

OCEANSIDE LIBRARY
FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION
JUNE 30, 2021

OCEANSIDE LIBRARY

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Oceanside Library
30 Davison Avenue
Oceanside, New York 11572

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Oceanside Library as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Oceanside Library, as of June 30, 2021, and the respective changes in financial position 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, budgetary comparison information, the schedule of proportionate share of the net pension liability, the schedule of Library pension contributions and the schedule of changes in the Library's total OPEB liability and related ratios on pages 5 through 9 and 33 through 38 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.

Balschman & Luster LLP

Certified Public Accountants
Stewart Manor, New York
September 28, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Using This Annual Report

This annual report consists of three parts-*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include information that presents two different views of the Library:

- The first three columns of these financial statements include information on the Library's funds under the modified accrual method. These *Fund Financial Statements* focus on current financial resources and provide a more detailed view about the accountability of the Library's sources and uses of funds.

The adjustment column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full-accrual method.

- The *government-wide financial statement* columns provide both long-term and short-term information about the Library's overall financial status. The statement of net position and the statement of activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. These statements tell how these services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Condensed Financial Information:

The table below compares key financial information in a condensed format between the current year and the prior year, in thousands of dollars:

	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>	<u>Increase</u> <u>(Decrease)</u>
Assets:			
Current assets	\$ 4,080	\$ 3,683	\$ 397
Capital assets	<u>4,550</u>	<u>3,128</u>	<u>1,422</u>
Total Assets	<u>8,630</u>	<u>6,811</u>	<u>1,819</u>
Deferred Outflows of Resources	<u>1,969</u>	<u>1,271</u>	<u>698</u>
Liabilities:			
Long-term debt	5,804	7,147	(1,343)
Other liabilities	<u>442</u>	<u>251</u>	<u>191</u>
Total Liabilities	<u>6,246</u>	<u>7,398</u>	<u>(1,152)</u>
Deferred Inflows of Resources	<u>2,318</u>	<u>385</u>	<u>1,933</u>
Net Position:			
Net investment in capital assets	3,180	1,512	1,668
Restricted for debt service	603	604	(1)
Unrestricted	<u>(1,748)</u>	<u>(1,817)</u>	<u>69</u>
Total Net Position	<u>\$ 2,035</u>	<u>\$ 299</u>	<u>\$ 1,736</u>
Revenue:			
Tax revenues	\$ 6,904	\$ 4,751	\$ 2,153
State aid and grants	11	17	(6)
Other revenue	<u>24</u>	<u>65</u>	<u>(41)</u>
Total Revenue	6,939	4,833	2,106
Expenses - Library Services	<u>5,203</u>	<u>5,205</u>	<u>(2)</u>
Change in net position	1,736	(372)	2,108
Net position- beginning of year	<u>299</u>	<u>671</u>	<u>(372)</u>
Net Position - End of Year	<u>\$ 2,035</u>	<u>\$ 299</u>	<u>\$ 1,736</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The Library as A Whole

- The Library's net position increased by \$1,735,531 this year. The primary reason for this increase is detailed within the Statement of Activities on page twelve.
- The Library's primary source of revenue is from property taxes, which represents 99 percent of total revenue. In the prior year, property taxes also represented 98 percent of total revenue.
- Salaries and employee benefits continue to be a significant expense of the Library, representing 75 percent of the Library's total expenses (as per the Statement of Activities). In the prior year, salaries and employee benefits represented 79 percent of total expenses.

The Library Funds:

Our analyses of the Library's funds are included in the first three columns of pages ten through twelve on the respective statements. The fund columns provide detailed information about the most significant funds – not the Library as a whole. The Library Board has the ability to create separate funds to help manage money for specific purposes and to maintain accountability for certain activities. Currently, the Library's funds consist of the General Fund and the Debt Service Fund.

The fund balance of the General Fund increased during the year from \$2,862,917 to \$3,063,100. The fund balance of the Debt Service Fund decreased from \$604,300 to \$602,566. Statements detailing the revenues and expenditures for both of these funds are included in this report.

Budgetary Highlights:

The following are explanations for the significant variations between the Library's final budget and the actual results of the General Fund:

- In total, the unfavorable budget variance for Library revenues was \$65,701. The Library attributes this to the following: 1) Lower than expected interest rates, 2) the Board eliminated late fines, 3) the pandemic induced building closure decreased other library charges as well as program fees, and 4) during the pandemic the Library did not solicit charitable donations.
- In total, the salaries and wages budget section was underspent by \$84,427 or 3.29%. It was difficult to budget on an individual salary line basis because of the pandemic induced building closure, staff transitioning in and out of employment with the Library, and the use of part-time employees. For example, due to the building being closed on the weekends, there was less opportunity for professionals to be paid overtime and fewer hours available for the pages. However, the Custodial staff worked additional hours cleaning and monitoring COVID-19 safety protocols.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- The New York State retirement budget line was overspent by \$29,211. This was the result of projecting an amount based on information provided by the New York State Retirement System approximately a year in advance of the billing. The actual amount billed was more than the original projection.
- The budget line for workers' compensation insurance was underspent by \$10,027. The Library attributes this savings to a change in insurance providers.
- The library services budget section was underspent by \$137,132. This favorable variance was primarily attributable to the COVID-19 related building closure and the pace of the Library's reopening. During this time, demand for materials declined and the reduced operating hours made it difficult to order and receive books and other physical items at the Library's traditional pace.
- The budget line for office and library supplies was overspent by \$5,542. The Library attributes this to spending more on COVID-19 related personal safety items, sanitizer, signage, etc. than anticipated.
- The budget line for printing and postage was underspent by \$34,314. Due to the pandemic, the Library did not mail its newsletters to the community, instead they were distributed electronically.
- The budget line for professional fees/contracts was overspent by \$33,948. The Library attributes this to requiring more legal services in order to navigate through the pandemic.
- The budget line for professional dues/development was underspent by \$13,458. Due to the pandemic, employees did not attend meeting and conferences to the extent anticipated.
- The unfavorable variance in the budget line for rent, and the favorable variance in the capital outlay section are directly related. The Library budgeted for the rent of the temporary space that it will be relocating to during the renovation of the existing Library building as a capital expenditure. However, for financial reporting purposes, these expenditures are required to be reflected within the building operations budget section.
- The budget line for repair to building equipment and grounds was underspent by \$9,683. Due to the pandemic related building closure, fewer repairs were required than anticipated.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Capital Assets:

During the fiscal year, the Library purchased \$1,590,983 of fixed assets (capital outlay). Expenditures were primarily related to the purchase of two lots of real estate as well as professional fees and planning costs related to the Vision 2020 construction project.

Debt Administration:

Long term debt consisted of bonds payable, the debt that the Library had to its employees for unused sick, vacation and compensatory time (compensated absences), its net pension liability, and its obligation for other post-employment benefits. During the fiscal year ending June 30, 2021, the Library made its annual principal payment on its bond payable in the amount of \$245,000. This reduced the bonds payable from \$1,615,000 at June 30, 2020 to \$1,370,000 at June 30, 2021. Interest, which is paid two times per year, totaled \$62,894. The liability for compensated absences at June 30, 2021 was \$74,885. This represents a decrease of \$89,025 from the previous year. The net pension liability decreased from \$1,357,774 to \$5,632 during the fiscal year. The obligation for other post-employment benefits at June 30, 2021 was \$4,353,236. This represents an increase of \$342,560 from the previous year.

Currently Known Conditions:

The anticipated tax revenues for the 2021-2022 fiscal year will be \$6,904,192. This is the same tax levy as the 2020-2021 fiscal year budget.

**OCEANSIDE LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2021**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments (Note 14)</u>	<u>Statement of Net Position</u>
Assets:					
Cash and cash equivalents					
Checking	\$ 3,286,547	\$	\$ 3,286,547	\$	\$ 3,286,547
Petty cash	700		700		700
Total cash and cash equivalents	<u>3,287,247</u>	<u>0</u>	<u>3,287,247</u>	<u>0</u>	<u>3,287,247</u>
Prepaid insurance	6,338		6,338		6,338
Prepaid rent	91,667		91,667		91,667
Rent security deposit	91,667		91,667		91,667
Restricted cash and investments (note 3)		602,566	602,566		602,566
Capital assets, net of depreciation (note 5)				4,550,395	4,550,395
Total Assets	<u>3,476,919</u>	<u>602,566</u>	<u>4,079,485</u>	<u>4,550,395</u>	<u>8,629,880</u>
Deferred Outflows Of Resources:					
Deferred outflows on OPEB				514,609	514,609
Deferred outflows on pension				1,454,732	1,454,732
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,969,341</u>	<u>1,969,341</u>
Total Assets And Deferred Outflows Of Resources	<u>\$ 3,476,919</u>	<u>\$ 602,566</u>	<u>\$ 4,079,485</u>	<u>\$ 6,519,736</u>	<u>\$ 10,599,221</u>

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2021

	General Fund	Debt Service Fund	Total	Adjustments (Note 14)	Statement of Net Position
Liabilities:					
Accounts payable	\$ 252,303	\$	\$ 252,303	\$	\$ 252,303
Accrued payroll	47,384		47,384		47,384
Accrued NYS retirement	83,876		83,876		83,876
Accrued interest on bonds payable				28,997	28,997
Grant funds received in advance	30,256		30,256		30,256
Non-current liabilities:					
Compensated absences payable				74,885	74,885
Obligation for other post-employment benefits				4,353,236	4,353,236
Net pension liability				5,632	5,632
Bonds payable, within one year				255,000	255,000
Bonds payable, due after one year				1,115,000	1,115,000
Total Liabilities	413,819	0	413,819	5,832,750	6,246,569
Deferred Inflows of Resources:					
Deferred inflows on OPEB				667,815	667,815
Deferred inflows on pension				1,649,909	1,649,909
Total Deferred Inflows of Resources	0	0	0	2,317,724	2,317,724
Fund Balance/Net Position:					
Nonspendable (deposit & prepaid amounts)	189,672		189,672	(189,672)	
Restricted for debt service		602,566	602,566	(602,566)	
Assigned for specific purposes (note 10)	1,098,514		1,098,514	(1,098,514)	
Unassigned	1,774,914		1,774,914	(1,774,914)	
Total Fund Balance	3,063,100	602,566	3,665,666	(3,665,666)	
Total Liabilities, Deferred Inflows Of Resources And Fund Balance	\$ 3,476,919	\$ 602,566	\$ 4,079,485		
Net Position:					
Net investment in capital assets				3,180,395	3,180,395
Restricted for debt service				602,566	602,566
Unrestricted				(1,748,033)	(1,748,033)
Total Net Position				\$ 2,034,928	\$ 2,034,928

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments (Note 14)</u>	<u>Statement of Activities</u>
Revenues:					
Tax revenues	\$ 6,904,192	\$	\$ 6,904,192	\$	\$ 6,904,192
State aid and grants	10,562		10,562		10,562
Fines, fees and material reimbursements	2,735		2,735		2,735
Investment income	12,032	352	12,384		12,384
E-rate reimbursement	5,088		5,088		5,088
Sale of books, supplies, etc.	3,679		3,679		3,679
Gifts and donations	203		203		203
Total Revenues	<u>6,938,491</u>	<u>352</u>	<u>6,938,843</u>	<u>0</u>	<u>6,938,843</u>
Expenditures/Expenses For Library Services:					
Salaries and wages	2,480,767		2,480,767	(82,698)	2,398,069
Employee benefits	1,303,480		1,303,480	218,395	1,521,875
Library services	439,118		439,118		439,118
Administrative operations	223,188		223,188		223,188
Building operations	393,964		393,964		393,964
Capital outlay	1,590,983		1,590,983	(1,590,983)	
Depreciation				168,104	168,104
Debt service:					
Principal	245,000		245,000	(245,000)	
Interest	62,894		62,894	(4,900)	57,994
Bond and administrative fees	1,000		1,000		1,000
Total Expenditures/Expenses	<u>6,740,394</u>	<u>0</u>	<u>6,740,394</u>	<u>(1,537,082)</u>	<u>5,203,312</u>
Excess (Deficiency) Of Revenues Over Expenditures	198,097	352	198,449	1,537,082	
Other Financing Sources/Uses:					
Transfers- internal activities	2,086	(2,086)	0		
Excess (Deficiency) Of Revenues And Transfers In Over Expenditures	200,183	(1,734)	198,449	<u>(198,449)</u>	
Change In Net Position				1,735,531	1,735,531
Fund balance/net position- beginning of year	<u>2,862,917</u>	<u>604,300</u>	<u>3,467,217</u>	<u>(3,167,820)</u>	<u>299,397</u>
Fund Balance/Net Position- End Of The Year	<u>\$ 3,063,100</u>	<u>\$ 602,566</u>	<u>\$ 3,665,666</u>	<u>\$ (1,630,738)</u>	<u>\$ 2,034,928</u>

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of Oceanside Library conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Accordingly, in June 1999, the Governmental Accounting Standards Board issued Statement No. 34, *Basic Financial Statements – and Managements Discussion and Analysis – for State and Local Governments*. Some of the significant changes in the statement include the following:

- A management’s Discussion and Analysis section providing an analysis of the Library’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Library’s activities.
- A change in the fund financial statements to focus on the major funds.

The following is a summary of the significant accounting policies:

- A. **Reporting Entity:** The Oceanside Library coordinates the raising of its real estate tax revenues with the Oceanside Union Free School District. The Board of Trustees is responsible for the approval of the annual budget and oversight of the Library management’s control and disbursement of funds and maintenance of assets. The Library’s management is solely responsible for day-to-day operations.
- B. **Management Focus, Basis of Accounting and Financial Statement Presentation:** The Library’s basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library’s major funds).

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund governmental activity has been eliminated from the government-wide financial statements.

The Statement of Net Position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library’s net position is reported in three parts- net investment in capital assets; restricted net position; and unrestricted net position.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

**B. Management Focus, Basis of Accounting and Financial Statement Presentation:
(Continued)**

Fund Financial Statements: Governmental fund financial statements are reported using the modified accrual basis of accounting prescribed by the Governmental Accounting Standards Board and the State of New York's Department of Audit and Control, Division of Municipal Affairs. Under this method, revenues are recognized in the period in which they become both measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within a reasonable period of time after fiscal year end, except for real property taxes, which are considered to be available if they are collected within sixty days after the end of the fiscal year. Fees and other income items other than interest income are recorded when received in cash. Expenditures are recognized in the period in which the liability is incurred. However, debt service expenditures, if applicable, are recorded only when a payment is due.

The Library reports on the following funds:

General Fund: This fund is established to account for resources devoted to the general services that the Library performs for its taxpayers. General tax revenues and other sources of revenues used to finance the fundamental operation of the Library are included in this fund.

Debt Service Fund: This fund is used to account for the accumulation of resources for the payment of the Library's bonds payable.

- C. Budgetary Accounting:** Formal budgetary accounting is employed as a management control of the general fund. Expenditures are compared to actual results in the report.
- D. Interfund Transactions:** The operations of the Library include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Library may loan resources between funds for cash flow purposes. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services.
- E. Cash and Cash equivalents:** The Library has defined cash and cash equivalents to include demand deposits, and short-term investments with a maturity of three months or less.

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: **Summary of Significant Accounting Policies (Continued)**

F. **Fund Balance Classifications:** The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* that defines the different types of fund balances that a governmental entity must use for financial reporting purposes. They are as follows:

Nonspendable: This includes amounts that cannot be spent because they are either not in spendable form (i.e., inventories, prepaid expenses, etc.) or they are legally or contractually required to be maintained intact.

Restricted: This includes amounts with constraints placed on the use of resources. These constraints can be externally imposed by creditors, grantors, contributors, or imposed by laws and regulations.

Committed: This includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Library's Board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned: This includes amounts that are constrained by the Library's intent to be used for specific purposes but are neither restricted nor committed. The Library Board is not required to impose or remove the constraint. Assignments of fund balance cannot be made if it would result in a negative unassigned fund balance.

Unassigned: This includes the residual classification for the Library's general fund. This classification represents fund balance that has not been assigned to other funds, assigned for specific purposes, restricted, or committed.

G. **Order of Use of Restricted/Unrestricted Net Position and Fund Balance:** When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Library's policy is to apply restricted net position first. Expenditures incurred from unrestricted resources are applied to committed fund balance as determined by the Board, then to assigned fund balance, and then to the unassigned fund balance.

H. **Use of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1: Summary of Significant Accounting Policies (Continued)

- I. Investments:** The Library's investment policies are governed by State statutes and its own written investment policy. Permissible investments for the Library include special time deposit accounts, certificates of deposit and obligations of the United States of America.
- J. Capital Assets:** Capital assets are defined by the Library as assets with an initial cost of \$1,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Library books and materials are not capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	39 years
Furniture and fixtures	7 to 20 years
Equipment	5 years

NOTE 2: Concentration of Credit Risk

The Library maintains its cash balances at several banks. At year end, the Library's carrying amount of deposits was \$3,286,547 (excludes petty cash and restricted cash) and the bank balance was \$3,331,994. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance of \$2,831,994 was covered by collateral held by the Library's agent.

NOTE 3: Restricted Cash and Investments

In order to finance its construction project, the Library issued tax exempt bonds (see note 7). As part of the agreement with the Dormitory Authority of New York State (DASNY) the Library is required to maintain cash reserves for debt service in an account at BNY Mellon. Expenditures from these funds can only be made by the trustee with the approval of the Dormitory Authority.

These funds are primarily invested in cash and short-term Treasury obligations. Fair values for investments are determined by reference to quoted market prices for similar investments, yield curves, and other relevant information.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3: Restricted Cash and Investments (Continued)

There were no changes in valuation techniques in the year ended June 30, 2021. The Library recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels for the year ended June 30, 2021.

Fair value measurements for investments reported at fair value on a recurring basis at June 30, 2021 were determined based on:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Market Value	Total Cost
Restricted Cash:				
Cash held at BNY Mellon	\$ 174,611	\$ 0	\$ 174,611	\$ 174,611
Investments:				
US Treasury Bill maturing on 7/1/21	110,000	0	110,000	109,997
US Treasury Bill maturing on 10/21/21	<u>317,955</u>	<u>0</u>	<u>317,955</u>	<u>317,960</u>
Total Restricted Cash and Investments	\$ <u>602,566</u>	\$ <u>0</u>	\$ <u>602,566</u>	\$ <u>602,568</u>

NOTE 4: Grants Receivable and Grant Funds Received in Advance

Grant revenues are recorded when the grant funds are expended. Grant funds received in excess of expenditures are shown as "Grant Funds Received in Advance". Conversely, grant expenditures in excess of those grant funds received have been reflected as "Grants Receivable."

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5: Capital Assets

A summary of changes in general fixed assets for the year ending June 30, 2021 is as follows:

	Balance as of 7/1/2020	Additions	Deletions and Adjustments	Balance as of 6/30/2021
Assets not being depreciated:				
Land	\$ 194,748	\$ 872,943	\$ 0	\$ 1,067,691
Construction in progress	80,568	688,452	0	769,020
Other capital assets:				
Building and improvements	5,835,038	19,414	0	5,854,452
Furniture and fixtures	546,741	0	0	546,741
Equipment	226,774	10,174	0	236,948
Total	6,883,869	1,590,983	0	8,474,852
Accumulated depreciation	(3,756,353)	(168,104)	0	(3,924,457)
Net Book Value	\$ 3,127,516	\$ 1,422,879	\$ 0	\$ 4,550,395

NOTE 6: Bonds Payable

In August 1995, the Library, under the auspices of the Dormitory Authority of New York State closed on a \$4,900,000 bond issue. The proceeds were used to finance the Library's expansion and renovation costs. In July 2005, the bonds were refinanced with a new bond issue in the amount of \$4,240,000. The new interest rates range from 3% to 5% over the repayment term. The bonds remain payable until July 1, 2025.

As of June 30, 2021, the Library's liability for bonds payable is \$1,370,000. Future payments are as follows:

Year Ended June 30,	Principal Payments	Interest Payments	Total Payments
2022	\$ 255,000	\$ 52,894	\$ 307,894
2023	265,000	42,328	307,328
2024	275,000	31,019	306,019
2025	280,000	19,225	299,225
2026	295,000	0	295,000
Total	\$ 1,370,000	\$ 145,466	\$ 1,515,466

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7: Compensated Absences Payable

The Library has an accumulated liability as of June 30, 2021 for unused sick, vacation and compensatory time due to its employees in the amount of \$74,885. This is a decrease of \$89,025 from the June 30, 2020 balance of \$163,910. The Library does not expect to pay any of this liability within one year.

NOTE 8: Long Term Debt

The following is a summary of changes in long-term debt for the period ended June 30, 2021:

				<u>Non-current liabilities</u>		
	<u>Balance 7/1/2020</u>	<u>Increases</u>	<u>Reductions</u>	<u>Balance 6/30/2021</u>	<u>Due within one year</u>	<u>Due after one year</u>
Compensated absences	\$ 163,910	\$ 0	\$ 89,025	\$ 74,885	\$ 0	\$ 74,885
Net pension liability	1,357,774	0	1,352,142	5,632	0	5,632
General obligation bonds	1,615,000	0	245,000	1,370,000	255,000	1,115,000
Other post-employment benefits payable	<u>4,010,676</u>	<u>342,560</u>	<u>0</u>	<u>4,353,236</u>	<u>0</u>	<u>4,353,236</u>
Total	<u>\$ 7,147,360</u>	<u>\$ 342,560</u>	<u>\$ 1,686,167</u>	<u>\$ 5,803,753</u>	<u>\$ 255,000</u>	<u>\$ 5,548,753</u>

NOTE 9: Significant Event

In June of 2020, the taxpayers of the Library approved the future issuance of bonds in the amount of \$33,500,000. The proceeds of the bonds will be used to completely redesign and renovate the Library building.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10: Funds Assigned for Specific Purposes

A summary of changes in assigned funds for the year ending June 30, 2021 is as follows:

Funds Assigned For:	Balance as of 7/1/2020	Funds Assigned (Unassigned)	Funds Expended	Balance as of 6/30/2021
Special project fund	\$ 5,037	\$ 33	\$ 0	\$ 5,070
Unemployment	14,599	96	0	14,695
Other post-employment benefits	414,617	2,728	0	417,345
Sick and vacation payouts	139,126	570	(52,478)	87,218
Emergency building fund	354,170	2,330	0	356,500
Technology and projects	216,263	1,423	0	217,686
Total	<u>\$ 1,143,812</u>	<u>\$ 7,180</u>	<u>\$ (52,478)</u>	<u>\$ 1,098,514</u>

NOTE 11: Retirement Plan

- A. **Plan Description and Benefits Provided:** The Library participates in the New York State and Local Employees' Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2020. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Library also participates in the Public Employees' Group Term Life Insurance plan (GTLI), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

- B. Benefits Provided:** The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service.

Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

B. Benefits Provided: (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after 10 years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

B. Benefits Provided: (Continued)

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement.

Post-Retirement Benefit Increases (Continued)

An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or exceed 3 percent.

C. Contributions: The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first 10 years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required. The required contribution for the current fiscal year was \$301,276, for the 2020 fiscal year it was \$276,863, and for the 2019 fiscal year it was \$295,364.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions:

At June 30, 2021, the Library reported a liability of \$5,632 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2021, the Library's proportion was 0.0056559 percent, which was an increase of .00052850 percent from its proportion measured at June 30, 2020.

For the year ended June 30, 2021, the Library recognized pension expense of \$252,341.

At June 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 68,780	\$ 0
Changes in assumptions	1,035,507	19,530
Net difference between projected and actual earnings on pension plan investments	0	1,617,786
Changes in proportion and differences between employer contributions and proportionate share of contributions	266,569	12,593
Library's contributions subsequent to the measurement date	<u>83,876</u>	<u>0</u>
Total	<u>\$ 1,454,732</u>	<u>\$ 1,649,909</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan: (Continued)

D. Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: (Continued)

\$83,876 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2022	\$ 3,491
2023	38,835
2024	(35,378)
2025	(286,001)
2026	<u>0</u>
Total	<u>\$ (279,053)</u>

E. Actuarial Assumptions: The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Inflation	2.70%
Salary increases	4.40%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.40%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2019 used April 1, 2010 – March 31, 2015 System experience, mortality improvements based on the Society of Actuaries' Scale MP-2018, inflation of 2.5%, cost-of-living adjustments of 1.3%, salary increases of 4.5%, and investment rate of return of 6.8%.

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

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	32.00%	4.05%
International equity	15.00%	6.30%
Private equity	10.00%	6.75%
Real estate	9.00%	4.95%
Opportunistic portfolio	3.00%	4.50%
Credit	4.00%	3.63%
Real assets	3.00%	5.95%
Fixed income	23.00%	0.00%
Cash	1.00%	0.50%
Total	<u>100.00%</u>	

The real rate of return is net of the long-term inflation assumption of 2.0%

Discount Rate – The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption – The following presents the Library’s proportionate share of the net pension liability calculated using the discount rate of 5.9 percent, as well as what the Library’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.9 percent) or 1 percentage point higher (6.9 percent) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Library's proportionate share of the net pension liability	\$ 1,563,171	\$ 5,632	\$ (1,430,784)

Pension plan fiduciary net position – The components of the current year net pension liability of the New York State and Local Retirement System as of March 31, 2021, in thousands of dollars was as follows:

	Total
Employers' total pension liability	\$ 220,680,157
Plan net position	(220,580,583)
Employers' net pension liability	\$ <u>99,574</u>
Ratio of plan net position to the Employers' total pension liability	99.95%

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12: Post-employment Benefits Other Than Pensions

- A. Plan Description:** The New York State Department of Civil Service (DCS) administers the New York Health Insurance Program (NYSHIP) which provides health insurance to current and retired employees of New York State, and participating public authorities and local governmental units, such as the Oceanside Library. NYSHIP offers comprehensive hospital, medical and prescription drug benefits. As administrator of NYSHIP, the DCS performs all administrative tasks and has the authority to establish and amend the benefit provisions offered. Annual benefit premiums charged to and paid by participating local governmental entities are generally the same, regardless of each individual employer's risk profile. The annual benefit premiums collected by DCS are then remitted to the health insurance carriers that comprise NYSHIP. NYSHIP is considered an agent multiple-employer defined benefit plan, it is not a separate entity or trust, and does not issue stand-alone financial statements. The Library, as a participant in the plan, recognizes these postemployment benefits on an accrual basis.
- B. Funding Policy:** Contribution requirements are determined by the Library Board. Currently, for full-time employees hired before July 1, 2007 the Library will pay 100% of the cost of health insurance for the retiree and their dependents provided that they were a participant in NYSHIP for a total of five years. Effective March 1, 2009 the Library will pay 100% of the health insurance cost for single coverage and 50% of the additional cost for family coverage provided that the retiree had worked full-time for the Library for ten years and was a participant in NYSHIP for five years.

For the fiscal year ending June 30, 2020, the Library recognized the cost of providing health insurance by recording its share of retiree insurance premiums of \$135,833 as an expenditure in the General Fund. Oceanside Library also reimburses retired employees and their spouses the full cost of Medicare deducted from their Social Security benefits, which amounted to \$55,821. The retiree's share of premiums for health insurance is withheld from their monthly NYS retirement pension payment.

As of July 1, 2019, the following employees were covered by the benefit terms:

Active employees	25
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	14
Total	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> <hr style="border: 0; border-top: 3px double black; margin-top: 2px;"/> 39

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12: Post-employment Benefits Other Than Pensions (Continued)

C. Total Other Post-Employment Benefit (OPEB) Liability: The Library's total OPEB liability of \$4,353,236 was updated through June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

D. Actuarial Assumptions and Other Inputs:

Inflation Rate	2.00%
Annual Payroll Increase	2.50%
Discount Rate	2.16%
2020 Medical Trend Rates (Pre-65/Post-65)	7.50% / 5.00%
2019 Medical Trend Rates (Pre-65/Post-65)	7.00% / 5.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Trend Year Reached (Pre-65/Post-65)	2025/2019

The discount rate was based on the *Bond Buyer's 20 Bond Index*.

Mortality rates were based on the Society of Actuaries' RPH-2014 Total Dataset head count-weighted fully generational mortality table with projection scale MP-2019.

E. Changes in The Total OPEB Liability:

Balance at June 30, 2020	\$ <u>4,010,676</u>
Changes for the year:	
Service cost	338,219
Interest	94,793
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	29,411
Benefit payments	<u>(119,863)</u>
Net changes	<u>342,560</u>
Balance at June 30, 2021	\$ <u><u>4,353,236</u></u>

Note: For the purpose of calculating this liability, there have been no plan changes. The assumption changes were the updating of the pre-65 healthcare cost trend rates and the mortality improvement scale. The discount rate was 2.21% at June 30, 2020 and was 2.16% at June 30, 2021.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12: Post-employment Benefits Other Than Pensions (Continued)

E. Changes In The Total OPEB Liability: (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.16%) or 1 percentage point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 5,006,334	\$ 4,353,236	\$ 3,815,469

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.50%) or 1 percentage point higher (8.00% decreasing to 5.50%) than the current healthcare cost trend rate:

	1% Decrease (6.00% Decreasing to 3.50%)	Healthcare Cost Trend Rate (7.00% Decreasing to 4.50%)	1% Increase (8.00% Decreasing to 5.50%)
Total OPEB Liability	\$ 3,627,082	\$ 4,353,236	\$ 5,290,466

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to OPEB:

For the year ending June 30, 2020, the Library recognized OPEB expense of \$406,457. At June 30, 2021, the Library reported deferred inflows of resources that were related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gain	\$ 0	\$ 612,335
Changes in assumptions	514,609	55,480
Total	\$ 514,609	\$ 667,815

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12: Post-employment Benefits Other Than Pensions (Continued)

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to OPEB: (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to post-employment benefits other than pensions will be recognized in other post-employment benefits expense as follows:

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2022	\$ (26,555)
2023	(26,555)
2024	(23,226)
2025	(10,733)
2026	(33,981)
Thereafter	<u>(32,156)</u>
Total	<u>\$ (153,206)</u>

NOTE 13: Commitments and Contingencies

The Library has committed to operating lease agreements for several copiers, postal equipment, as well as temporary library space. In December 2020, the Library entered into an agreement to rent space in order to operate the Library during the construction and renovation of its existing Library building. The agreement requires twelve quarterly payments of \$137,500 commencing March 1, 2021.

For the fiscal year ending June 30, 2021 the Library made total lease payments of \$290,429. The future minimum lease commitment is detailed as follows:

<u>Year Ending June 30,</u>	<u>Lease Commitment</u>
2022	\$ 561,237
2023	556,560
2024	275,000
2025	<u>0</u>
Total	<u>\$ 1,392,797</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements

Total fund balance and the net change in fund balance of the Library's governmental fund differs from net position and changes in net position of the governmental activities reported in the statement of net position and statement of activities. This difference primarily results from the long-term economic focus of the statement of net position and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and change in fund balance. The following are reconciliations of fund balance to net position and the net change in fund balance to the change in net position:

Total Fund Balance - Modified Accrual Basis	\$ 3,665,666
Amounts reported in the statement of net position are different because:	
• Capital assets are not reported in the funds	4,550,395
• Deferred outflows of resources are not reported in the funds	1,969,341
• Interest expense on the bond liability is not accrued in the funds	(28,997)
• Net pension liability is not included in the funds	(5,632)
• Deferred inflows of resources are not reported in the funds	(2,317,724)
• Compensated absences are included as a liability in the funds	(74,885)
• Obligation for other post-employment health insurance, to be paid in future periods is not reported in the funds	(4,353,236)
• Bonds payable in future periods are not reported in the funds	<u>(1,370,000)</u>
Total Net Position - Full Accrual Basis	<u>\$ 2,034,928</u>
Net Change in Fund Balance - Modified Accrual Basis	\$ 198,449
Amounts reported in the statement of activities are different because:	
• Capital outlays are reported as expenditures in the statement of revenue, expenditures, and changes in fund balance; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	
Capital outlay	1,590,983
Depreciation expense	(168,104)
(Increase)/decrease in the items reported as expenditures in the statements of activities, not in the fund statements:	
Compensated absences	89,025
Interest on bonds payable	4,900
Post-employment health costs	(286,597)
Net pension expenses	61,875
• Repayments of principal on bonds payable are not an expense in the statement of activities, rather a reduction of the liability	<u>245,000</u>
Change in Net Position - Full Accrual Basis	<u>\$ 1,735,531</u>

OCEANSIDE LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Tax revenues	\$ 6,904,192	\$ 6,904,192	\$ 6,904,192	\$ 0
State aid and grants	10,000	10,000	10,562	562
Other Revenue:				
Fines and fees			1,846	
Lost material reimbursements			889	
Interest			12,032	
E-rate reimbursement			5,088	
Gifts and donations			3,679	
Miscellaneous			203	
Total Other Revenue	<u>90,000</u>	<u>90,000</u>	<u>23,737</u>	<u>(66,263)</u>
Transfer From Prior Year Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 7,004,192</u>	<u>\$ 7,004,192</u>	<u>\$ 6,938,491</u>	<u>\$ (65,701)</u>
Expenditures:				
Salaries and Wages:				
Professional	\$ 1,428,850	\$ 1,428,850	\$ 1,247,548	\$ 181,302
Clerical	767,670	767,670	820,412	(52,742)
Custodial	193,574	193,574	268,977	(75,403)
Pages	175,100	175,100	143,830	31,270
Total Salaries and wages	<u>2,565,194</u>	<u>2,565,194</u>	<u>2,480,767</u>	<u>84,427</u>
Employee Benefits:				
Hospital and medical insurance	775,000	775,000	747,834	27,166
Retirement	285,000	285,000	314,211	(29,211)
Social Security	190,000	190,000	185,719	4,281
Workers' compensation	45,000	45,000	34,973	10,027
Life insurance and disability	16,000	16,000	20,743	(4,743)
Total Employee Benefits	<u>\$ 1,311,000</u>	<u>\$ 1,311,000</u>	<u>\$ 1,303,480</u>	<u>\$ 7,520</u>

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Library Services:				
Books	\$ 187,000	\$ 187,000	\$ 113,806	\$ 73,194
Media	85,000	85,000	52,754	32,246
Community information and programs	119,500	119,500	106,054	13,446
Databases (electronic searching)	49,000	49,000	43,731	5,269
Library automation system	64,820	64,820	61,539	3,281
Library System support	27,930	27,930	27,930	0
Periodicals	22,000	22,000	10,354	11,646
Software and online services	20,000	20,000	22,950	(2,950)
Non-book items	1,000	1,000	0	1,000
Total Library Services	<u>576,250</u>	<u>576,250</u>	<u>439,118</u>	<u>137,132</u>
Administrative Operations:				
Office and library supplies	38,000	38,000	43,542	(5,542)
Telephone	17,100	17,100	16,748	352
Printing and postage	35,500	35,500	1,186	34,314
Professional fees/contracts	48,320	48,320	82,268	(33,948)
Professional dues/development	19,000	19,000	5,542	13,458
Office equipment contracts and maintenance	68,785	68,785	73,897	(5,112)
Miscellaneous	0	0	5	(5)
Total Administrative Operations	<u>226,705</u>	<u>226,705</u>	<u>223,188</u>	<u>3,517</u>
Building Operations:				
Rent	0	0	183,333	(183,333)
Utilities	87,000	87,000	83,175	3,825
Insurance	37,000	37,000	41,224	(4,224)
Building service contracts	30,929	30,929	37,869	(6,940)
Repair to building equipment and grounds	39,000	39,000	29,317	9,683
Custodial supplies	15,000	15,000	19,046	(4,046)
Total Building Operations	<u>\$ 208,929</u>	<u>\$ 208,929</u>	<u>\$ 393,964</u>	<u>\$ (185,035)</u>

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Capital Outlay:				
Building improvements (Vision 2020)	\$ 1,800,000	\$ 1,800,000	\$ 1,561,395	\$ 238,605
Building improvements	0	0	19,414	(19,414)
Furniture and equipment	0	0	10,174	(10,174)
Total Capital Outlay	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,590,983</u>	<u>209,017</u>
Debt Service:				
Bond principal payments			245,000	
Bond interest payments			62,894	
Bond and administrative fees			1,000	
Total Debt Service	<u>316,114</u>	<u>316,114</u>	<u>308,894</u>	<u>7,220</u>
Total Expenditures	<u>7,004,192</u>	<u>7,004,192</u>	<u>6,740,394</u>	<u>263,798</u>
Excess Of Revenues Over Expenditures	0	0	198,097	198,097
Other Financing Sources (Uses):				
Transfer from Debt Service Fund	<u>0</u>	<u>0</u>	<u>2,086</u>	<u>2,086</u>
Excess Of Revenues And Other Financing Sources Over Expenditures	0	0	200,183	200,183
Budgetary fund balance- beginning of year	<u>2,862,917</u>	<u>2,862,917</u>	<u>2,862,917</u>	<u>2,862,917</u>
Budgetary Fund Balance- End Of Year	<u>\$ 2,862,917</u>	<u>\$ 2,862,917</u>	<u>\$ 3,063,100</u>	<u>\$ 3,063,100</u>

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN
FOR THE 2021 FISCAL YEAR**

	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability (asset)	0.00566%	0.00513%	0.00415%	0.00473%	0.00450%	0.00472%	0.00455%
Library's proportionate share of the net pension liability (asset)	\$ 5,632	\$ 1,357,774	\$ 293,891	\$ 152,505	\$ 423,219	\$ 757,840	\$ 153,690
Library's covered-employee payroll	\$ 2,054,345	\$ 1,898,076	\$ 1,975,721	\$ 1,995,158	\$ 1,905,692	\$ 1,747,024	\$ 1,732,955
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.2742%	71.5342%	14.8751%	7.6438%	22.2082%	43.3789%	8.8687%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

** The amounts presented for the fiscal year were determined as of the March 31st that occurred within the fiscal year.

The accompanying notes are an integral part of the financial statements.

**OCEANSIDE LIBRARY
SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS
NYSLRS PENSION PLAN
FOR THE 2021 FISCAL YEAR**

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 301,276	\$ 276,863	\$ 295,364	\$ 305,864	\$ 293,887	\$ 313,213	\$ 370,364
Contributions in relation to the contractually required contribution	<u>301,276</u>	<u>276,863</u>	<u>295,364</u>	<u>305,864</u>	<u>293,887</u>	<u>313,213</u>	<u>370,364</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Library's covered-employee payroll	\$ 2,054,345	\$ 1,898,076	\$ 1,975,721	\$ 1,995,158	\$ 1,905,692	\$ 1,747,024	\$ 1,732,955
Contributions as a percentage of covered-employee payroll	14.67%	14.59%	14.95%	15.33%	15.42%	17.93%	21.37%

The accompanying notes are an integral part of the financial statements.

OCEANSIDE LIBRARY
SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 338,219	\$ 255,781	\$ 260,474	\$ 271,087
Interest	94,793	118,341	147,150	130,804
Changes of benefit terms	0	0	0	0
Differences between expected and actual experience	0	(198,511)	0	0
Changes in assumptions or other inputs	29,411	(104,488)	185,422	(133,892)
Benefit payments	<u>(119,863)</u>	<u>(135,910)</u>	<u>(117,749)</u>	<u>(100,092)</u>
Net Change in total OPEB liability	342,560	(64,787)	475,297	167,907
Total OPEB liability- beginning	<u>4,010,676</u>	<u>4,075,463</u>	<u>3,600,166</u>	<u>3,432,259</u>
Total OPEB liability- ending	<u>\$ 4,353,236</u>	<u>\$ 4,010,676</u>	<u>\$ 4,075,463</u>	<u>\$ 3,600,166</u>
Covered-employee payroll	\$ 1,720,534	\$ 1,678,570	\$ 1,671,003	\$ 1,638,238
Total OPEB liability as a % of covered-employee payroll	253.02%	238.93%	243.89%	219.76%

Notes to schedule:

Changes of benefit terms: None

Notes to schedule:

Assumption changes:

Discount rate	2.16%	2.21%	3.50%	3.87%
Mortality Improvement Scale	MP-2019	MP-2019	MP-2016	MP-2016
Pre-65 Trend Rate	7.0% down to 4.5%	7.5% down to 4.5%	8.5% down to 5.0%	9.0% down to 5.0%

The accompanying notes are an integral part of the financial statements.