for the last year, BPL's total circulation – physical and digital combined – for FY2021 is estimated to be our **highest total at 5.2 million**.



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In recent years BPL has also seen a growing demand for digital content. When the pandemic hit and library doors temporarily closed, digital collections became the only material we could lend, and demand skyrocketed. **In FY21, we expect to double the circulation of digital items from just 3 years ago.**



Physical circulation

FY17	3.3 million
FY18	3.0 million
FY19	2.8 million
FY20	2.0 million
FY21	1.3 million (est)

Digital Circulation

FY17	1.6 million
FY18	1.8 million
FY19	2.2 million
FY20	3.1 million
FY21	3.9 million (est)

Since the launch of BPL to Go at the end of June, BPL has seen a steady increase of materials checked out. In March we saw the highest total, with 48,555 items picked up at locations across the city.

New library cards issued

In FY21, the primary way that people signed up for a new library card was online through BPL's e-card program. More than **77,000** patrons signed up for new e-cards in the last 12 months, which is an increase of **66 percent** over the previous year.

FY16	74,737
FY17	82,911
FY18	85,902
FY19	93,994
FY20	97,364
FY21	50,952 (through March 31)

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Diversity, Equity, and Inclusion

In November, the Board of Trustees of the Boston Public Library unanimously ratified the Library's [Statement and Action Plan on Racial Equity](#). This document, drafted to align with City of Boston's declaration of [racism as a public health crisis](#), was created with the input of Library staff, the Board of Trustees, and the City's Chief of Equity. It establishes the BPL's commitment to becoming an anti-racist organization and outlines clear next steps in this work.

The Library has also reviewed its acquisition policy to ensure the BPL's collections are developed with an intentional focus on raising the voices of people of color through representation, inclusivity, and diversity. In support of this effort, [the Boston Public Library Fund](#) (BPLF) — the primary philanthropic arm of the BPL — sought and received an anonymous \$75,000 grant to support expanded access to the BPL's [Antiracist reading list](#).

Following the murder of George Floyd and the ensuing national and local conversations, the Library saw an increase of more than 500 percent increase in checkouts and holds on the most popular Black Lives Matter and anti-racism titles. To that end, the BPL spent an additional \$75,000 on purchasing more than 2,000 new works and additional copies and licenses of in-demand titles for all ages.

In September, the Library also began working with [YW Boston](#), consultants in leading organizations through change as they focus on diversity, equity, and inclusion. This engagement will assist staff and Library administration to incorporate an equity perspective into all of the BPL's services, programs, offerings, and policies.

The Library has also committed to analyzing its recruitment strategies to develop better practices and programs as part of this work. Currently, the BPL is further exploring professional development opportunities that prepare staff for potential career advancement

Improving neighborhood presence and services through purposeful capital projects

Working with the Public Facilities Department, we are currently executing a 5-year, \$130 million capital plan. We are grateful for the City of Boston's support, which means that when completed, every branch in the system will have received meaningful improvements, if not a complete renovation.

Increased service to underserved and vulnerable communities

Tech Goes Home, a partnership that provides digital literacy skills and a deeply discounted Chromebook to participants after completing 15 hours of basic computer training, pivoted from an in-person to an online learning experience. To facilitate this program, the discounted cost of the Chromebook was waived for the participants, and they were delivered in advance of the computer training.

ESL Conversation Circles flourished during the pandemic as participants could join virtually to keep their English language skills practiced, and to combat isolation. Virtual English practice sessions swelled beyond capacity and the library significantly increased the number of volunteers available to facilitate these sessions.

Despite having to pivot to virtual learning and spend hours experiencing school through Zoom, the library's **Homework Assistance Program (HAP)** made a successful transition to an online experience.

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The program, where teen mentors are provided special training and are available to work with younger students who need help with their homework, want to participate in a fun and educational program after their homework was completed, or just to talk with their mentor and maintain some social connections.

The Library successfully pivoted most of its ***programming to an online experience***, from Concerts in the Courtyard and Friday morning Yoga to Author Talks and Small Business Assistance clinics. Children's Services led the way, taking their storytimes online almost immediately after shutting down.

The Library also launched the [Future Readers Club](#), a program promoting the importance of early literacy. Special storytimes branded as Future Readers Club explained the importance of reading to younger children to the caregivers watching, and directed them to a special app that encouraged children to read 1,000 books before entering kindergarten, and provided tools to assist them.

The library also launched [Repairing America](#) as an overarching theme for the majority of its programming and services for the year. Racism, anti-immigrant sentiment, homophobia, and other forms of intolerance have divided our nation, while basic issues of public health and pandemic response have become politicized. Massive gaps between the haves and have-nots are nearly impossible to cross. As one of the United States' last truly democratic institutions, the BPL has a responsibility to help bridge these divisions. This year, the library is focusing its institutional priorities on finding ways to help Americans become more resilient and able to face the challenges of today.

Creation of a five-year roadmap

The work of the BPL requires a strong, stable institution. To best serve our patrons and staff, BPL is putting a plan in place to guide us through the next five years in order to further strengthen the institution, its culture, and its offering and clarify our mission, priorities, and initiatives.

The roadmap outlines seven key priorities:

Becoming an anti-racist organization

We will do everything in our power to become an organization that recognizes our challenges and fulfills our obligations to staff and patrons alike with respect to diversity, equity, and inclusion. We commit to following all actions outlined in the BPL Statement on Racial Equity, and building a staff culture for all based on respect and professional development.

Delivering programs and services that build and maintain equity

We will continue providing opportunities, programs, and services for all patrons, while growing our special focus on the challenges and inequities faced by people of color, immigrants, and other underserved or disenfranchised communities.

We will specifically focus on the areas of workforce preparedness and development, civic engagement, and public health. We will continue to foster the love of reading in children from birth to 18; and to engage youth in education, culture, civics, STEAM, and social and emotional learning.

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Building and maintaining our collections

We will maintain, build, and make accessible collections that are diverse, inclusive and geared to understand and close equity gaps, that anticipate users' interests and needs, and will practice responsible stewardship of all our collections.

Expanding our impact

We will raise awareness on the local, regional and national level of our value as a preeminent urban public library and research institution. Through promoting our collections, programs, and services, and telling the story of their impact, we will also support efforts to increase private funding – funding that secures and expands our ability to play a role in patrons' lives.

Providing inspiring spaces to all

We will provide welcoming spaces for patrons and staff that are safe, clean, and sustainable, while incorporating the latest and most appropriate technologies and strategies to do so.

Creating connections through technology

We will develop and implement an innovative technology plan that will support our programs and services, enable the Library's operations to run seamlessly, and help eliminate the digital equity gap. We will deliver a range of accessible online offerings and digital collections, balancing preservation of our collections with increased accessibility and user engagement.

Expecting the unexpected

We will expect -- and plan for -- the unexpected, so that our library can continue to operate with minimal disruptions to patrons, even when we face operational or communications challenges.

Expanded digital access to collections

Work from home projects transformed the way the public can learn about and interact with some of our previously hidden collections. Even though many staff couldn't interact with our physical collections, they spent the last year making information about our collections available online and searchable for the first time.

Because of this work, patrons can learn about our materials without having to come into the building. BPL was able to make virtually every manuscript and manuscript collection in the BPL Rare Books and Manuscripts department findable online for the first time. To make this happen, staff created 30,000 new entries in our database, covering an estimated 100,000 individual manuscripts.

Key FY22 Goals

Fine elimination – On March 18th, the Board of Trustees of the Boston Public Library voted to move forward with the permanent elimination of overdue fines. As part of the City of Boston's proposed budget, this removal of late fines is supported by \$125,000 of 'revenue relief' in the FY22 budget and went into effect July 1, 2021. The policy change will remove barriers and increase access to BPL resources for patrons across the City of Boston.

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Library Services –

- Define a plan for youth engagement work, including:
 - Focus on adding additional out-of-school time programs, with a focus on non-users and underserved populations.
 - Explore stronger collaborations with the Boston Public Schools to better provide scholastic support and racial equity.
 - Expanding the Homework Assistance Program and developing school support programs to improve children's scholastic success in a virtual world.
 - Expand early literacy programs through the Future Readers Club, including books for newborns, and explore new, innovative ways of promoting the importance of early literacy.
- Expand access to economic equity by:
 - Expanding client-based service model piloted by Community Learning to better assist patrons with their life goals.
 - Expanding programs and services that support patrons who need assistance in the areas of workforce development
 - Supporting the health and human service needs of our vulnerable communities.
 - Working with the BPL Fund to further expand services to support workforce development and economic recovery by increasing outreach services, partnership opportunities, and career placement services.
 - Working with multiple City of Boston departments, we will launch the ***Library as Economic Hub pilot*** in three branches. Workforce preparedness and development will be the focus of a pilot project in the East Boston, Mattapan, and Roxbury branches.
 - The library is working with the Boston Public Library Fund to support expanded workforce development support and in conversation with the City to create a placement/case management support system at the library
 - The Library will also create a Peer Navigator program to help vulnerable populations that incorporates a social worker, and peer navigators, certified individuals who have overcome hardships in their own lives and use their experiences to assist others.

Collections –

- Plan for successful completion and reopening of new Rare Books & Manuscripts Department space and program, Central Library
- Conduct assessment of collection storage needs through the capital-funded Research Collection Space and Storage Study.
- Improve the security of our collections, especially in preparation for the return of Special Collections by developing and implementing a Collections Security Policy and procedures
- Continue work of defining goals and principles to guide our collections strategy in order to more formally incorporate our diversity, equity and inclusion values.
- Develop digital preservation plan and identify short term measures to address collections most in need.
- The Library has received \$2.1 million in private funding to revitalize the library's ***Founding Research Collection***. These funds will enable the library to clean, catalog, and preserve 400,000 volumes of the collection, making them fully accessible to the public for the first time in the digital era.

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President's Office –

Reopening, recovery, and renewal: Continued focus on the transition to reopening and beyond into renewal, with key priorities focused on youth engagement, workforce development, and equity.

Development Support and Affiliate Collaboration: The greatest promise for substantially increased financial support will come from private philanthropy; BPL will continue to deepen its collaboration with the relaunched Boston Public Library Fund, as its primary philanthropic partner, while also strengthening its relationships with its major affiliates.

Equity Work: Launch of new Budgeted Equity Coordinator Position. The work of Summer 2020 culminated in a strong racial equity statement and a commitment to an equity action plan. The execution of this plan will be led by the Library's new Equity Coordinator, a new position proposed in the City of Boston's FY22 Budget. In parallel, the library continues to participate in the City-wide efforts for employee training on racial equity.

Develop a more transparent and clear ***strategic partnerships program***. A strong and healthy partnership program is key to the library's future success. The library is in the process of defining and strengthening a variety of ways in which national and local organizations could potentially partner with the BPL, along with clarifying what "strategic partnership" will mean across a number of areas of specialization, such as programs, collections, and fundraising.

Trustee Engagement: The President's office also looks forward to working with five new recently appointed Trustees, the existing members of the Board of Trustees, and uncovering opportunities for deeper Trustee engagement under the leadership of newly elected Board Chair, Priscilla Douglas.

Operations and Technology

The new BPL ***Technology Plan*** was completed and approved by the BPL Board of Trustees in 2021. At a high level it serves to create alignment and understanding across the organization of how the IT department operates and what it is focused on by sharing our mission and goals around technology. Each goal is subsequently broken down into various initiatives that are being done or are being planned in support of the department's goals.

Continued enhancement of ***security*** posture including the adoption and implementation of best practices in the protection of physical collections and assets.

- Created a new position dedicated to collection security. This position will be critical to the reopening of the Rare Books and Manuscripts department.
- Awarded our security contract to a new vendor for officer and patrol services throughout the library system.

Modernization of methods, tools, equipment and the enhancement of ***facilities management technology***

- Realized the long-term goal of having a dedicated custodian at each of neighborhood branches. Previously we had multiple branches where one custodian was covering 2 locations. This will result in cleaner buildings and better experiences for our staff and patrons.
- In addition to adopting and carrying out all the COVID 19 cleaning requirements, the custodial staff has taken advantage of the time with limited patrons in the buildings to refinish and shampoo floors throughout the Central Library and neighborhood branches in preparation for reopening.

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Successful completion of all capital projects, major projects, and systemwide initiatives:

Continuation and completion of capital projects

Projects anticipated to be completed in FY22

- Adams Branch (new construction)
- Roslindale Branch Renovation
- Central Library Rare Books Renovation
- Central Library McKim Master Plan Programming Study
- West End Programming Study
- Egleston Branch Programming Study
- Central Library McKim Fountain Renovation
- Central Library Women's Locker Room Renovation

Projects that will continue in FY22

- Faneuil Branch Renovation
- McKim Fire Panel Replacement
- Codman Square Branch Programming Study
- Research Collections Preservation and Storage Plan
- Chinatown Branch (new location)
- Uphams Corner Branch (new location)

Projects to kick off in FY22

- Fields Corner Design
- South End Branch Programming Study
- North End Branch Programming Study
- South Boston Branch Programming Study
- Central Library Facade Study and Repairs

Additional Projects at the BPL that are run by other departments

- Percent for the Arts
 - Jamaica Plain Branch
 - Roxbury Branch
 - Adams Branch
 - Mattapan Branch
- Renew Boston Trust Energy Projects (HVAC Updates)
 - Central Library
 - Honan Allston Branch
 - Hyde Park Branch
 - Lower Mills Branch
 - Brighton Branch
 - Charlestown Branch
 - Mattapan Branch

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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 \$98,404,434 (net position)
- The Library's total net position increased \$19,798,246
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$1,690,388, or 25.1% 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:

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.

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Government-Wide Financial Statements (Continued)

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.

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.

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Fund Financial Statements (Continued)

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.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

This analysis is based on the statement of net position and the statement of activities.

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 \$98,404,434 at the close of the fiscal year and are summarized as follows:

	Governmental Activities	
	2021	2020
ASSETS		
Current Assets	\$ 21,277,763	\$ 18,145,747
Noncurrent Assets, Excluding Capital Assets	78,111,308	61,633,620
Capital Assets, Net	365,836	84,019
Total Assets	99,754,907	79,863,386
LIABILITIES		
Current Liabilities	1,350,473	1,257,198
NET POSITION		
Net Investment in Capital Assets	365,836	84,019
Restricted	92,887,046	73,728,394
Unrestricted	5,151,552	4,793,775
Total Net Position	\$ 98,404,434	\$ 78,606,188

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.

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Changes in Net Position

The Library's total net position increased by \$19,798,246 during the current fiscal year, summarized as follows:

	Governmental Activities	
	2021	2020
REVENUES		
Program Revenues:		
Charges for Services	\$ 1,781,510	\$ 2,361,871
Operating Grants and Contributions	25,381,175	6,386,504
General Revenues:		
Unrestricted Grants and Contributions	2,660,418	1,522,464
Unrestricted Investment Income	15,438	183,218
Total Revenues	<u>29,838,541</u>	<u>10,454,057</u>
EXPENSES		
Salaries and Benefits	3,375,807	3,296,965
Books and Related Materials	1,660,370	1,454,633
Programs	706,565	692,246
Administrative	965,248	1,605,194
Contractual Services and Utilities	1,767,282	1,948,397
Equipment, Furniture, and Maintenance	620,692	1,279,592
E-Rate	692,332	-
Related to In-Kind Contributions	222,815	-
Unallocated Depreciation	29,184	64,926
Total Expenses	<u>10,040,295</u>	<u>10,341,953</u>
CHANGE IN NET POSITION	19,798,246	112,104
Net Position - Beginning of Year	<u>78,606,188</u>	<u>78,494,084</u>
NET POSITION - END OF YEAR	<u>\$ 98,404,434</u>	<u>\$ 78,606,188</u>

Governmental activities increased the Library's net position by \$19,798,246. In the prior year, governmental activities increased the Library's net position by \$112,104. The main cause of the change from the prior year relates to significant increases in investment income.

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FUND FINANCIAL ANALYSIS

This analysis is based on the fund financial statements.

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 \$77,942,000 at June 30, 2021.

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 \$14,945,000 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 \$37,000 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 \$3,424,000 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 \$1,690,000 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.

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STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Component Unit - Fund for BPL
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,862,936	\$ -
Restricted Cash and Cash Equivalents	16,292,298	-
Restricted Investments	-	-
Receivables, Net of Allowance for Uncollectible Amounts:		
Intergovernmental	858,582	-
Departmental and Other	811,839	-
Pledges and Grants	-	-
Interest and Dividends	10,758	-
Prepaid Expenses and Other Assets	441,350	-
Total Current Assets	<u>21,277,763</u>	<u>-</u>
NONCURRENT ASSETS		
Restricted Cash and Cash Equivalents	4,269,758	-
Restricted Investments	73,841,550	-
Receivables, Net of Allowance for Uncollectible Amounts:		
Pledges and Grants	-	-
Capital Assets, Net of Accumulated Depreciation	365,836	-
Total Noncurrent Assets	<u>78,477,144</u>	<u>-</u>
Total Assets	99,754,907	-
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	508,065	-
Accrued Expenses	158,554	-
Advance Deposits	451,084	-
Due to City of Boston	232,770	-
Other Liabilities	-	-
Total Current Liabilities	<u>1,350,473</u>	<u>-</u>
Total Liabilities	<u>1,350,473</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	365,836	-
Restricted:		
Nonexpendable	77,942,459	-
Expendable	14,944,587	-
Unrestricted	5,151,552	-
Total Net Position	<u>\$ 98,404,434</u>	<u>\$ -</u>

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, 2021

Activities	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT				
Governmental Activities:				
Salaries and Benefits	\$ 3,375,807	\$ -	\$ 10,752,242	\$ 7,376,435
Books and Related Materials	1,660,370	-	6,076,643	4,416,273
Programs	706,565	42,661	2,551,215	1,887,311
Administrative	965,248	821,429	1,196,715	1,052,896
Contractual Services and Utilities	1,767,282	2,201	4,179,370	2,414,289
Equipment, Furniture, and Maintenance	620,692	72	624,990	4,370
E-Rate	692,332	692,332	-	-
Related to In-Kind Contributions	222,815	222,815	-	-
Unallocated Depreciation	29,184	-	-	(29,184)
Total Primary Government	<u>\$ 10,040,295</u>	<u>\$ 1,781,510</u>	<u>\$ 25,381,175</u>	<u>\$ 17,122,390</u>
COMPONENT UNIT				
Fund for BPL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
			Primary Government	Component Unit
CHANGES IN NET POSITION				
Net (Expense) Revenue			\$ 17,122,390	\$ -
GENERAL REVENUES				
Unrestricted Grants and Contributions			2,660,418	-
Unrestricted Investment Income			15,438	-
Total General Revenues			<u>2,675,856</u>	<u>-</u>
CHANGE IN NET POSITION			19,798,246	-
Net Position - Beginning of Year			<u>78,606,188</u>	<u>-</u>
NET POSITION - END OF YEAR			<u>\$ 98,404,434</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021

	General	Fund for BPL	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,862,936	\$ -	\$ -	\$ 2,862,936
Restricted Cash and Cash Equivalents	2,211,766	1,877,767	16,472,523	20,562,056
Restricted Investments	-	-	73,841,550	73,841,550
Receivables, Net of Allowance for Uncollectible Amounts:				
Intergovernmental	754,984	-	103,598	858,582
Special Events	-	-	-	-
Departmental and Other	1,056	689,620	121,163	811,839
Interest and Dividends	-	-	10,758	10,758
Prepaid Expenses and Other Assets	434,755	6,595	-	441,350
Total Assets	\$ 6,265,497	\$ 2,573,982	\$ 90,549,592	\$ 99,389,071
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 340,843	\$ 4,518	\$ 162,704	\$ 508,065
Accrued Expenses	5,454	-	153,100	158,554
Advance Deposits	451,084	-	-	451,084
Due to City of Boston	183,174	-	49,596	232,770
Total Liabilities	980,555	4,518	365,400	1,350,473
FUND BALANCES				
Nonspendable:				
Perpetual Permanent Funds	-	-	77,942,459	77,942,459
Restricted:				
Expendable Permanent Funds	-	-	8,988,650	8,988,650
Fund for BPL Gifts	-	2,569,464	-	2,569,464
Associates Gifts	-	-	412,058	412,058
Map Center	-	-	63,311	63,311
City-Wide Friends	-	-	8,284	8,284
Programs	225,888	-	-	225,888
Metro Boston Library Network	1,008,693	-	-	1,008,693
General Trust Holdings	91,068	-	-	91,068
General Trust	-	-	1,577,171	1,577,171
Committed:				
Neighborhood Outreach	36,942	-	-	36,942
Assigned:				
Information Technology Equipment	1,002,960	-	-	1,002,960
Deferrari Fund	-	-	1,192,259	1,192,259
Salaries	466,000	-	-	466,000
Furniture	241,607	-	-	241,607
Security	43,316	-	-	43,316
Neighborhood Outreach	59,583	-	-	59,583
Employee Training	24,339	-	-	24,339
Operating Fund	394,158	-	-	394,158
Unassigned	1,690,388	-	-	1,690,388
Total Fund Balances	5,284,942	2,569,464	90,184,192	98,038,598
Total Liabilities and Fund Balances	\$ 6,265,497	\$ 2,573,982	\$ 90,549,592	\$ 99,389,071

See accompanying Notes to Financial Statements.

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, 2021

	General	Fund for BPL	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 4,708,144	\$ -	\$ 138,125	\$ 4,846,269
Special Events	42,500	-	-	42,500
Fees for Services	19,311	3,811	130,594	153,716
Contributions and Gifts	750,650	2,088,290	1,020,721	3,859,661
E-Rate	692,332	-	-	692,332
In-Kind Contributions	222,815	-	-	222,815
Investment Income	16,330	-	20,004,918	20,021,248
Total Revenues	6,452,082	2,092,101	21,294,358	29,838,541
EXPENDITURES				
Salaries and Benefits	1,771,563	770,958	833,286	3,375,807
Books and Related Materials	804,378	57,005	798,987	1,660,370
Programs	138,904	170,839	396,822	706,565
Administrative	668,798	24,661	271,789	965,248
Contractual Services and Utilities	1,193,471	36,035	537,776	1,767,282
Equipment, Furniture, and Maintenance	742,538	25,982	163,173	931,693
E-Rate	692,332	-	-	692,332
Related to In-Kind Contributions	222,815	-	-	222,815
Total Expenditures	6,234,799	1,085,480	3,001,833	10,322,112
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	217,283	1,006,621	18,292,525	19,516,429
OTHER FINANCING SOURCES (USES)				
Transfers In	600,134	142,154	3,023,201	3,765,489
Transfers Out	(499,002)	(77,709)	(3,188,778)	(3,765,489)
Total Other Financing Sources (Uses)	101,132	64,445	(165,577)	-
NET CHANGE IN FUND BALANCES	318,415	1,071,066	18,126,948	19,516,429
Fund Balances - Beginning of Year	4,966,527	1,498,398	72,057,244	78,522,169
FUND BALANCES - END OF YEAR	<u>\$ 5,284,942</u>	<u>\$ 2,569,464</u>	<u>\$ 90,184,192</u>	<u>\$ 98,038,598</u>

See accompanying Notes to Financial Statements.

**TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2021**

Total Governmental Fund Balances	\$ 98,038,598
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>365,836</u>
Net Position of Governmental Activities	<u><u>\$ 98,404,434</u></u>

FINAL DRAFT

**TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ 19,516,429
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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.

Capital Outlays	311,001
Depreciation	<u>(29,184)</u>

Changes in Net Position of Governmental Activities	<u><u>\$ 19,798,246</u></u>
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FINAL DRAFT

**TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, the Library implemented GASB Statements No. 84, *Fiduciary Activities*, No. 90 *Majority Equity Interests*, No. 93 *Replacement of Interbank Offered Rates* and No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The implementation of these Statements had no reporting impact.

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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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:

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021 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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Machinery and Equipment	3-10
Furniture, Fixtures, and Improvements	5

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, 2021, 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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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).

**TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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).

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, \$14,100,303 of the Library's bank balance of \$14,350,303 was uninsured, uncollateralized, and exposed to custodial credit risk.

The Library's investments at June 30, 2021 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Total	Investment Maturities (in Years) < 1
Debt Securities:		
Money Market Mutual Funds	\$ 3,696,668	\$ 3,696,668
Fixed Income Mutual Funds	8,227,694	8,227,694
Total Debt Securities	11,924,362	<u>\$ 11,924,362</u>
Other Investments:		
Equity Securities	17,805,616	
Equity Mutual Funds	4,135,879	
Core Bond Fund	4,289,534	
Private Equity Funds	39,382,827	
Total Other Investments	<u>65,613,856</u>	
Total Investments	<u>\$ 77,538,218</u>	

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, 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, 2021, 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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Library (Continued)

The Library has the following recurring fair value measurements as of June 30, 2021:

	Total	Level 1
Equity Securities:		
Equity Mutual Funds	\$ 4,135,879	\$ 4,135,879
Equity Securities	17,805,616	17,805,616
Total Equity Securities	21,941,495	21,941,495
Debt Securities:		
Fixed Income Mutual Funds	8,227,694	8,227,694
Total Debt Securities	8,227,694	8,227,694
Total Investments by Fair Value Level	30,169,189	<u>\$ 30,169,189</u>
Investments Measured at the Net Asset Value (NAV):		
Core Bond Fund	4,289,534	
Private Equity Funds	39,382,827	
Total Investments Measured at the NAV	43,672,361	
Total Investments Measured at Fair Value	<u>\$ 73,841,550</u>	

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.

	Fair Value	Unfunded Commitments
Core Bond Fund ⁽¹⁾	\$ 4,289,534	\$ -
Private Equity Funds ⁽²⁾	39,382,827	-
Total Investments Measured at the NAV	<u>\$ 43,672,361</u>	

⁽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.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Library (Continued)

⁽²⁾ Private Equity Funds – This type includes five private equity funds. One fund with a value of \$10,516,754 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 \$10,003,847 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 \$5,426,470 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 \$8,082,543 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. The fifth fund with a value of \$5,353,213 seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Bloomberg Barclays U.S. Treasury Index over the long term. 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 without advance 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, 2021, uninsured amounts totaled approximately \$OPEN.

The Fund for BPL's investments at June 30, 2021 are comprised of the following:

OPEN – TO BE INSERTED UPON COMPLETION OF FUND FOR BPL AUDIT

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 ACCOUNTS RECEIVABLE

At June 30, 2021, receivables for the individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Intergovernmental	\$ 858,582	\$ -	\$ 858,582
Departmental and Other	811,839	-	811,839
Interest and Dividends	10,758	-	10,758
Total Receivables	<u>\$ 1,681,179</u>	<u>\$ -</u>	<u>\$ 1,681,179</u>

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, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 2,087,976	\$ 311,001	\$ (1,267,631)	\$ 1,131,346
Furniture, Fixtures, and Improvements	482,362	-	(161,932)	320,430
Total Capital Assets Being Depreciated	2,570,338	311,001	(1,429,563)	1,451,776
Less Accumulated Depreciation for:				
Machinery and Equipment	(2,060,361)	(5,918)	1,267,631	(798,648)
Furniture, Fixtures, and Improvements	(425,958)	(23,266)	161,932	(287,292)
Total Accumulated Depreciation	<u>(2,486,319)</u>	<u>(29,184)</u>	<u>1,429,563</u>	<u>(1,085,940)</u>
Total Governmental Activities				
Capital Assets, Net	<u>\$ 84,019</u>	<u>\$ 281,817</u>	<u>\$ -</u>	<u>\$ 365,836</u>

NOTE 6 DUE TO CITY OF BOSTON

The following represents a summary of amounts owed to the City at June 30, 2021:

	Amount
Salary Reimbursements - Library for the Commonwealth	\$ 169,400
Salary Reimbursements - MBLN	7,844
Salary Reimbursements - General Trust	6,514
Salary Reimbursements - Associates of the BPL	43,082
Pay for Print	4,752
Collections of Fines	1,178
Total	<u>\$ 232,770</u>

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2021 are summarized as follows:

Description	General Fund	Fund for BPL	Nonmajor Governmental Funds		
			Library Managed Funds	City Managed Funds	Total Nonmajor Governmental Funds
Annual 5% Distribution to Library Managed Funds ⁽¹⁾	\$ -	\$ -	\$ 2,640,160	\$ (2,640,160)	\$ -
Annual 5% Distribution to General Funds ⁽¹⁾	296,506	-	-	(296,506)	(296,506)
To Transfer Funds to Trust Fund Corpus	(284,318)	-	-	284,318	284,318
To Fund Programs from Hearst/Humanities Funds	195,474	-	(195,474)	-	(195,474)
To Fund the Map Center Fund	(69,976)	(26,193)	96,169	-	96,169
To transfer funds restricted for youth programs	51,516	(51,516)	-	-	-
To reimburse Fund for BPL project grant salaries	(142,154)	142,154	-	-	-
Miscellaneous Transfers In/(Out)	56,638	-	(56,638)	-	(56,638)
Miscellaneous Transfers In/(Out) Transfers, Net	(2,554)	-	2,554	-	2,554
	<u>\$ 101,132</u>	<u>\$ 64,445</u>	<u>\$ 2,486,771</u>	<u>\$ (2,652,348)</u>	<u>\$ (165,577)</u>

(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, 2021, since persons that perform services for the Library are employees of the City only.

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON
(A COMPONENT UNIT OF THE CITY OF BOSTON)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Library at June 30, 2021.



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Trustees of Boston Public Library

FY 21 Audit Summary

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Agenda

- Audit Engagement summary
- Financial Statement summary
 - Auditors' Opinion
 - Financial highlights
 - Significant footnotes and other matters
- Items to complete audit
- Open forum



Audit Engagement Summary

- Primary audit work began in late July
- Information was provided timely and was well organized
- Management and staff was responsive to all inquiries
- No disagreements with management
- The end result was a smooth audit process



Auditors' Opinion

- Auditors' Opinion (pages 1-2)
 - Unmodified Opinion
 - Consistent with prior years and best opinion available
 - Opinion as it relates to the Fund for BPL component unit is based on the report of the Fund for BPL's auditors



Financial Highlights

- General Fund – Fund Balances (page 20)
 - Overall fund balance increased approximately \$318k (6.4%)
 - Restricted - \$1.3m
 - Committed - \$37k (Neighborhood Outreach)
 - Assigned - \$2.2m
 - IT equipment - \$1.0m
 - Salaries - \$466k
 - Furniture - \$242k
 - Operating fund - \$394k
 - Other - \$127k



Financial Highlights

- General Fund – Fund Balances (continued)
 - Unassigned – \$1,690,388
 - Increase from prior year - \$348k (26%)
 - Unassigned fund balance represents 25% of FY 21 expenditures and transfers out (20% last year)
 - Unassigned fund balance previous 4 years:
 - FY 17 - \$1.2m
 - FY 18 - \$1.4m
 - FY 19 - \$1.4m
 - FY 20 - \$1.7m



Financial Highlights

- Financial Summary
 - Nonmajor Governmental Funds – Fund Balances (page 20)
 - Nonspendable (trust funds) - \$77.9m
 - Restricted - \$11.0m
 - Expendable trust funds - \$9.0m
 - General trust (various restricted grants/gifts) - \$1.6m
 - Assigned (Deferrari Fund) - \$1.2m
 - Fund Balance the past 5 years:
 - FY 17 - \$68.1m
 - FY 18 - \$70.6m
 - FY 19 - \$72.2m
 - FY 20 - \$72.1m
 - FY 21 - \$90.2m



Financial Highlights

- Revenues (page 21)
 - Intergovernmental - \$4.8m
 - Special events - \$43k
 - Fees and fines for services - \$154k
 - Contributions and gifts - \$3.9m
 - E-Rate - \$692k
 - In-Kind Contributions - \$223k
 - Investment income - \$20.0m



Financial Highlights

- Revenues (continued)
 - Total Revenues over the past 5 years
 - FY 17 - \$19.6m
 - FY 18 - \$11.2m
 - FY 19 - \$12.6m
 - FY 20 - \$10.4m
 - FY 21 – \$29.8m
 - Trends/Fluctuations:
 - Decrease from FY 17 to FY 18 primarily relates to the BPL Foundation transferring donations to the BPL in FY 17 in anticipation of their pending dissolution
 - Increase from FY 20 to FY 21 primarily relates to investment gains/income in FY 21



Financial Highlights

- Expenses (page 21)
 - Salaries and benefits - \$3.4m
 - Books and related materials - \$1.7m
 - Programs - \$707k
 - Administrative - \$965k
 - Contractual services and utilities - \$1.8m
 - Equipment, furniture and R&M - \$932k
 - E-Rate - \$692k
 - Related to In-Kind Contributions - \$223k



Financial Highlights

- Expenses (continued)
 - Expenses the past 5 years:
 - FY 17 - \$12.4m
 - FY 18 - \$8.7m
 - FY 19 - \$10.0m
 - FY 20 - \$10.3m
 - FY 21 - \$10.3m
 - Trends/Fluctuations:
 - Decrease from FY 17 to FY 18 primarily relates to FY 17 non-recurring expense for the transfer of proceeds from sale of Norwood storage facility to the City of Boston
 - Salary expenses – has ranged between \$2.3m and \$3.4m
 - Contractual Svc's/Utilities and Equip/Furniture/Maintenance have shown fluctuations up and down based on current year needs



Items to Complete Audit

- Completion of “Fund for BPL” component unit audit
- Representation letter from “Fund for BPL” auditors



Open Forum

- We welcome any questions about the audit



DRAFT

Gifts, Grants, Donations to the Boston Public Library FY2021

Donor	Purpose	Amount
Fund for the Boston Public Library	Founding Research Collection Project/Collection Acquisition	899,038
	Youth Programs Homework Help	309,360
	Community Learning	137,825
	Lowell Lecture	101,211
	Roxbury Nutrition Lab	88,350
	Other	610,744
Total Fund for the Boston Public Library		2,146,528
Associates of the Boston Public Library	Salary Support	755,532
	Founding Research Collection Project	110,000
	Other	77,000
Total Associates of the Boston Public Library		942,532
Marilee Wheeler 2005 Trust	Unrestricted	400,000
Dr. Miliades Karamchedis Trust Fund	Preservation Fund	235,710
Estate of Thomas O'Brien	Unrestricted	107,551
Marathon Team		10,610
Charity Alker	Dorothy Alker Trust for the Uphams Corner Branch	5,000
Marcos & Nika Elugardo	Friends of the Parker Hill Branch	1,500
Carlos Vasquez	Children's Books	1,500
Friends of Jamaica Plain	Museum Passes	1,310
Friends of West Roxbury	Museum Passes	1,140
Friends of East Boston	Museum Passes	400
Friends of Grove Hall	Museum Passes	
Friends of Hyde Park	Museum Passes	400
Friends of Parker Hill		220
Friends of Connolly	Museum Passes	195
Colin Joy Project	South Boston Branch	600
Other		4,064
		<u>3,859,260</u>

Fellowes Athenaeum Trust Fund Advisory Committee

Arts

- Music concerts
- Piano Lessons
- Play Reading Book Club
- Visual Arts

Instruction

- African-American History Teach-in Series
- Computer Coding
- Collage Workshop
- Creativity as meditation
- Family Cooking Classes
- Movers & Shakers

Health/Well-Being

- Family Cooking Classes
- Mindfulness-Based Stress Reduction
- Creativity as Meditation
- Movers and Makers