

# TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

## Meeting of the Trustees as a Corporation and Administrative Agency

Thursday, October 3, 2019 at 3:00 p.m.  
Boston Public Library, South Boston Branch  
646 East Broadway, South Boston, MA 02127

### AGENDA

#### I. Chair's Call to Order and Report

*Robert Gallery, Chair*

- A. Welcome and Introduction of new Trustees, Jeff Hawkins and Rep. Chynah Tyler
- B. Welcome Remarks  
*Jane Bickford, Branch Librarian*  
*Joseph Kebartas, President of the Friends of the South Boston Branch Library*
- C. Review and Approval of Minutes for the Trustees Meetings held on May 14, 2019
- D. Committee Updates
  1. Appointment of Executive Committee members
  2. Appointment of Committee members

#### II. President's Report

*David Leonard, President*

- A. All Staff Meeting/Library half day closure
- B. Fund for the BPL Gala Report
- C. Amnesty & Elimination of Youth Fines for late Returns  
*Michael Colford, Director of Library Services*

**VOTED: “that, the Trustees of the Public Library of the City of Boston authorize the President of the Boston Public Library to proceed with the elimination of fines for youth under the age of eighteen who have a Boston Public Library card and approve the waiving of all existing fines for library cardholders under the age of eighteen.”**

#### D. Collections Department Updates

*Laura Irmischer, Chief of Collections*

1. Update of Rare Books Department  
*Laura Irmischer, Chief of Collections*
2. Special Update on Prints and Photography Collection  
*Beth Prindle, Head of Special Collections*  
*Dr. Martha Mahard, Project Manager*
3. Vote to accept Bruno Zupan painting gift from Galerie D'Orsay  
*Beth Prindle, Head of Special Collections*  
*Meg Weeks, Curator of Interpretation of BPL Exhibitions & Programming*

**VOTED: “that, the Trustees of the Public Library of the City of Boston approve to accept artist Bruno Zupan's painting ‘The Public Gardens at**

**Twilight Boston Skyline’ as a gift from the Galerie D’Orsay on Newbury Street in honor of Mr. Zupan.”**

4. Vote to update policy of Special Collections purchases

**VOTED: “that, the Trustees of the Public Library for the City of Boston increase the purchase limits for Special Collections Acquisitions as follows: Objects or Collections valued between \$10,000.00 and \$24,999.99, shall be made at the Library’s discretion, with administrative approval of the Library President or delegate; Objects or Collections valued between \$25,000.00 and \$99,999.99, shall be presented to the Special Collections Committee on Acquisitions for Review and Approval, and will subsequently be reported to the Special Collections Committee ; and, Objects or Collections valued at \$100,000.00 or above shall be reviewed by the Special Collections Committee and brought to the Board of Trustees for final approval.”**

- III. Trustees Finance and Audit Committee  
*John Hailer, Committee Chair*  
*Ellen Donaghey, Chief Financial Officer*

- A. Introduction of new City of Boston Analyst, Todd Swisher  
B. Review of Boston Public Library Draft Audited Financial Statements for Fiscal Year Ending June 30, 2019.  
*Matt Hunt, CliftonLarsonAllen*

**VOTED: “that, the Trustees of the Public Library of the City of Boston approve the Boston Public Library’s Draft Audited Financial Statements for the Fiscal Year ending June 30, 2019.”**

- C. Report of “Gifts, Grants, Donations to the Boston Public Library”, Fiscal Year 2019

- IV. Trustees Fellowes Athenaeum Trust Committee  
*Evelyn Arana-Ortiz, Committee Chair*

- A. Program Grant Selections

- V. New Business

- A. South Boston Branch Courtyard project

- VI. Public Comment

- VII. Adjournment  
*Robert Gallery, Chair*

**2019-2020 Trustee Meeting Schedule**

- Tuesday, November, 19, 2019, 8:30 a.m., Central Library

- Thursday, January 30, 2020, 3:00 p.m., Central Library
- Thursday, March 26, 2019, 4:00 p.m., West Roxbury Branch
- Tuesday May 12, 2019, 8:30 a.m., Annual Meeting, Central Library

*\*All meetings are subject to change*

**Trustees of the Public Library of the City of Boston**

Robert E. Gallery, Chair; Evelyn Arana-Ortiz, Vice Chair,  
Zamawa Arenas, Jabari Asim, Ben Bradlee, Cheryl Cronin, Priscilla Douglas,  
Linda Dorcena Forry, John Hailer, Jeff Hawkins, Representative Chynah Tyler

President, David Leonard

Clerk of the Board, Pamela R. Carver

This is an open meeting. The public is welcome to attend.

For information check [www.bpl.org](http://www.bpl.org)

# TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

## Meeting of the Trustees as a Corporation and Administrative Agency (First Meeting)

Tuesday, May 8, 2018, 8:30 a.m.  
Boston Public Library, Commonwealth Salon  
Central Library, 700 Boylston Street, Boston, MA 02116

### DRAFT MINUTES

The annual meeting of the Trustees of the Public Library of the City of Boston was held in the Commonwealth Salon, Central Library, Copley Square, 700 Boylston Street, Boston, MA on Tuesday, May 8, 2018 at 8:30 a.m.

Present at the meeting were: Chair Robert Gallery, Vice-Chair Evelyn Arana-Ortiz Trustees: Jabari Asim, Ben Bradlee, Jr., Cheryl Cronin, and John Hailer. Zamawa Arenas was absent and Linda Dorcena Forry arrived late. Also present: Boston Public Library President David Leonard, Clerk of the Board Pamela Carver, Boston Public Library staff, and members of the public.

Chair Robert Gallery presiding, called the meeting to order at 8:31 a.m. and took a roll call determining there was a quorum. Mr. Gallery welcomed all and announced the appointment of two new Trustees, Representative Chynah Tyler and Jeff Hawkins. He noted both were appointed by Mayor Walsh and will be sworn in as trustees in the coming weeks. He noted Trustee Priscilla Douglas had been reappointed for another term. He looked forward to working with all in the fall. Mr. Gallery explained that Representative Byron Rushing's tenure as a Trustee ended after almost a decade of service to the Library. Mr. Gallery thanked Rep Rushing for his long standing service on behalf of all trustees. He expressed his gratitude for his deep commitment to the Library and the residents of Boston.

He proceeded with the agenda and called for a motion to approve the minutes of the March 21, 2019 and March 26, 2019 meetings. With no edits made, a motion was duly made and seconded, and the meeting minutes were unanimously approved.

David Leonard, President, presented his report by introducing the newest members to the management team. Mary Flynn Myers will serve as the Executive Director of the Fund for the BPL. She gave a brief introduction and noted her excitement to raise the profile and philanthropy for the BPL. Next, Mr. Eamon Shelton introduced two new managers in the Operations Division. Mr. Kurt Mansperger, the new Chief Technology Officer was introduced along with Drew Hill as the new Senior Facilities manager.

Mr. Leonard invited the President of the Friends, Paula Alexander along with former Clerk of the Board, Nancy Grilk to formally present their proposal requesting that the community room at the Honan Allston Branch be dedicated to Rita DiGessee. Ms. Alexander gave a little background on Ms. DiGessee. She explained she is steadfast civic leader in the community. She has dedicated decades of service to not only library but also to the overall Honan Allston community. She went on to explain that she was an instrumental member of the Honan Allston Friends Group. Several elected officials echo their support as evident in the written letters of support of this proposal that have been submitted with this proposal. Ms. DiGessee will be turning 90 this year and the community couldn't think a better way to honor her years of service. Ms. Alexander added it is a true community space that welcomes every nationality, culture, and age. Ms. Grilk added the use of the community space is something she is passionate about and she can hardly wait to walk into the "DiGessee Room". They ended by thanking the Trustees for their consideration and asked for their support in voting to approve this proposal. Mr. Gallery and Mr. Hailer both noted their appreciation for her service and expressed their delight to see the proposal for someone who is so engaged.

Mr. Gallery called on the other board members to vote to approve this request. Upon a motion duly made and seconded:

**VOTED: “that, the Trustees of the Public Library of the City of Boston approve the dedication and renaming of the Community Room at the Honan-Allston Branch library, the “Rita M. DiGesse Community Room.”**

Mr. Leonard referred the Trustees to the draft of the FY19 Accomplishments and FY19 Goals document, offered as part of the BPL’s budget submission to the City. He expressed his ongoing appreciation to staff and all donor support across the organization, especially the BPL’s partnerships. Mr. Leonard highlighted some Capital Projects accomplishments that totaled over \$127 million over the next five years, not counting the \$13 million in the current year. They included Parker Hill reopened after one year for necessary repairs, Dudley renovation is moving along and will be opening in 2020, The Adams Street and Roslindale Branches are wrapping up their design phase, as well as a myriad of other projects. He added that remaining on budget, on plan, and recognizing the needs and character of each neighborhood remains a top priority.

He pointed out the success of the WIFI hotspots program which allows for access to benefits, access for courses, and resources. He discussed the incredible work being done with the addition of the full time Pine Street Inn Liaison. He was pleased to announce they were able to find housing for a once homeless individual recently.

Mr. Leonard ended with expressing his pride for the staff’s work over the year as well as dealing with the challenges of an organization of this size. Mr. Gallery added that it speaks to the momentum and velocity of the BPL. He thanked the team and Mr. Leonard.

Mr. Leonard, gave a brief update of the Fund’s Gala on June 7, 2019. He extended his appreciation and thanks to the entire Map Center team and all nine Steering Committee members. The Gala had just broken the \$3 million target and now focusing on the stretch. He emphasized this points to the love and support, but also the untapped support of the BPL.

Mr. Leonard ended his report with the approval of the Massachusetts Board of Library Commissioners (“MBLC) Action Plan. Michael Colford, Director of Library Services explained that the BPL is required to have an action plan on file to apply for grants, noting they received a grant for the Dudley renovation. The Action Plan is meant to be educational and not comprehensible. He reviewed the report by timeline and project. The Chair called for a motion that was duly made, seconded and

**VOTED: “that, the Trustees of the Public Library of the City of Boston approve to accept the Boston Public Library’s 2019 Action Plan for the Massachusetts Board of Library Commissioners.”**

Ms. Ellen Donaghey, Chief Financial Officer, began the Finance and Audit Committee report by reviewing Mayor Walsh’s proposed FY20 budget. First, highlighting the increase in permanent employees due to the approved union contract and an addition of four new positions (which is the largest addition in several years). Next, she discussed the external/trustee funds and briefly gave an overview of the projected FY20 expenditures. Mr. Leonard expressed that in his tenure at the BPL, this is the strongest City of Boston operating budget that the BPL has ever seen. Adding, it is unprecedented even with new initiatives. He expressed his gratitude to Mayor Walsh and his team for their continuing support of the BPL. Ms. Cronin added that this budget is a reflection of Mayor Walsh’s confidence and belief in the BPL. Mr. Gallery noted the Mayor has included libraries in several things making them a

high priority for him. Ms. Donaghey moved onto the non-city budget. She reviewed the Projected FY20 resources, such as BPL Affiliates, State Funding, Trust Fund Income, and other sources. Mr. Leonard added that state funding particularly Library for the Commonwealth shows a modest increase for which we are grateful for the additional support. Mr. Leonard said they are still playing catch up in some ways from the state aid cuts over the last ten years, and the only other way to turn to is private philanthropy aside from City and State aid. With no other comments or questions, a motion was duly made, seconded, and

**VOTED: “that, the Trustees of the Public Library of the City of Boston accept Mayor Martin J. Walsh’s FY20 Recommended Operating and Capital Budget.”**

Ms. Evelyn Arana-Ortiz next explained that the Committee votes would be explained and divided into lots. The first was the normal budgetary votes for Goods and services, books, and the Fellowes distribution. She explained that the Fellowes Athenaeum Trust fund is used for deploying programming to the Dudley Branch Library. She explained these programs have been a great addition and bridge especially in the absence of the normal branch programming during the renovation. They offer varied services and programming, such as cooking lessons for families, genealogical searches, as well as piano lessons for children at the Boston Conservatory. She asked if there were any questions for which there were none. She made a motion that was duly made and seconded and,

**VOTED: “that, the Trustees of the Public Library of the City of Boston to 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 Operating Budget for the period July 1, 2019 through June 30, 2020 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 that there be entered 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, 2019 through June 30, 2020.”**

**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 ninety six thousand twenty dollars (\$96,020) to support the Fellowes Athenaeum Trust Fund Programmatic Plan for FY20 as recommended by the Fellowes Athenaeum Trust Advisory Committee and to be presented at an upcoming meeting.”**

Ms. Arana-Ortiz explained the next few votes were standard annual votes and briefly reviewed them and presented them to be voted on as a slate. She noted to strike agenda item D “Approval of Contract for Cleaning of Collections” as it was merely added in error. After some general clarification questions and comments, a motion as duly made, seconded and,

**VOTED: “that, the Trustees of the Public Library of the City of Boston approve a partnership agreement not to exceed sixty five thousand dollars (\$65,000) of direct and**  
*Pamela R. Carver, Clerk of the Board*

**in-kind costs to be entered into with Company One to conduct a 5-week public theatrical production.”**

**VOTED: “that, the Trustees of the Public Library of the City of Boston approve a partnership agreement not to exceed sixty six thousand dollars (\$66,000) of direct costs to be entered into with Grub Street to present their Write Down the Street writing program and Teen Writers program in multiple branches throughout the City.”**

**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 2019 and September 2019 to the Finance and Audit Committee.”**

**VOTED: “that, the Trustees of the Public Library of the City of Boston enter into a contract with EMCOR Services Northeast Inc., 80 Hawes Way, Stoughton, MA 02072, for Preventative Maintenance and Repair of HVAC Systems throughout the Public Library System of the City of Boston for period of thirty-six (36) months, for six million seven hundred thirty six thousand four hundred forty six dollars and forty eight cents. (\$6,736,446.48).”**

**VOTED: “that, the Trustees of the Public Library of the City of Boston enter into a contract with American Service Company, 35 Hanna Street, Quincy, MA 02069, for Inspection, Testing, and Servicing of Fire Alarm and Sprinkler Systems at Central Library and certain Branch Libraries of the Public Library System of the City of Boston for period of thirty-six (36) months, for two hundred seventy nine thousand nine hundred sixty dollars and zero cents (\$279,960.00).”**

**VOTED: “that, the Trustees of the Public Library of the City of Boston enter into a contract with United Elevator Co. Inc. 195 Libbey Industrial Parkway #3 Weymouth, MA 02189, for the Inspection, Testing, Servicing and Full Preventive Maintenance of Elevator Equipment in Various Library Buildings for thirty-six (36) months, for four hundred two thousand two hundred twenty eight dollars and no cents (\$402,228.00).”**

Mr. Gallery moved onto Special Collections Committee report. He invited Laura Irmscher, Chief of Collections, to explain the vote before them to deaccession the blueprints collections and transfer them to the City of Boston Archives. Ms. Irmscher explained the blueprints from 1900-1966 were originally held by the Inspectional Services Department (“ISD”) and moved to the BPL in the 1970s when ISD was moving locations and removing their back files. BPL stored them on the 7<sup>th</sup> floor at the Central Library. She noted it was important to determine the difference between the City of Boston blueprints and the Peabody & Stearns collection. The deaccession does not include the Peabody & Stearns collection which will remain in the Special Collections. She explained the Rare Books renovation construction is anticipated to begin over the summer requiring this time sensitive transfer of the records to the Archival Center. The blueprints will be stored in an appropriate location and will be an improvement for the storage of these documents. She explained the cumbersome process that the public has to access them now. Mr. Asim asked if these documents will they be digitized for which Ms. Irmscher explained that was an expected end goal. Gallery made a motion that was duly made, seconded, and

**VOTED: “that, the Trustees of the Public Library of the City of Boston deaccession and transfer approximately 300,000 rolls of building plans and building inspector reports to the City of Boston Archives.**

Mr. Gallery asked the Trustees vote to approve the schedule of Trustees Meetings for 2019-2020 calendar year with the reminder that the schedule is subject to change due to unforeseen reasons. Upon motion duly made and seconded, the Trustees voted:

**VOTED: “that, the Trustees of the Public Library of the City of Boston approve the proposed schedule of Trustees meetings for 2019-2020 as noted below:**

- **Thursday, September 26, 2019, 3:00 p.m., South Boston Branch Library**
- **Tuesday, November 19, 2019, 8:30 a.m., Central Library**
- **Thursday, January 30, 2020, 3:00 p.m., Chinatown Branch Library**
- **Thursday, March 26, 2020, 4:00 p.m., West Roxbury Branch Library**
- **Tuesday, May 12, 2020, 8:30 a.m., Annual Meeting, Central Library**

Mr. Gallery asked if there was any New Business, to which there was none.

He delayed Public Comment until the end of the Second Meeting.

With no further business, the First Meeting was adjourned at 9:29 a.m. and entered into the Second Meeting as an Administrative Agency.

The First Meeting was reconvened at 9:50 a.m. and Mr. Gallery asked for Public Comment. John Palladino, member of AFSCME, read remarks on behalf of Elissa Cadillic who was not able to attend. She noted her pleasure and support of the proposal for the room dedication for Rita DiGesse at the Honan Allston Branch. During the FY19 Accomplishments, the library discussed the rehousing of the research collection storage to the Archival Center. She noted her concerns for some known health and safety issues at the Archival Center resulted in a filed complaint with the Occupational Safety and Health Administration (“OSHA”) and is awaiting a report. She continued the renovation to the Special Collections area and the money dedicated to renovation has been discussed a lot, and she hoped that the cost for renovation is not at the expense of the health of the staff and suggested some funds should be redirected from beautifying the public spaces to insuring a clean and safe working environment for staff. She added in regards to adding staffing, the description of adding a Library Assistant to Teen Central was demeaning to their value to the institution by making the role of the librarians seem more important. The library assistants play a vital role in many areas of the library and felt classifying them in that manner goes against Compass Principle VII Sustainable Organization and quoted “in an environment of dignity and respect”. She ended with the members of AFSCME 1526 expect and deserve better from this management team. Mr. Leonard asked that Mr. Palladino submit Ms. Cadillac’s remarks in writing to allow for an opportunity for him to address them.

With no further business, the Meeting was adjourned at 10:01 a.m. Mr. Gallery wished everyone a wonderful summer.

Respectively submitted,

*Pamela R. Carver, Clerk of the Board*

Pamela R. Carver

*Pamela R. Carver, Clerk of the Board*

# TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

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

Tuesday, May 14, 2019, 8:30 a.m.  
Boston Public Library, Commonwealth Salon  
Central Library, 700 Boylston Street, Boston, MA 02116

### DRAFT MINUTES

The annual meeting of the Trustees of the Public Library of the City of Boston as a Corporation was held in the Commonwealth Salon, Central Library, Copley Square, 700 Boylston Street, Boston, MA on Tuesday, May 14, 2019 at 9:35 a.m.

Present at the meeting were: Chair Robert Gallery, Vice Chair Evelyn Arana-Ortiz, Trustees:, Jabari Asim, Ben Bradlee, Cheryl Cronin, Priscilla Douglas, John Hailer, Linda Dorcena Forry. Also present: Boston Public Library President David Leonard, Clerk of the Board Pamela Carver, Boston Public Library staff, and members of the public.

Chair, Robert Gallery presided and addressed the agenda's Call to Order of the Governance and Development Committee.

As Chair of the Trustees Governance and Development Committee, Mr. John Hailer presented the slate of officers for the Fiscal Year 2019-2020: Robert Gallery for Chair, Evelyn Arana-Ortiz for Vice Chair, and Pamela Carver for Clerk of the Board. Mr. Hailer thanked all three for their service to the Board.

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

**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 14, 2019 through May 14, 2020.**

Mr. Gallery thanked all the Trustees for their service to the Board.

Mr. Gallery addressed the agenda's Call to Order, and described the votes in this meeting as "enabling" votes. Mr. Gallery 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 made and duly seconded, the Trustees:

**VOTED: "that, the Trustees of the Public Library of the City of Boston vote to approve the terms of the Memorandum of Understanding with The Norman B. Leventhal Map & Education Center and the Boston Public Library, expiring on June 30, 2029 as written."**

**VOTED: "that, the Trustees of the Public Library of the City of Boston vote to approve**  
*Pamela R. Carver, Clerk of the Board*

**the terms of the Memorandum of Understanding with The Associates of the Boston Public Library and the Boston Public Library, expiring on June 30, 2020 as written.”**

**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, 2019 to June 30, 2020; 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, 2019 to June 30, 2020 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, authorized 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, 2019 to June 30, 2020, 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. The Meeting adjourned at 9:49 a.m.

Respectfully submitted,

*Pamela Carver, Clerk of the Board*

## **Removing Youth Barriers to Education and Opportunity at the Boston Public Library by Eliminating Youth Library Card Fines**

The Boston Public Library proposes the elimination of fines for youth under the age of 18 who have a Boston Public Library card. The accrual of fines puts a barrier between youth and the library that is often insurmountable to the affected families, and prevents future use of the library's materials, programming, and resources. Under this proposal, youth would still be required to return overdue books in order to check out additional materials, but would not face a monetary penalty. This initiative is geared towards low income families who have limited resources to pay these fines, but are in most critical need of the services the library provides. Free and open access to the library is vitally important for children's literacy and education.

The elimination of library fines for youth has the following implications:

- Reduces barriers for youth access to the library.
  - Overdue fines can prevent use of the library, particularly for families who are experiencing economic hardship and have a strong need for the free resources that the library offers.
  - When children accrue fines, they simply stop using the library.
- Gives all youth in Boston the same access to library materials.
- Reflects a core value of the BPL as an institution that is accessible to all.

### **Financial Impact**

In FY18, BPL collected \$15,281 from library cardholders under the age of 18. This is only 11% of the total youth fine balance at the time of approximately \$135,000, indicating that around 89% of cardholders under 18 years of age are facing fines, and therefore barriers to continued use of the library.

### **Proposal 1**

The Library proposes an elimination of fine collection for BPL cardholders under the age of 18. Not only would this remove a major barrier from use from a large segment of the library user population, it would save human resources for the library when the amount of time collecting fines, and handling the accounting is taken into consideration.

Combined with this, the library will waive all existing fines & replacement costs for library cardholders under the age of 18. This would be a total of approximately \$140,000, most of which will never be recovered.

### **Proposal 2 (for future consideration)**

The Library proposes an amnesty period of one month, where all library patrons are encouraged to return their library materials fine-free. We will also waive all existing fines for all library patrons and give them a fresh start. Currently there are \$1.4M in fines in the system.

**Important Note** – In all cases, except where indicated, the reference to fines is only the late fee owed on an overdue book. This does not include the replacement cost for a book that is lost or never returned. Those fees would remain in place for all ages going forward. The change would be there would be no late charge for any material checked out on a card held by anyone under the age of 18 when the material was returned.





Lobby View from Entry

City of Boston Public Facilities Department  
Boston Public Library Special Collections Improvements

700 Boylston Street  
Boston 02116

**Finegold Alexander Architects**

11/21/2018



Lobby View from Desk

City of Boston Public Facilities Department  
Boston Public Library Special Collections Improvements  
700 Boylston Street  
Boston 02116

**Finegold Alexander Architects**  
11/21/2018



Lobby View from Display Case

City of Boston Public Facilities Department  
Boston Public Library Special Collections Improvements

700 Boylston Street  
Boston 02116

**Finegold Alexander Architects**

11/21/2018



Reading Room View from Entry

City of Boston Public Facilities Department  
Boston Public Library Special Collections Improvements

700 Boylston Street  
Boston 02116

**Finegold Alexander Architects**

11/21/2018



Reading Room View towards Entry

City of Boston Public Facilities Department  
Boston Public Library Special Collections Improvements

700 Boylston Street  
Boston 02116

**Finegold Alexander Architects**

11/21/2018



Reading Room View from Front Tables

City of Boston Public Facilities Department  
Boston Public Library Special Collections Improvements

700 Boylston Street  
Boston 02116

**Finegold Alexander Architects**

11/21/2018

# BPL PRINT AND PHOTO INVENTORY

## Descriptive and Digitization projects



**Final Report – Presented to the Trustees of the Boston Public Library,  
3 October 2019**

**Prepared by Dr. Martha R. Mahard, Project Manager**



## INTRODUCTION

### AN EXTRAORDINARY COLLECTION OF PRINTS, DRAWINGS, & PHOTOGRAPHS

**Based on numbers alone, the holdings of the BPL's Print Department ranks among the top twenty major museum print collections in the world<sup>1</sup>**

The only American institutions with larger collections are the Metropolitan Museum of Art in New York, with 1.5 million prints and the Philadelphia Museum of Art with 500,000. Other major research libraries including Harvard, Yale, Princeton and the New York Public Library have significant prints, drawings, and photograph collections. The BPL collection ranks among these outstanding institutions in quality and depth.

**The collection is part of the City's cultural heritage and a national treasure**

The 1.3 million items in the collection include priceless, museum-quality works of art and archival collections of exceptional documentary value; all represent the collecting passions and artistic output of the citizens of the Commonwealth for more than one hundred and fifty years. The Print Department has a long and distinguished record of collecting and exhibiting works of art on paper from the woodcuts and etchings of Old Masters to the lithographs of Toulouse-Lautrec, the chromolithography of Louis Prang, and the vibrant work of Boston's contemporary printmakers. The collection of historic and documentary photographs includes the work of the finest daguerreotype artists, the first aerial views of Boston, the stop-motion images of Harold Edgerton, and the haunting camera obscura images created by Abelardo Morell, along with the news photos from the *Boston Herald-Traveler*.

## THE PRINT AND PHOTO INVENTORY PROJECTS – The Prequel

In 2014, the library commissioned Dr. Martha Mahard (author of this report) to provide a detailed analysis of the problems of both physical and intellectual access to the print collections located in the Central Library. The year-long study resulted in a four-part report, issued in May 2015. Unfortunately, just as the report was about to be released, the news of the mislaid Rembrandt and Dürer prints came out. That crisis was, in many ways, the direct result of the conditions described in the report. In response to the recommendations on intellectual access and control contained in the report and to the public furor aroused by the crisis, the library administration engaged Dr. Mahard to set the inventory project in motion.

**The four years of work reported below, focused on the inventory, represent a major investment in the Print Department's future, ensuring that generations will continue to enjoy access to the works entrusted to the library by artists, collectors and citizens alike.**

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<sup>1</sup> [https://en.wikipedia.org/wiki/List\\_of\\_museums\\_with\\_major\\_collections\\_of\\_European\\_prints\\_and\\_drawings](https://en.wikipedia.org/wiki/List_of_museums_with_major_collections_of_European_prints_and_drawings), accessed 2/26/19. Note that this list may not be comprehensive and the Boston Museum of Fine Arts is not among those listed.



*Figure 1a Print stacks 2014*



*Figure 1b Print stacks 2016*

## THE PRINT AND PHOTOGRAPH INVENTORIES, 2015-2018

**How is an inventory different from a catalog?** A collection inventory differs from descriptive cataloging in various ways. Primarily, it is meant to account for the contents of a collection at the item level and provide accurate, current information about the locations and condition of the holdings. The information collected might look similar to what you would see on an exhibition label, but with specific location information added. A descriptive catalog record goes much farther in describing the details of the object and stands as a textual surrogate for the item. For the purposes of this inventory, the team recorded only such information as appeared on the object itself, or on accompanying material, for the sake of clarity and disambiguation.

### Inventory began in 2015, weeks after missing prints had been found

The inventory of the BPL's print collection began in July 2015 with Dr. Mahard as project manager, one part-time assistant and eight graduate student interns from the School of Library and Information Science at Simmons University. Work on the print inventory was substantially completed three years later, at the end of June 2018. A separate project, the inventory and digitization of the photograph collection, began in July 2017 and ended in December 2018. Over this four-year period, work has been conducted by a team of six shift supervisors, 41 part-time staff drawn primarily from Simmons graduate students, and nine unpaid intern volunteers, along with the project manager.

To conduct the inventory work, we developed a data template that would be forward compatible with future cataloging software, foldered materials, moved items that had been left unboxed on shelves into boxes and oversize drawers, integrated 900 boxes of prints that had been stored in another location into the print stack, and imposed order on the previously chaotic arrangement of the stack area.

The combined inventories accounted for more than 350,000 items.

	PRINTS	PHOTOGRAPHS
Items inventoried	131,383*	260,628*
Items barcoded	70,855	
Items digitized	18,809	10,512
Boxes relocated from elsewhere in BPL	900	
Items transferred from RB	235	1685
Items transferred from Arts		5906

*\*The photographic files of the Boston Herald-Traveler, estimated to include ca. 1 million items are not included in the inventory. A separate project to describe and digitize this resource is under discussion. The total numbers generally reflect single items except in cases where groups of prints issued as a set have been counted as one.*

## MAJOR ACCOMPLISHMENTS

**Today, with the completion of the print and photo inventory projects, we know what is in the Print Department collection, where to find it, and where to put things after they have been used.**

The inventory produced an item-by-item listing of the works in the collection with specific shelf locations. *This critical level of access and control was never previously available.* The data collected for the inventory forms the basis for future cataloging records, is structured in such a way as to be readily exported to a more robust data management system, and provides current staff access to items awaiting further cataloging.

**In under four years the inventory staff completed the itemized description of more than 350,000 items in the print and photograph collections**

We began work with a basic data template using Excel spreadsheets, based on existing data structure standards, but containing minimal information needed for identification and shelf location. Over the period covered by the prints and photo inventories the team identified, described, and rehoused over 350,000 items (prints, photographs, negatives, posters, and ephemera). In order to proceed efficiently, we developed a workflow for the creation and quality control of the accumulating data. Materials in boxes on shelves were arranged more efficiently and items without proper housing were placed into media-appropriate folders or containers. New flat files were added to increase storage for oversize materials and the use of awkward oversize boxes was discontinued. Materials temporarily stored on book carts were sorted and filed. Eventually we were able to make adjustments to the arrangement of the stacks and introduce more efficient groupings. When it became imperative to move the 900 boxes of prints out of a McKim storage space, we were able to integrate them into a space previously considered full to capacity. Accumulated dust and dirt on the outside of the boxes had infiltrated to the mats and, in addition to having the exterior of the boxes professionally cleaned, it became necessary to remove nearly half of the mats they contained and place the prints into folders as part of the inventory process.



*Figure 2 Snowy Owl from Audubon's Birds of America*

**No precedent for an inventory on this scale**

In addition to the physical and spatial challenges, we found no precedent at peer institutions for conducting an extensive object-by-object inventory. Dr. Mahard's 2015 report laid out recommendations and suggested metadata standards for the construction of descriptive data but found no evidence of full inventories being conducted on major collections such as this.

## **Digitization of 18,809 inventoried prints and 10,512 photographic negatives completed**

Once the inventory was well underway, funding became available for the digitization of prints from the collection. We developed a workflow for the barcoding of items sent to the in-house digitization and metadata labs and tracking items during the process. The inventory project manager and staff worked with BPL staff on the selection and preparation of inventoried materials for digitization. More than 20,000 digitized prints from the collection are now available through the Digital Commonwealth, with more than half that content produced during the inventory project. Processing for digitization was built into the workflow for the inventory of the photographic collections as an essential step in the better preservation of the negatives. To date 3,314 newly inventoried negatives are on the Digital Commonwealth, another 7,198 negatives have been digitized, and 16,627 more inventoried and ready for digitization.

## **Preservation concerns, identified in the 2014-2015 reports and in the inventory process, addressed and remediated**

As the prints were examined in the course of the inventory, preservation concerns inevitably arose. Occasional evidence of non-active mold was discovered and items were isolated for evaluation by preservation staff. At an early stage, the staff observed considerable deterioration of the glassine sheets used for interleaving and covering the surface of matted prints, in many cases staining the paper of the print. On the advice of paper conservators, we proceeded to replace all glassine interleaving with a high-quality paper sheets.

## **Interfiled prints and photographs separated; inappropriate frames and mounts removed**

Another important preservation step introduced during the inventory was the separation of prints and photographs previously mixed together in the same boxes, as had been done for the extensive Boston Pictorial Archive. This allowed us to shift the collection to more appropriate sized boxes and house the entire collection more efficiently. For example, the framed items in the John D. Merriam collection occupied an inordinate amount of space in the shelves. The frames were not of museum or archival quality; they were removed and replaced with appropriately sized folders and systematically interfiled with the rest of the Merriam collection. Considerable space savings were realized.

The deterioration of acetate negatives in the photograph collections had long been a concern for the staff and the progress of the inventory enabled us to conduct a survey on the boxes to detect levels of acidity present. Given the state of deterioration evident, priority was given to the digitization of all negatives as a step towards better preservation and access to the images. At the conclusion of the inventory process, **27,139** photographic negatives had been digitized and are gradually being added to the Digital Commonwealth.

## **Transfers accommodated from other departments**

In addition to items contained in the Print Department at the start of the Inventory project, we also created new records for 5,364 Maginnis & Walsh architectural photographs and 542 photographs of Boston transferred from the Arts Department. The Rare Books Department transferred 1,920 items, including the recently conserved John James Audubon *Birds of America*, designs from the Alexandre Benois collection, Civil War photographs by Alexander Gardner and Mathew Brady, and the 20-portfolio set of Edward Curtis's *The North American Indian*.

## **Organization and conversion of departmental administrative and acquisition files begun**

As the print inventory was reaching its conclusion it became clear that better access to the *departmental acquisition* records was essential. As a result, one member of the inventory team was assigned to locate all correspondence files related to gifts and purchases and to compile them into an organized filing system and condense the relevant information into a spreadsheet that could ultimately be used to check against the inventory data. Records for forty-five years (1941-1996) have been converted to spreadsheets and new files established. More remains to be done following the template established during the project. In addition to this retrospective work, we have set up a workflow for future documentation procedures and designated an area in the stacks for newly acquired materials.

## **Book collections separated and inventoried**

Along with the prints and photographs in their various formats, more than 3,000 books were interfiled among the collection materials. These are now separately shelved and are under review. A reference collection is essential for any collection such as this; indeed the print collection of the New York Public Library boasts a reference collection of over 15,000 volumes.

## **Physical re-organization of collection**

Extensive reorganization enabled us to group collections by media, cultural areas, and artists' names. Within each area arrangement by the size of container allows efficient use of the shelf space. We eliminated inefficiencies in shelving loose objects on shelves by placing them in boxes, removed empty frames and supplies from the central area of the stacks, and began to move dispersed collections into adjacent sections.



Figure 3a Framed items in stacks, 2015



Figure 3b Framed items, 2016

## What Next?

### Staffing

It is gratifying to know that through public funds and private philanthropy, new staffing is in the works. We must ensure that they have the resources to maintain, develop, and provide online access to this extraordinary public collection. During the collection's first twenty years (1941-1961) the curator was assisted by a staff of seven. They cataloged the collection, kept up with new acquisitions, mounted monthly exhibitions, met with classes, and served the public in a dedicated reading room. At the time the inventory began, there were three full-time staff members (presently down to two, through attrition), who were unable to do any cataloging. The size of the collection had grown well past the ability of such a small staff to manage, and ten years without a dedicated department manager made the situation worse. The planned additions of a department manager, new photography and print curators, and visual materials catalogers will provide the much-needed oversight and expertise essential to continuing the work started by Dr. Mahard and the inventory team.

### Document processes and procedures

The shock and dismay of the 2015 Rembrandt/Dürer incident need never happen again. Barcoding, better collection management, and records of where things are and where they ought to be, will avoid a repeat of that story. Implementation and reinforcement of collection maintenance processes developed during the inventory will be essential going forward. Processes already in place for moving materials in and out of the collection should be reviewed and formalized.

### **Implement clear acquisitions documentation and processing workflow**

Equally essential is the continuation of documentation and full processing of incoming materials. A centralized system for record keeping must be introduced and maintained.

### **Collection development policy**

Given how much more we know about the collection itself as a result of the inventory, the development of a written collection development policy should be immediately undertaken. This will enable future staff and managers to proceed to build on the collection's strengths in a strategic way.

### **Continue to implement preservation steps**

Numerous preservation issues were encountered during the course of the inventory. Some of these were addressed in the process of rehousing and refileing materials. The photographic negatives (now being digitized) and color film and slides will need to go into a proper cold storage facility as soon as possible. Environmental and climatic concerns must continue to be monitored. Additional storage for oversize materials and three-dimensional artifacts and sculpture and an alternate location for the storage of non-Print department paintings should be found.

### **Re-establish reference collection**

Assemble appropriate reference materials on prints, drawings, and photographic materials for the use of the public and the staff. Particular attention should be given to assembling *catalogues raisonnés* for artists in the collection.

### **Database management system (DBMS)**

Most important of all is the need for a robust database management system that will allow the work of the inventory to be made available to the staff, to enable a coherent accession-to-cataloging workflow, and ultimately to be available to the public online. The citizens of Boston and the Commonwealth require better information about the riches in the collection. Despite the many benefits of the Digital Commonwealth for making the collections visible online, it is not a database management system. Such a system would allow staff to create, edit, update, retrieve and manage a collection in a way not currently possible. Today, a collection without adequate intellectual access, and that means **online access**, is an invisible and ultimately wasted resource. The prints and photographs at the BPL, once well-known among scholars and researchers worldwide, is now overlooked and omitted from important publications, off the radar of new collectors and unknown to student artists. The results of the unprecedented inventory project have prepared the way for the BPL's Print Department to resume its place among the great collections in this country, and to assume a new leadership role in providing access to the riches it contains.



Figure 6 Print stacks 2018



Figure 7 Print stacks in 2018



Figure 8 Print Stacks with work area, 2017



**Figure 9 Print Stacks, 2015, showing blocked access to oversized files**



**Figure 9 Print Stacks, 2018 showing newly added flat files and old files still to be replaced**

Bruno Zupan  
(Slovenian, b. 1939)

*The Public Gardens  
at Twilight  
Boston Skyline, 2019*

oil on canvas  
51 x 64"

Gift of Galerie d'Orsay  
33 Newbury Street



**THE 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, 2019**

DRAFT #2

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
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## INDEPENDENT AUDITORS' REPORT

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

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 (Library), a component unit of the City of Boston, Massachusetts, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fund for the Boston Public Library (Fund for BPL), which is discretely presented 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, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 3 through 13) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2019 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, MA  
September 19, 2019

**THE 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, 2019**

As management of the Trustees of the Public Library of the City of Boston (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, 2019.

**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 in Copley Square.

The BPL encompasses a Central Library, twenty-five vibrant neighborhood libraries, a robust website, and classes and programs for all ages. The Library's collection of more than 23 million items includes circulating books, eBooks, DVDs and music, as well as research and special collections that encompass rare manuscripts, prints, photographs, drawings, maps, posters, and more. The Boston Public Library's Kirstein Business Library and Innovation Center, Norman B. Leventhal Map Center, and Collections of Distinction such as the personal library of John Adams, the Anti-Slavery collection, the Thomas Pennant Barton Collection of Shakespeare, and the Boston Pictorial Archive attract researchers and scholars from across the city and around the world.

In fiscal year 2019, Boston Public Library hosted 11,906 public programs reaching 246,059 people, received 5 million visits to its website, and lent 5.1 million items. Of the library's 5.1 million items borrowed, nearly 1.9 million were digital downloads, comprised of 701,015 audiobooks and 1,180,852 e-books. In the same fiscal year, the Boston Public Library helped 89,402 Massachusetts residents – adults, children, and teens – sign up for new library cards, hosted 490,322 free computer sessions, enabled 397,170 free wireless internet sessions, and hosted more than 3.5 million in-person visits.

**FY19: Overview & Lessons Learned**

The FY19 year has represented a period of increasing demand and usage, improvements in spaces service offerings and several areas of operational support as well as extensive planning for continued growth and improvement with particular focus on the City's Capital Plan and a new focus on an improved and integrated fundraising strategy with our affiliate partners.

The Library has spent the last three years in a period of transformation. Across the board, we have scrutinized positions, replacing vacant positions which could be better repurposed for the library of the 21st century, while thoughtfully adding positions system wide that better help us serve our mission.

Operationally, the management team has been tasked to assess each function through the lens of public and customer service, review procedures and either update documentation or guidance or encode such procedures where none existed. The Library continues to look at contracted opportunities to ensure contractors are adding value, providing quality service and doing so cost-effectively.

In the coming year, the library will continue to leverage strong partners with complementary expertise and capacity to deliver its mission, particularly in the area of supplementary programming. We continue to evaluate demands for service increases and match functions to the right combination of qualitative and quantitative tracking of current services.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Key Accomplishments**

**Key Accomplishments: Leadership Team & Management**

In FY19, the Library made several key new hires: including a new Chief Technology Officer and a Facilities Branch Manager. Additionally, the Legal Advisor role is now an in-house position. We are also in the process of filling the remaining two management vacancies in the Facilities department.

Combined with the hiring of an Executive Director for the new Fund for the Boston Public Library, this is once again a strong management team. Combining a new diversity of experience at other organizations combined with the experience of several long-serving employees, this team is prepared to bring fresh eyes to many areas of library operations and represents an opportunity to review goals and plans for service delivery, under the leadership of Library President, David Leonard entering his fourth year in this role.

**Key Accomplishments: Capital Projects**

*Branch Renovations*

Construction for the \$17.2 million Dudley Branch renovation is well past the halfway mark. The branch is scheduled to reopen in early 2020.

The Parker Hill Branch project, consisting of waterproofing, roof repair and window replacement, was completed in July, 2018.

The design phases have been completed for the Adams Street and Roslindale Branches, with construction for both branches beginning in early FY20.

A programming and community process is underway for the Fields Corner Branch, while a designer has been selected for the renovation of the Faneuil Branch.

Small refresh projects were completed at the West Roxbury, Lower Mills and South Boston Branches. The design process for a refresh of the South End Branch was completed this year, and those renovations will be completed this fall.

The Jamaica Plain Branch, which underwent a large scale renovation in spring 2017, was awarded the 2018 Boston Preservation Alliance Preservation Alliance Award and the 2018 Boston Society of Architects Interior Architecture and Design Award.

*Central Library*

The design process and construction preparation for the Rare Books renovation project has been completed, with construction starting at the beginning of the new fiscal year. The design for the repair of the Johnson Building Roof and the Deferrari atrium has also been completed, while construction has begun for the Energy Efficiency *Renew Boston Trust* project at the Central Library and several key branches.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Key Accomplishments: Development Strategy**

*The Fund for the Boston Public Library*

The Fund for the Boston Public Library was launched in April 2019, to support, sustain, and strengthen the Boston Public Library's capabilities to provide educational and cultural enrichment, free to all. This new fund provides the public with the opportunity to invest in the Library's mission and to preserve one of Boston's – and the world's – premiere public libraries and cultural institutions.

The new leadership of the Fund includes Mary Flynn Meyers, an experienced development professional, who has taken on the role of Executive Director. A Board of Directors for the Fund is also taking shape, and currently includes: Jeff Hawkins, Michael Keating, Hannah Grove, Lewis Burleigh James McHugh, Robert Gallery and David Leonard, ex officio.

The resources raised by the Fund for the Boston Public Library will focus on four important areas to advance the Library's mission:

Engaging the Public Through Enhanced Programming & Engaging Spaces: The Fund will make possible the continued development, expansion, and improvement of the Library's high-impact programming and services. This programming will engage, educate, and convene all communities, while energizing the public spaces in BPL facilities.

Improving Technology to Better Serve the Public: The Fund will make investments to maintain the BPL's standing as a national leader in library service technology, improving the Library's IT systems, increasing access to knowledge through the provision and creation of digital content, and closing the digital divide by providing the public improved access to cutting-edge technology as a matter of social equity.

Restoring and Preserving our History: The Fund will explore the feasibility of and launch a capital campaign to complete the restoration of the entire McKim building, bringing to life its underutilized spaces, preserving its historic significance and beauty, and imagining new ways to interact with currently inaccessible collections and reactivating inspirational spaces in a respectful but imaginative and dynamic manner.

Supporting the Library's Special Collections: The Fund will help ensure the maintenance and care of one of the world's most important public collections of art, rare books, maps and other special objects. In doing so, it will make these precious objects, owned by the public, more accessible to and utilized by patrons today and far into future generations.

*New agreements with major affiliate partners*

Newly-executed Memoranda of Understanding with our two major affiliates -- The Associates of the Boston Public Library and the Norman B. Leventhal Map and Education Center -- will now govern all shared development, communications and operational strategies. These shared strategies will enable these organizations to speak to the broader philanthropic community with a single message and set of priorities, eliminating the potential for redundancy and confusion. A second tier of activity will seek greater collaboration and coordination with both the Citywide Friends and neighborhood friends groups.

**THE TRUSTEES OF THE  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Key Accomplishments: Collections**

*Inventory completion*

The BPL's photography and print inventories have been completed, resulting in electronic records, better organization, and improved archival storage of the rich, expansive collections held by the Print Department.

*Toulouse-Lautrec Exhibition and Partnership*

The BPL loaned more than 100 Toulouse-Lautrec prints to the Museum of Fine Arts -- the largest loan of its type in the Library's history, and the beginning of what we expect will be an ongoing partnership that will enable the Library to showcase more of its museum-quality collections.

*Rare Books Department Renovation Planning*

In preparation for a \$16m renovation, the entire Rare Books & Manuscripts collection was moved off-site for storage during the renovation. A temporary department has been set up at the Central Library for staff to continue their work on a limited collection that remains on-site

*Staff Restructuring*

As part of the ongoing initiative to provide resources and better align the departmental structure responsible for special collections, 10 new and revised positions were fully negotiated and are in the process of being filled. By merging the former Prints and Arts Departments into a new Arts Department, the library will be able to provide better service and promote the wide spectrum of visual materials collections. Staff in this area include a new Manager of the Arts and five additional curators who will specialize in prints, photographs, fine arts and music.

**Key Accomplishments: Public Service**

*Social Work Outreach*

This year, in partnership with the Department of Neighborhood Development and Pine Street Inn, the BPL welcomed a full-time outreach manager embedded at the Central Library in Copley Square, who provides assessment, crisis intervention, and intensive case management services to unsheltered individuals drawn to the spaces and resources of the Boston Public Library.

*WiFi Hotspot Lending*

BPL has launched a mobile WiFi hotspot lending initiative, expanding free internet access to patrons beyond its 26 public service locations. Hotspots are available to borrow at the Central Library and branches throughout the city; if all hotspots are checked out, adult patrons may place a hold via the online catalog for 21 day loan periods, just like a book.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

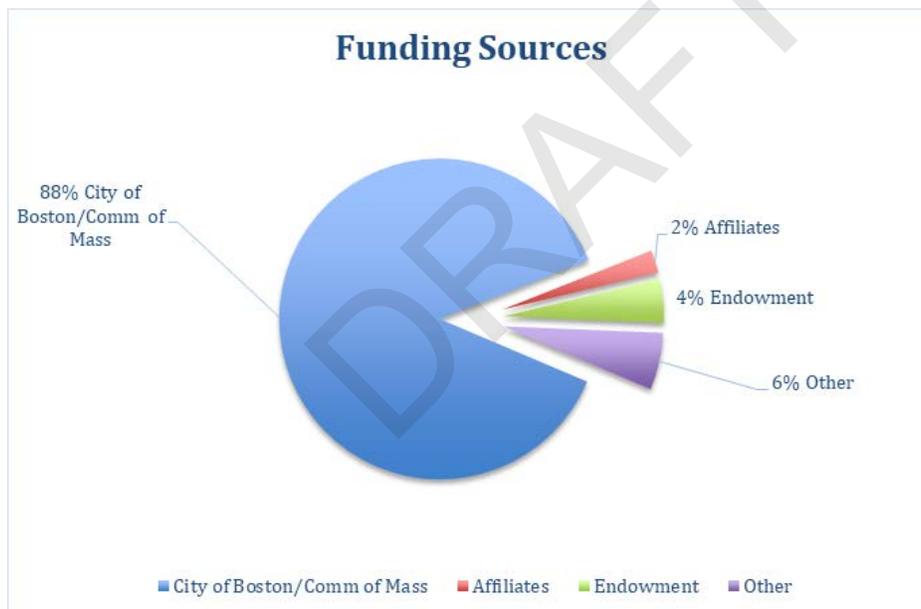
*Branches*

With the continued strong investment of the City of Boston, BPL's branches are receiving renovations and seeing their spaces refreshed, resulting in significant traffic and usage increases. This year, approximately 80 percent of the BPL's programs took place in its branches, while nearly half of the visitors to the BPL came through its branches. In addition, branches account for 70 percent of the system's circulation, and more than half of the computer sessions systemwide.

*Digitization*

The BPL's focus on equity and access is reflected in the work of its digitization team; this year's major efforts included the full, crowdsourced transcription of more than 4,000 digitized manuscripts and letters from the BPL's antislavery collection, a partnership with UMass Boston to digitize their hip-hop archives, and a new partnership between the BPL, Digital Commonwealth, Harvard University, and the National Archives that will result in the full digitization and free online posting of the Morgan v. Hennigan Boston Public Schools desegregation case file.

**FY19 Budget Information**



In FY19, the BPL received approximately 88% of its total operating budget from governmental sources. The majority of this – 80% or \$36m – is provided by the City of Boston. [Note: revenue to the BPL from the City is included in the City's audited financial statements, not the BPL's audited financial statements].

**THE 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, 2019**

**Operating Budget Expenditures**

The BPL's largest expenditures area is in personnel; approximately 61% of the entire operating budget supports over 400 full-time employees and dozens of part-time employees system-wide. Facility and utility costs for BPL buildings, including the 930,000 square foot Central Library, account for 15%. The materials (books, CDs, DVDs) and program budgets compose 13% of the total budget. The balance of expenditures is dedicated to various service and maintenance contracts, licensing, memberships, training and staff development, information and technology and other costs.

**Library Governance**

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

**Financial Highlights**

The following sections of MD&A pertain only to the Trustees' separate Section 501(c)(3) organization as reported in these financial statements.

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by \$78,494,084 (net position)
- The Library's total net position increased \$2,618,573
- At the end of the fiscal year, unassigned fund balance for the general fund totaled \$1,444,138, or 22.6% 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.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

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.

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 non-financial 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.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
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YEAR ENDED JUNE 30, 2019**

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements**

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

**Government-Wide Financial Analysis**

This analysis is based on the statement of net position and the statement of activities found on pages 14 and 15 of the basic financial statements.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Library's assets exceeded liabilities by \$78,494,084 at the close of the fiscal year and are summarized as follows:

	<b>Governmental Activities</b>	
	2019	2018
<b>Assets</b>		
Current assets.....	\$ 17,194,053	\$ 15,556,928
Noncurrent assets (excluding capital assets).....	63,043,121	61,925,413
Capital assets (net).....	148,945	166,301
 Total assets.....	 80,386,119	 77,648,642
<b>Liabilities</b>		
Current liabilities.....	1,892,035	1,773,131
<b>Net Position</b>		
Net investment in capital assets.....	148,945	166,301
Restricted.....	73,822,815	72,361,314
Unrestricted.....	4,522,324	3,347,896
 Total net position.....	 \$ 78,494,084	 \$ 75,875,511

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.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2019**

**Changes in Net Position**

The Library's total net position increased by \$2,618,573 during the current fiscal year, summarized as follows:

	<b>Governmental Activities</b>	
	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services.....	\$ 3,297,042	\$ 2,825,012
Operating grants and contributions.....	7,657,918	7,086,913
<i>General Revenues:</i>		
Unrestricted grants and contributions.....	1,466,272	1,260,867
Unrestricted investment income.....	172,245	63,948
Gain/(loss) on sales/disposals of capital assets.....	-	-
	<u>12,593,477</u>	<u>11,236,740</u>
<b>Expenses</b>		
Salaries and benefits.....	2,352,406	2,426,936
Books and related materials.....	1,222,234	1,474,226
Programs.....	730,488	690,475
Administrative.....	1,768,048	1,197,609
Contractual services and utilities.....	2,618,057	2,061,556
Equipment, furniture and maintenance.....	1,206,065	813,108
Contributions to City of Boston.....	-	-
Unallocated depreciation.....	77,606	84,113
	<u>9,974,904</u>	<u>8,748,023</u>
Change in net position.....	2,618,573	2,488,717
Net position - beginning of year.....	<u>75,875,511</u>	<u>73,386,794</u>
Net position - end of year.....	<u>\$ 78,494,084</u>	<u>\$ 75,875,511</u>

Governmental activities increased the Library's net position by \$2,618,573, consistent with the prior year increase of \$2,488,717.

**Fund Financial Statement Analysis**

This analysis is based on the fund financial statements on pages 16-17.

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

**THE 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, 2019**

**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 \$62,960,000 at June 30, 2019.

*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 \$10,863,000 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 \$43,000 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 \$3,035,000 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 is a balance of approximately \$1,444,000 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.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Fund for BPL</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 3,074,239	\$ 4,085,748
Restricted cash and cash equivalents.....	12,939,975	-
Restricted investments.....	-	1,695,553
Receivables, net of allowance for uncollectible amounts:		
Intergovernmental.....	795,163	-
Special events.....	144,141	-
Departmental and other.....	215,339	-
Pledges and grants.....	-	1,532,750
Interest and dividends.....	23,006	-
Prepaid expenses and other assets.....	2,190	3,612
Total current assets.....	<u>17,194,053</u>	<u>7,317,663</u>
Noncurrent assets:		
Restricted cash and cash equivalents.....	4,030,914	-
Restricted investments.....	59,012,207	-
Receivables, net of allowance for uncollectible amounts:		
Pledges and grants.....	-	963,187
Capital assets, net of accumulated depreciation.....	148,945	-
Total noncurrent assets.....	<u>63,192,066</u>	<u>963,187</u>
Total assets.....	<u>80,386,119</u>	<u>8,280,850</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable.....	1,077,019	23,686
Accrued expenses.....	116,820	-
Advance deposits.....	378,637	-
Due to City of Boston.....	319,559	-
Due to Leventhal Map Center.....	-	1,014,527
Total liabilities.....	<u>1,892,035</u>	<u>1,038,213</u>
<b>NET POSITION</b>		
Net investment in capital assets.....	148,945	-
Restricted:		
Nonexpendable.....	62,960,155	-
Expendable.....	10,862,660	3,692,931
Unrestricted.....	4,522,324	3,549,706
Total net position.....	<u>\$ 78,494,084</u>	<u>\$ 7,242,637</u>

See the accompanying notes to the financial statements.

**THE 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, 2019**

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Net (Expense)/ Revenue
<b>Primary government:</b>				
Governmental activities:				
Salaries and benefits.....	\$ 2,352,406	\$ 200,534	\$ 1,636,153	\$ (515,719)
Books and related materials.....	1,222,234	-	1,605,755	383,521
Programs.....	730,488	1,739,217	820,376	1,829,105
Administrative.....	1,768,048	1,191,792	1,086,293	510,037
Contractual services and utilities.....	2,618,057	-	2,099,155	(518,902)
Equipment, furniture and maintenance....	1,206,065	165,499	410,186	(630,380)
Unallocated depreciation.....	77,606	-	-	(77,606)
 Total primary government.....	 <u>\$ 9,974,904</u>	 <u>\$ 3,297,042</u>	 <u>\$ 7,657,918</u>	 <u>980,056</u>
<b>Component unit:</b>				
Fund for BPL.....	\$ 1,009,497	\$ -	\$ 5,843,396	\$ 4,833,899
			Primary Government	Component Unit
<i>Changes in net position:</i>				
Net (expense)/revenue (from above).....			\$ 980,056	\$ 4,833,899
<i>General revenues:</i>				
Unrestricted grants and contributions.....			1,466,272	-
Unrestricted investment income.....			172,245	-
Total general revenues.....			<u>1,638,517</u>	<u>-</u>
Change in net position.....			2,618,573	4,833,899
Net position - beginning of year.....			<u>75,875,511</u>	<u>2,408,738</u>
Net position - end of year.....			<u>\$ 78,494,084</u>	<u>\$ 7,242,637</u>

See the accompanying notes to the financial statements.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019**

<b>ASSETS</b>	General	Fund for BPL	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 3,074,239	\$ -	\$ -	\$ 3,074,239
Restricted cash and cash equivalents.....	2,274,363	1,433,329	13,263,197	16,970,889
Restricted investments.....	-	-	59,012,207	59,012,207
Receivables, net of allowance for uncollectible amounts:				
Intergovernmental.....	795,163	-	-	795,163
Special events.....	144,141	-	-	144,141
Departmental and other.....	6,062	-	209,277	215,339
Interest and dividends.....	-	-	23,006	23,006
Prepaid expenses and other assets.....	2,190	-	-	2,190
<b>TOTAL ASSETS.....</b>	<b>\$ 6,296,158</b>	<b>\$ 1,433,329</b>	<b>\$ 72,507,687</b>	<b>\$ 80,237,174</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable.....	\$ 894,307	\$ 28,572	\$ 154,140	\$ 1,077,019
Accrued expenses.....	10,848	-	105,972	116,820
Advance deposits.....	378,637	-	-	378,637
Due to City of Boston.....	271,509	-	48,050	319,559
<b>TOTAL LIABILITIES.....</b>	<b>1,555,301</b>	<b>28,572</b>	<b>308,162</b>	<b>1,892,035</b>
<b>FUND BALANCES:</b>				
Nonspendable:				
Perpetual permanent funds.....	-	-	62,960,155	62,960,155
Restricted:				
Expendable permanent funds.....	-	-	6,822,881	6,822,881
Fund for BPL gifts.....	-	1,404,757	-	1,404,757
Associates gifts.....	-	-	26,557	26,557
Programs.....	234,573	-	-	234,573
Metro Boston library network.....	456,258	-	-	456,258
General trust holdings.....	106,862	-	-	106,862
General trust.....	-	-	1,810,772	1,810,772
Committed:				
Neighborhood outreach.....	43,184	-	-	43,184
Assigned:				
Information technology equipment.....	1,302,718	-	579,160	1,881,878
Salaries.....	466,000	-	-	466,000
Furniture.....	89,677	-	-	89,677
Photo duplication.....	36,398	-	-	36,398
Operating fund.....	561,049	-	-	561,049
Unassigned.....	1,444,138	-	-	1,444,138
<b>TOTAL FUND BALANCES.....</b>	<b>4,740,857</b>	<b>1,404,757</b>	<b>72,199,525</b>	<b>78,345,139</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 6,296,158</b>	<b>\$ 1,433,329</b>	<b>\$ 72,507,687</b>	<b>\$ 80,237,174</b>

See the accompanying notes to the financial statements.

**THE 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, 2019**

	General	Fund for BPL	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Intergovernmental.....	\$ 3,652,899	\$ -	\$ 125,454	\$ 3,778,353
Special events.....	1,738,796	-	-	1,738,796
Fees for services.....	938,119	-	82,060	1,020,179
Contributions and gifts.....	147,851	121,636	1,041,141	1,310,628
Investment income.....	167,918	-	4,577,603	4,745,521
<b>TOTAL REVENUES.....</b>	<b>6,645,583</b>	<b>121,636</b>	<b>5,826,258</b>	<b>12,593,477</b>
<b>EXPENDITURES</b>				
Current:				
Salaries and benefits.....	1,675,327	167,534	509,545	2,352,406
Books and related materials.....	295,961	-	926,273	1,222,234
Programs.....	215,150	183,140	332,198	730,488
Administrative.....	1,459,990	25,425	282,633	1,768,048
Contractual services and utilities.....	1,607,598	98,253	912,206	2,618,057
Equipment, furniture and maintenance.....	1,018,765	9,873	237,677	1,266,315
<b>TOTAL EXPENDITURES.....</b>	<b>6,272,791</b>	<b>484,225</b>	<b>3,200,532</b>	<b>9,957,548</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>372,792</b>	<b>(362,589)</b>	<b>2,625,726</b>	<b>2,635,929</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in.....	1,156,889	-	2,658,672	3,815,561
Transfers out.....	(103,146)	-	(3,712,415)	(3,815,561)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,053,743</b>	<b>-</b>	<b>(1,053,743)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1,426,535</b>	<b>(362,589)</b>	<b>1,571,983</b>	<b>2,635,929</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>3,314,322</b>	<b>1,767,346</b>	<b>70,627,542</b>	<b>75,709,210</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 4,740,857</b>	<b>\$ 1,404,757</b>	<b>\$ 72,199,525</b>	<b>\$ 78,345,139</b>

See the accompanying notes to the financial statements.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION  
JUNE 30, 2019**

Total governmental fund balances.....	\$ 78,345,139
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.....	<u>148,945</u>
Net position of governmental activities.....	<u><u>\$ 78,494,084</u></u>

See the accompanying notes to the financial statements.

DRAFT #2

**THE 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  
YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds..... \$ 2,635,929

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. These amounts represent the related activity of the current period.

Capital outlays.....	60,250
Depreciation.....	<u>(77,606)</u>

Changes in net position of governmental activities..... \$ 2,618,573

See the accompanying notes to the financial statements.

DRAFT #2

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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 (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 (Library), a non-profit, educational corporation, was established in 1848 to benefit and facilitate the needs of the City of Boston's (City) public library system. A Board of Trustees (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 (Commonwealth) has classified the Library as a non-profit 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.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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 non-for-profit 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 ending June 30, 2019, the Library implemented the following pronouncements issued by the GASB:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

The implementation of these GASB Statements had no reporting impact for the Library.

**Government-Wide and Fund Financial Statements**

**Government-Wide Financial Statements**

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

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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:

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

**Government-Wide 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, 2019 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 stocks, corporate bonds and U.S. government securities are valued at the closing price reported on the active market on which the individual securities are traded. Mutual funds are valued at the net asset value (NAV) of the shares held.

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.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Intergovernmental

Various state and federal operating and capital grants are applied for and received annually. For non-expenditure 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 (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.

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.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, 2019 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.

**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 the 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.

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

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 art work, 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, 2019, 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.

**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.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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.

**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.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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).

**Use of Estimates**

**Government-Wide and Fund Financial Statements**

The preparation of basic financial statements in conformity with 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.

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**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).

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, 2019, \$12,457,996 of the Library's bank balance of \$12,707,996 was uninsured, uncollateralized and exposed to custodial credit risk. The carrying value of the Library's deposits totaled \$13,457,902 at June 30, 2019.

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**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments Summary**

The Library's investments at June 30, 2019 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Total Amount	Investment Maturities (in Years) Less Than 1
<u>Debt Securities:</u>		
Money market mutual funds.....	\$ 6,587,226	\$ 6,587,226
Fixed income mutual funds.....	9,253,850	9,253,850
 Total debt securities.....	 15,841,076	 <u>\$ 15,841,076</u>
<u>Other Investments:</u>		
Equity securities.....	18,330,686	
Equity mutual funds.....	3,329,644	
Core bond fund.....	5,366,537	
Private equity funds.....	22,731,490	
 Total other investments.....	 49,758,357	
 Total investments.....	 \$ 65,599,433	

**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, 2019, 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).

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**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

As of June 30, 2019, 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 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.

The Library has the following recurring fair value measurements as of June 30, 2019:

Investment Type	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Equity Securities:</u>				
Equity Mutual Funds.....	\$ 3,329,644	\$ 3,329,644	\$ -	\$ -
Equity Securities.....	18,330,686	18,330,686	-	-
Total Equity Securities	21,660,330	21,660,330	-	-
<u>Debt Securities:</u>				
Fixed Income Mutual Funds.....	9,253,850	9,253,850	-	-
Total Investments by Fair Value Level	30,914,180	\$ 30,914,180	\$ -	\$ -
<u>Investments measured at the net asset value (NAV)</u>				
Core Bond Fund.....	5,366,537			
Private Equity Funds.....	22,731,490			
Total Investments measured at the NAV.....	28,098,027			
Total Investments measured at Fair Value	\$ 59,012,207			

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

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	Redemption Frequency	Redemption Notice Period
Core Bond Fund (1).....	\$ 5,366,537	-	As needed	4 days <sup>(1)</sup>
Private Equity Funds (2) .....	22,731,490	-	As needed	2-5 days <sup>(2)</sup>
Total Investments Measured at the NAV.....	\$ 28,098,027			

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**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

- (1) Core Bond Fund - This type includes 1 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 4 days.
- (2) Private Equity Funds - This type includes 3 private equity funds. One fund with a value of \$6,289,503 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 System's ownership interest in partners' capital. The investment can be redeemed as needed, with notice provided 5 days before the end of each month. The second fund with a value of \$9,851,518 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 System's ownership interest in partners' capital. The investment can be redeemed as needed within 2 days' notice. The third fund with a value of \$6,590,469 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 2 days' notice.

**Fund for BPL**

The Fund for BPL's investments at June 30, 2019 are comprised of the following:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Net Unrealized Gain (Loss)</u>
Common stocks.....	\$ 306,849	\$ 393,746	\$ 86,897
Mutual funds.....	<u>1,221,113</u>	<u>1,301,807</u>	<u>80,694</u>
Totals.....	<u>\$ 1,527,962</u>	<u>\$ 1,695,553</u>	<u>\$ 167,591</u>

**THE TRUSTEES OF THE  
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**NOTE 4 ACCOUNTS RECEIVABLE**

At June 30, 2019, receivables for the individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Intergovernmental - Library for the Commonwealth (LFC).....	\$ 795,163	\$ -	\$ 795,163
Special events.....	144,141	-	144,141
Departmental and other.....	215,339	-	215,339
Interest and dividends.....	23,006	-	23,006
	<u>\$ 1,177,649</u>	<u>\$ -</u>	<u>\$ 1,177,649</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, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<u>Capital assets being depreciated:</u>				
Machinery and equipment.....	\$ 2,087,976	\$ -	\$ -	\$ 2,087,976
Furniture, fixtures and improvements.....	422,112	60,250	-	482,362
Total capital assets being depreciated.....	2,510,088	60,250	-	2,570,338
<u>Less accumulated depreciation for:</u>				
Machinery and equipment.....	(2,022,107)	(28,952)	-	(2,051,059)
Furniture, fixtures and improvements.....	(321,680)	(48,654)	-	(370,334)
Total accumulated depreciation.....	(2,343,787)	(77,606)	-	(2,421,393)
Total capital assets being depreciated, net.....	166,301	(17,356)	-	148,945
Total governmental activities capital assets, net.....	<u>\$ 166,301</u>	<u>\$ (17,356)</u>	<u>\$ -</u>	<u>\$ 148,945</u>

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**NOTE 6 DUE TO CITY OF BOSTON**

The following represents a summary of amounts owed to the City at June 30, 2019:

Description	Amount
Salary reimbursements - Library for the Commonwealth....	\$ 148,796
Salary reimbursements - Other.....	158,460
Collections of fines.....	<u>12,303</u>
Total.....	<u>\$ 319,559</u>

**NOTE 7 INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended June 30, 2019 are summarized as follows:

Description	Nonmajor Governmental Funds			
	General Fund	Library Managed Funds	City Managed Funds	Total Nonmajor Governmental Funds
Annual 5% distribution to Library managed funds (1).....	\$ -	\$ 2,555,526	\$ (2,555,526)	\$ -
Annual 5% distribution to general funds (1).....	288,498	-	(288,498)	(288,498)
To fund programs from Hearst/Humanities funds.....	190,194	(190,194)	-	(190,194)
To fund branch operating budgets with Ill Pannino funds.....	45,356	(45,356)	-	(45,356)
To transfer funds for trust fund corpus.....	(93,355)	-	93,355	93,355
To reclassify a portion of the Deferrari Fund.....	594,360	(594,360)	-	(594,360)
Miscellaneous transfers out.....	(9,791)	9,791	-	9,791
Miscellaneous transfers in.....	38,481	(38,481)	-	(38,481)
Transfers, net.....	<u>\$ 1,053,743</u>	<u>\$ 1,696,926</u>	<u>\$ (2,750,669)</u>	<u>\$ (1,053,743)</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 multiple-employer 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.

**THE TRUSTEES OF THE  
PUBLIC LIBRARY OF THE CITY OF BOSTON  
(A COMPONENT UNIT OF THE CITY OF BOSTON)  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 8 PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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, 2019, since persons that perform services for the Library are employees of the City only.

**NOTE 9 RISK FINANCING**

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

**NOTE 10 RELATED PARTY TRANSACTIONS**

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

**NOTE 11 CONTINGENCIES**

Various legal actions and claims are pending against the Library. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2019, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Library at June 30, 2019.

**Fellowes Athenaeum Trust Fund – Summary of FY 19 Grant Requests -**  
**Prepared by Candelaria Silva-Collins (Program Manager)**  
**September 2019**

The Fellowes Athenaeum Trust Advisory Committee has approved nine (9) grant requests totaling **\$55,970.00** for the 2020 fiscal year. (This includes \$45,970 for grant awards, \$5000 for Dudley Branch activities, and \$5,000 for administrative expenses.) The grants were discussed and approved at a meeting on September 12.

**(Note, in 2019 fiscal year, 9 programs were funded serving 730 participants.)**

**Fellowes Athenaeum Trust Fund Advisory Committee:**

Evelyn Arana	Allen Knight	Pete Coco
Priscilla Foley	Che Madyun	Sarah Ann Shaw

An Orientation meeting for grantees will be held on Thursday, October 11 at 5:30pm at the Freedom House in Roxbury. The first program begins on October 19.

**Subject Categories** (There is some overlap.)

**Performing Arts**

- Music Concerts
- Piano Lessons
- Play Reading Book club
- Youth Arts for Social Change Summit

**Instruction**

- Smart Phones Training for Seniors
- Family Cooking classes
- Play Reading Book Club
- Poetry Writing

**Health /Well-being**

- Family Cooking Classes
- Mindfulness-Based Stress Reduction

**Audience Categories** (There is some overlap)

Families – 2    Youth – 4    Adults – 5    Seniors - 1

<b>Name</b>	<b>Organization</b>	<b>Project</b>	<b>Target Audience</b>	<b>Request</b>	<b>Description</b>
<b>Aaron Devine</b>	<b>Individual</b>	<b>With Dedication: Writing Poems to and For Other People</b>	Adults	\$2,500.00	Participants will study the craft of poetry, write and share own poems with a class chapbook published at the end.
<b>Akiba Abaka</b>	<b>ArtsEmerson</b>	<b>Play Reading Book Club</b>	13-Adult & Teens	\$6,000.00	4 plays will be part of PRBC – scheduled in the following months: Oct., Nov., Jan. /Feb., and May. Sessions will be held at Egleston Branch Library & Vine Street Community Center.
<b>Corey Evans</b>	<b>Boch Center</b>	<b>Youth Arts for Social Change Program</b>	Youth	\$6,500.00	Feb. 1 (12-4) (Alternative snow date - Feb. 8)
<b>Bonita Jones</b>	<b>Bonita Jones &amp; Associates</b>	<b>Mindfulness Based Stress Reduction</b>	Adults 18+	\$6,000.00	18 week multi-session course (9 weeks in the fall and 9 weeks in spring). Evening and Saturday sessions will be offered.
<b>John Kordalewski</b>	<b>The Makanda Project</b>	<b>The Makanda Project Concerts</b>	All	\$7,000.00	Two evening concerts. One on November 2, the other in the spring. One will feature sparc! art mobile activities and one a jazz musician of national reputation.
<b>Joel Mackall</b>	<b>Reidren Business Group</b>	<b>Tracing Our Roots workshop</b>	Adults	\$3,300.00	Two series – one in winter and one in spring for beginners + one-day intensive for intermediate researchers

<b>Joel Mackall</b>	<b>Reidren Business Group</b>	<b>How to Use my Smart Phone</b>	Seniors	\$2,670.00	Series of classes in fall 2019 and spring 2020.
<b>Ricardo Monroy</b>	<b>Haley House, Inc.</b>	<b>Take Back the Kitchen Cooking classes</b>	Families with children 5-up	\$6,000.00	Eight cooking classes for families offered in 2-3 series.
<b>Carlos Vargas</b>	<b>Individual</b>	<b>Piano Classes</b>	Youth- 6-19	\$6,000.00	Piano instruction for age 7-1. 4 sessions weekly from Nov. 2019-May 2018 with recital. Four sessions/week.