

OCEANSIDE LIBRARY
FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION

JUNE 30, 2023

OCEANSIDE LIBRARY

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Oceanside Library (the "Library") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

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 Oceanside Library, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oceanside Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Oceanside Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT
(Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.


In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Oceanside Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oceanside Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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


Certified Public Accountants
Stewart Manor, New York
October 27, 2023

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 four 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>2023</u>	<u>June 30,</u> <u>2022</u>	<u>Increase</u> <u>(Decrease)</u>
Assets:			
Current assets	\$ 26,027	\$ 35,430	\$ (9,403)
Net pension asset	0	551	(551)
Right to use assets	281	835	(554)
Capital assets	<u>18,822</u>	<u>7,225</u>	<u>11,597</u>
Total Assets	<u>45,130</u>	<u>44,041</u>	<u>1,089</u>
Deferred Outflows of Resources	<u>2,110</u>	<u>2,436</u>	<u>(326)</u>
Liabilities:			
Long-term debt	40,801	40,191	610
Other liabilities	<u>2,364</u>	<u>687</u>	<u>1,677</u>
Total Liabilities	<u>43,165</u>	<u>40,878</u>	<u>2,287</u>
Deferred Inflows of Resources	<u>1,315</u>	<u>3,318</u>	<u>(2,003)</u>
Net Position:			
Net investment in capital assets	(11,893)	(23,490)	11,597
Restricted	18,831	30,280	(11,449)
Unrestricted	<u>(4,178)</u>	<u>(4,509)</u>	<u>331</u>
Total Net Position	<u>\$ 2,760</u>	<u>\$ 2,281</u>	<u>\$ 479</u>
Revenue:			
Tax revenues	\$ 7,036	\$ 6,904	\$ 132
State Aid and other grants	19	36	(17)
Other revenue	<u>927</u>	<u>(94)</u>	<u>1,021</u>
Total Revenue	7,982	6,846	1,136
Expenses - Library Services	<u>7,503</u>	<u>6,600</u>	<u>903</u>
Change in net position	479	246	233
Net position- beginning of year	<u>2,281</u>	<u>2,035</u>	<u>246</u>
Net Position - End of Year	<u>\$ 2,760</u>	<u>\$ 2,281</u>	<u>\$ 479</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The Library as A Whole

- The Library's net position increased by \$479,311 this year. The primary reason for this increase is detailed within the Statement of Activities on pages thirteen through fifteen.
- The Library's primary source of revenue is from property taxes, which totaled \$7,035,969 for the year ending June 30, 2023. In the prior year, revenue from property taxes were \$6,904,192.
- Salaries and employee benefits continue to be a significant expense of the Library, representing 63 percent of the Library's total expenses (as per the Statement of Activities). In the prior year, salaries and employee benefits represented 62 percent of total expenses.

The Library Funds:

Our analyses of the Library's funds are included in the first four columns of pages ten through fifteen 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, Capital Fund and the Debt Service Fund.

The fund balance of the General Fund increased during the year from \$4,462,934 to \$4,512,933. The fund balance of the Capital Fund decreased by \$11,448,776. The fund balance of the Debt Service Fund increased from \$0 to \$954,095. Statements detailing the revenues and expenditures for all 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:

- The budget line for State aid and grants had a favorable budget variance of \$9,099. In addition to the annual State Aid that the Library typically receives, the Library received \$5,000 in Bullet Aid from a local representative as well as a grant from the Long Island Library Resources Council.
- The favorable variance for total other revenue was primarily due to receiving more interest income than anticipated. The Library attributes this to its higher cash balances and the rapid increase in interest rates.
- In total, the salaries and wages budget section was only overspent by \$93,741 or 3.57%. It was difficult to budget on an individual salary line basis because of a retirement incentive that was offered. In some cases a large savings was realized by having some highly compensated senior employees separate from service, but on the other hand, some of them were due large payouts for compensated absences.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- The New York State retirement budget line was overspent by \$21,073. 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 \$16,032. The Library budgeted for this expense based upon expenditures made in prior years. Fortunately, costs have decreased with the Library's new insurance carrier.
- The budget line for books was underspent by \$109,909. The Library prepared its budget with the expectation that it would be moving back into its newly constructed building. However, due to construction delays, this did not happen.
- The budget line for periodicals was underspent because the use of periodicals as a medium has continued to decline over recent years. The Library does not know the extent of the decline from year to year, so it has maintained the same budget level for these expenditures.
- The budget line for software and online services was overspent because the Library was required to purchase a new calendar program in order to meet its program registration needs. In addition, because of construction delays, the Library postponed its purchase of new computers and opted to extend the warranties on its existing computers.
- The budget line for office and library supplies were overspent because in the early part of the fiscal year the Library was still spending on many pandemic related items. In addition, the Library was also purchasing bottled water until a water filtration system could be installed.
- The budget line for telephone was overspent because internet coverage for the temporary space was more costly than anticipated. In addition, the Library added internet capability to the Bookmobile.
- The budget line for professional fees/contracts was overspent because the Library required more legal services than anticipated. Many of these related to personnel issues and the retirement incentive that was offered.
- The budget line for professional dues/development was underspent because many conferences and meetings remained virtual. Not only are virtual conferences less expensive than live ones, but there are no ancillary travel costs.
- The budget line for office equipment contracts and maintenance was underspent by \$8,669. The Library had budgeted for this line assuming that it would be in its new larger space.
- The building operations budget section was underspent by \$76,530. The Library had budgeted for this section assuming that it would be in its new larger space.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- The capital outlay budget section was underspent by \$99,082. The Library had budgeted for the payment of various construction costs related to its construction project. However, these payments were made from the Capital Fund in an effort to reflect all of the construction costs within the same fund.
- The debt service budget section appears to be underspent by \$921,797. This variance is directly related to the unfavorable variance in the budget line for transfer to debt service. Although the Library had budgeted for this transfer as part of its debt service section, it was required to be reflected separately for financial reporting purposes.

Capital Assets:

During the fiscal year ending June 30, 2023, the Library purchased \$11,775,759 of fixed assets. The majority of the expenditures (\$11,757,939) were related to the Vision 2020 construction project. The remaining purchases were for equipment. During the fiscal year, the Library discarded \$38,072 of broken or obsolete equipment.

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 lease liability, its net pension liability and its obligation for other post-employment benefits. The net pension asset reported in the prior year of \$551,458 reversed and became a net pension liability of \$1,470,649 at June 30, 2023. The Library revenue bonds payable (series 2022) remained at \$30,715,000. For the year ending June 30, 2023, no principal payments were made on the series 2022 bonds payable. Interest paid this year totaled \$1,051,112. The liability for compensated absences at June 30, 2023 was \$88,261. This represents a decrease of \$8,581 from the previous year. During the year, the Library made principal payments of \$554,405 on its outstanding lease liability. As of June 30, 2023 the total lease liability was \$280,519. The obligation for other post-employment benefits at June 30, 2023 was \$4,814,037. This represents an increase of \$276,535 from the previous year.

Currently Known Conditions:

The anticipated tax revenues for the 2023-2024 fiscal year will be \$7,358,030. This represents an increase of 4.6% from the 2022-2023 fiscal year.

OCEANSIDE LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2023

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Net Position
Assets:						
Cash and cash equivalents						
Checking	\$ 2,958,015	\$ 189,932	\$	\$ 3,147,947	\$	\$ 3,147,947
Money market/savings	1,002,995					
Petty cash	700			700		700
Total cash and cash equivalents	<u>3,961,710</u>	<u>189,932</u>	<u>0</u>	<u>4,151,642</u>	<u>0</u>	<u>4,151,642</u>
Prepaid insurance		38,867		38,867		38,867
Prepaid rent		91,667		91,667		91,667
Rent security deposit	91,667			91,667		91,667
Funds held in custody		20,700,199	954,095	21,654,294		21,654,294
Internal receivables	667,765			667,765	(667,765)	
Right to use assets, net of amortization (note 5)					280,519	280,519
Capital assets, net of depreciation (note 4)					18,821,924	18,821,924
Total Assets	<u>4,721,142</u>	<u>21,020,665</u>	<u>954,095</u>	<u>26,695,902</u>	<u>18,434,678</u>	<u>45,130,580</u>
Deferred Outflows Of Resources:						
Deferred outflows on other post-employment benefits					928,076	928,076
Deferred outflows on pension					1,181,690	1,181,690
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,109,766</u>	<u>2,109,766</u>
Total Assets And Deferred Outflows Of Resources	<u>\$ 4,721,142</u>	<u>\$ 21,020,665</u>	<u>\$ 954,095</u>	<u>\$ 26,695,902</u>	<u>\$ 20,544,444</u>	<u>\$ 47,240,346</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, 2023**

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Net Position
Liabilities:						
Accounts payable	\$ 41,238	\$ 1,521,697	\$	\$ 1,562,935	\$	\$ 1,562,935
Accrued payroll and related items	77,461			77,461		77,461
Accrued NYS retirement	84,580			84,580		84,580
Accrued interest on bonds payable					634,900	634,900
Grant funds received in advance	4,930			4,930		4,930
Internal payables					(667,765)	
Non-current liabilities:		667,765		667,765		
Compensated absences payable					88,261	88,261
Net pension liability					1,470,649	1,470,649
Obligation for other post-employment benefits					4,814,037	4,814,037
Lease liability (note 10)					280,519	280,519
Net unamortized bond premium (note 9)					3,432,131	3,432,131
Bonds payable (note 8)					30,715,000	30,715,000
Total Liabilities	208,209	2,189,462	0	2,397,671	40,767,732	43,165,403
Deferred Inflows of Resources:						
Deferred inflows on other post-employment benefits					1,256,661	1,256,661
Deferred inflows on pension					57,835	57,835
Total Deferred Inflows of Resources	0	0	0	0	1,314,496	1,314,496

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

OCEANSIDE LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2023

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Net Position
Fund Balance/Net Position:						
Nonspendable (deposit & prepaid amounts)	\$ 91,667	\$ 130,534	\$	\$ 222,201	\$ (222,201)	\$
Restricted for construction		18,091,014		18,091,014	(18,091,014)	
Restricted for debt service		609,655	954,095	1,563,750	(1,563,750)	
Assigned for specific purposes (note 12)	1,002,995			1,002,995	(1,002,995)	
Unassigned	3,418,271			3,418,271	(3,418,271)	
Total Fund Balance	4,512,933	18,831,203	954,095	24,298,231	(24,298,231)	
Total Liabilities, Deferred Inflows Of Resources And Fund Balance	\$ 4,721,142	\$ 21,020,665	\$ 954,095	\$ 26,695,902		
Net Position:						
Net investment in capital assets					(11,893,076)	(11,893,076)
Restricted for construction					18,091,014	18,091,014
Restricted for debt service					1,563,750	1,563,750
Unrestricted					(5,001,241)	(5,001,241)
Total Net Position				\$	\$ 2,760,447	\$ 2,760,447

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, 2023**

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Activities
Revenues:						
Tax revenues	\$ 7,035,969	\$	\$	\$ 7,035,969	\$	\$ 7,035,969
State Aid and other grants	19,099			19,099		19,099
Fines, fees and material reimbursements	1,062			1,062		1,062
Investment income	32,941	859,163	29,498	921,602		921,602
E-rate reimbursement	3,517			3,517		3,517
Gifts and donations	1,000			1,000		1,000
Miscellaneous	32			32		32
Total Revenues	\$ 7,093,620	\$ 859,163	\$ 29,498	\$ 7,982,281	\$ 0	\$ 7,982,281

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, 2023**

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Activities
Expenditures/Expenses For						
Library Services:						
Salaries and wages	\$ 2,717,641	\$	\$	\$ 2,717,641	\$ (7,971)	\$ 2,709,670
Employee benefits	1,415,663			1,415,663	620,872	2,036,535
Library services	454,229			454,229		454,229
Administrative operations	272,486			272,486		272,486
Building operations	161,970			161,970		161,970
Capital outlay	17,820	11,757,939		11,775,759	(11,775,759)	
Depreciation					178,697	178,697
Amortization					554,405	554,405
Debt service:						
Principal - leases	8,224	546,181		554,405	(554,405)	
Interest	1,051,240	3,819		1,055,059	60,168	1,115,227
Bond and administrative fees	19,751			19,751		19,751
Total Expenditures/Expenses	\$ 6,119,024	\$ 12,307,939	\$ 0	\$ 18,426,963	\$ (10,923,993)	\$ 7,502,970

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, 2023**

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Activities
Excess (Deficiency) Of Revenues Over Expenditures	\$ 974,596	\$ (11,448,776)	\$ 29,498	\$ (10,444,682)	\$ 10,923,993	\$
Other Financing Sources/Uses:						
Transfers- internal activities	(924,597)		924,597			
Total Other Financing Sources	<u>(924,597)</u>	<u>0</u>	<u>924,597</u>	<u>0</u>	<u>0</u>	
Excess (Deficiency) Of Revenues And Transfers In Over Expenditures	49,999	(11,448,776)	954,095	(10,444,682)	10,444,682	
Change In Net Position					479,311	479,311
Fund balance/net position- beginning of year	4,462,934	30,279,979	0	34,742,913	(32,461,777)	2,281,136
Fund Balance/Net Position- End Of The Year	<u>\$ 4,512,933</u>	<u>\$ 18,831,203</u>	<u>\$ 954,095</u>	<u>\$ 24,298,231</u>	<u>\$ (21,537,784)</u>	<u>\$ 2,760,447</u>

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

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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.

Capital Fund: This fund is established to account for resources devoted to the construction and renovation of the Library.

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, 2023

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, 2023

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. Right to Use Assets:** The Library has recorded right to use lease assets as a result of implementing GASB No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized over the terms of the related leases and at the same rate as the lease payment schedule.
- K. 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 & vehicles	5 years

NOTE 2: Concentration of Credit Risk

The Library maintains its cash balances at two banks. At year end, the Library's carrying amount of deposits was \$4,150,942 (excludes petty cash and funds held in custody) and the bank balance was \$4,162,129. Of the bank balance, \$500,000 was covered by Federal Depository Insurance. The remaining balance of \$3,662,129 was covered by collateral held by the Library's agent.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3: 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.”

NOTE 4: Capital Assets

A summary of changes in general fixed assets for the year ending June 30, 2023 is as follows:

	Balance as of 7/1/2022	Additions	Deletions and Adjustments	Balance as of 6/30/2023
Assets not being depreciated:				
Land	\$ 1,067,691	\$ 0	\$ 0	\$ 1,067,691
Construction in progress	3,527,920	11,757,939	0	15,285,859
Other capital assets:				
Building and improvements	5,854,452	0	0	5,854,452
Furniture and fixtures	555,852	0	0	555,852
Equipment	224,598	17,820	(38,072)	204,346
Vehicles	59,385	0	0	59,385
Total	11,289,898	11,775,759	(38,072)	23,027,585
Accumulated depreciation	(4,065,036)	(178,697)	38,072	(4,205,661)
Net Book Value	\$ 7,224,862	\$ 11,597,062	\$ 0	\$ 18,821,924

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5: Right to Use Leased Assets

The Library has recorded three right to use leased assets. The leases are for temporary library space, copier equipment and a postage machine. The right to use assets are amortized over the terms of the related leases and at the same rate as the lease payment schedules.

The following is a summary of the right to use assets activity for the year ended June 30, 2023:

	Balance as of 7/1/2022	Increases	Decreases	Balance as of 6/30/2023
Right to use assets:				
Leased library space	\$ 1,636,028	\$ 0	\$ 0	\$ 1,636,028
Leased copier equipment	46,446	0	(46,446)	0
Leased postage machine	8,719	0	0	8,719
Total right to use assets	<u>1,691,193</u>	<u>0</u>	<u>(46,446)</u>	<u>1,644,747</u>
Less accumulated amortization for:				
Leased library space	(815,485)	(546,181)	0	(1,361,666)
Leased copier equipment	(39,942)	(6,504)	46,446	0
Leased postage machine	(842)	(1,720)	0	(2,562)
Total accumulated amortization	<u>(856,269)</u>	<u>(554,405)</u>	<u>46,446</u>	<u>(1,364,228)</u>
Right to use assets, net	<u>\$ 834,924</u>	<u>\$ (554,405)</u>	<u>\$ 0</u>	<u>\$ 280,519</u>

NOTE 6: Accounts Payable

Accounts payable consisted of unpaid invoices at June 30, 2023.

NOTE 7: Compensated Absences Payable

The Library has an accumulated liability as of June 30, 2023 for unused sick, vacation and compensatory time due to its employees in the amount of \$88,261. This is a decrease of \$8,581 from the June 30, 2022 balance of \$96,842. The Library does not expect to pay any of this liability within one year.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8: Bonds Payable

In February 2022, the Library authorized the issuance of \$30,715,000 of new revenue bonds (series 2022) by the Dormitory Authority of the State of New York (“DASNY”). The proceeds from this issuance were partially used to refund the remaining payable on the series 2005 revenue bonds. The remaining bond proceeds will be used to finance the Library’s “Vision 2020” construction project. The interest rates on the new series 2022 revenue bonds range from 4% to 5% over their term. The bonds remain payable until July 1, 2052.

As of June 30, 2023, the Library’s liability for bonds payable is \$30,715,000. Future payments are as follows:

<u>Year Ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 315,000	\$ 1,263,500	\$ 1,578,500
2025	735,000	1,242,500	1,977,500
2026	770,000	1,212,400	1,982,400
2027	585,000	1,185,300	1,770,300
2028	605,000	1,158,475	1,763,475
2029-2033	3,515,000	5,294,625	8,809,625
2034-3038	4,400,000	4,412,000	8,812,000
3039-2043	5,355,000	3,438,900	8,793,900
2044-2048	6,515,000	2,255,700	8,770,700
2049-2052	7,920,000	816,600	8,736,600
Total	<u>\$ 30,715,000</u>	<u>\$ 22,280,000</u>	<u>\$ 52,995,000</u>

As part of the agreement with the DASNY, certain funds are required to be held in trust at US Bank as Trustee. Expenditures from these funds can only be made by the trustee with the approval of the Dormitory Authority. At June 30, 2023, the following are the fair market values of the funds being held in trust:

<u>Account Name</u>	<u>Cash</u>	<u>U.S. Government Obligations</u>	<u>Total Funds Held</u>
US Bank - Cost of issuance account	\$ 6,916	\$ 0	\$ 6,916
US Bank - Debt service account	954,095	0	954,095
US Bank - Construction account	2,892	20,690,391	20,693,283
Total funds held in custody	<u>\$ 963,903</u>	<u>\$ 20,690,391</u>	<u>\$ 21,654,294</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9: Net Unamortized Bond Premium

In February 2022, when the Library closed on the issuance of the serial bonds mentioned in note 8 above, it received an original issue premium of \$3,594,050 and paid bond issuance costs of \$507,129. Since the Library has adopted Governmental Accounting Standards Board Statement No. 63 and 65, the bond issuance costs were all immediately recognized as an expense in the Capital Fund. The bond premium is being amortized over the bond term of thirty years. The remaining unamortized bond premium as of June 30, 2023 is \$3,432,131.

NOTE 10: Lease Liability

The Library has entered into multiple lease agreements. The agreements qualify as other than short-term leases under GASB No. 87 and, therefore, have been recorded at the present value of the future minimum payments as of the date of inception.

The agreement for the office space was executed on March 1, 2021 and requires 12 quarterly payments of \$137,500. The lease liability is measured at a discount rate of 0.62%, which is the Applicable Federal Rate. As a result of the lease, the Library has recorded a right to use asset with a net book value of \$274,362 at June 30, 2023.

The agreement for the postage machine was executed on August 26, 2021 and requires 20 quarterly payments of \$448. The lease liability is measured at a discount rate of 1.00%, which is the Applicable Federal Rate. As a result of the lease, the Library has recorded a right to use asset with a net book value of \$6,157 at June 30, 2023.

The future minimum lease obligations and the present value of these minimum lease payments as of June 30, 2023, are as follows:

<u>Year Ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 276,099	\$ 693	\$ 276,792
2025	1,755	38	1,793
2026	1,772	21	1,793
2027	893	3	896
Total	<u>\$ 280,519</u>	<u>\$ 755</u>	<u>\$ 281,274</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Long Term Debt

The following is a summary of changes in long-term debt for the period ended June 30, 2023:

	Balance			Balance			Non-current liabilities	
	7/1/2022	Increases	Reductions	6/30/2023	Due within one year	Due after one year		
Compensated absences	\$ 96,842	\$ 0	\$ 8,581	\$ 88,261	\$ 0	\$ 88,261		
Net pension liability	0	1,470,649	0	1,470,649	0	1,470,649		
Revenue bonds-series 2022	30,715,000	0	0	30,715,000	315,000	30,400,000		
Lease liability	834,924	0	554,405	280,519	276,099	4,420		
Other post-employment benefits payable	4,537,502	276,535	0	4,814,037	0	4,814,037		
Total	\$ 36,184,268	\$ 1,747,184	\$ 562,986	\$ 37,368,466	\$ 591,099	\$ 36,777,367		

NOTE 12: Funds Assigned for Specific Purposes

A summary of changes in assigned funds for the year ending June 30, 2023 is as follows:

Funds Assigned For:	Balance as of 7/1/2022	Funds Assigned (Unassigned)	Funds Expended	Balance as of 6/30/2023
Special project fund	\$ 5,096	\$ 64	\$ 0	\$ 5,160
Unemployment	14,770	185	0	14,955
Other post-employment benefits	419,465	36,197	0	455,662
Sick and vacation payouts	87,661	47,954	(113,593)	22,022
Emergency building fund	358,311	(74,660)	0	283,651
Technology and projects	218,792	2,753	0	221,545
Total	\$ 1,104,095	\$ 12,493	\$ (113,593)	\$ 1,002,995

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13: 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 2022, he was elected for a new term commencing January 1, 2023. 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 Life Insurance plan (GLIP), 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. Separately issued financial statements for the System can be accessed on the Comptroller's website.

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.

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13: Retirement Plan: (Continued)

B. Benefits Provided: (Continued)

Tiers 1 and 2 (Continued)

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 5 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.

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 5 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's compensation used in the final average salary calculation is limited to no more than 10 percent greater than 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 five 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.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: Retirement Plan: (Continued)

B. Benefits Provided: (Continued)

Tier 6 (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 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 five 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 of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous four years.

Disability Retirement Benefits

Disability retirement benefits are available to System members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan.

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 retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, 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.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: Retirement Plan: (Continued)

B. Benefits Provided: (Continued)

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 \$277,675, for the 2022 fiscal year it was \$366,734, and for the 2021 fiscal year it was \$301,276.

D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources and

Deferred Inflow of Resources Related to Pensions: At June 30, 2023, the Library reported a liability of \$1,470,649 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total 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, 2023, the Library's proportion was 0.0068581 percent, which was an increase of .0001121 percent from its proportion measured at June 30, 2022.

For the year ended June 30, 2023, the Library recognized pension expense of \$633,001.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: Retirement Plan: (Continued)

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

At June 30, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 156,636	\$ 41,301
Changes in assumptions	714,242	7,894
Net difference between projected and actual earnings on pension plan investments	0	8,640
Changes in proportion and differences between employer contributions and proportionate share of contributions	226,232	0
Library's contributions subsequent to the measurement date	84,580	0
Total	\$ 1,181,690	\$ 57,835

\$84,580 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount Recognized
2024	\$ 290,487
2025	(7,596)
2026	344,769
2027	411,615
2028	0
Total	\$ 1,039,275

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: Retirement Plan (Continued)

E. Actuarial Assumptions: The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.90%
Salary increases	4.40%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.50%

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-2021. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension liability.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

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%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic portfolio	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	1.00%	0.00%
Total	<u>100.00%</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%

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

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption – The following presents the current-period net pension liability (asset) of the Library, calculated using the current-period discount rate assumption of 5.9 percent, as well as what the net pension liability (asset) 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 assumption:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Library's proportionate share of the net pension liability (asset) \$	3,553,929	\$ 1,470,649	\$ (270,173)

Pension plan fiduciary net position – The components of the current year net pension liability (asset) of the New York State and Local Retirement System as of March 31, 2023, in thousands of dollars was as follows:

	Total
Employers' total pension liability	\$ 232,627,259
Plan net position	(211,183,223)
Employers' net pension liability	\$ 21,444,036
Ratio of plan net position to the Employers' total pension liability	90.78%

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14: 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, 2023, the Library recognized the cost of providing health insurance by recording its share of retiree insurance premiums of \$170,743 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 \$61,733. The retiree’s share of premiums for health insurance is withheld from their monthly NYS retirement pension payment.

As of July 1, 2021, the following employees were covered by the benefit terms:

Active employees	27
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	17
Total	44

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14: Post-employment Benefits Other Than Pensions (Continued)

C. Total Other Post-Employment Benefit (OPEB) Liability: The Library's total OPEB liability of \$4,814,037 was updated through June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

D. Actuarial Assumptions and Other Inputs:

Inflation Rate	2.00%
Annual Payroll Increase	2.50%
Discount Rate	3.65%
2021 Medical Trend Rates (Pre-65/Post-65)	7.00% / 5.00%
2022 Medical Trend Rates (Pre-65/Post-65)	6.50% / 5.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Trend Year Reached (Pre-65/Post-65)	2025/2021

The discount rate was based on the *Bond Buyer's 20 Bond Index* as of June 30, 2023.

Mortality rates were based on the Society of Actuaries' RPH-2014 Total Dataset head count-weighted fully generational mortality table with projection scale MP-2021.

E. Changes in The Total OPEB Liability:

Balance at June 30, 2022	\$ <u>4,537,503</u>
Changes for the year:	
Service cost	337,206
Interest	169,728
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	(68,745)
Benefit payments	<u>(161,655)</u>
Net changes	<u>276,534</u>
Balance at June 30, 2023	\$ <u><u>4,814,037</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 3.54% at June 30, 2022 and was 3.65% at June 30, 2023.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14: 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 (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 5,495,989	\$ 4,814,037	\$ 4,250,325

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 (5.00% decreasing to 4.00%) or 1 percentage point higher (7.00% decreasing to 6.00%) than the current healthcare cost trend rate:

	1% Decrease (5.00% Decreasing to 4.00%)	Healthcare Cost Trend Rate (6.00% Decreasing to 5.00%)	1% Increase (7.00% Decreasing to 6.00%)
Total OPEB Liability	\$ 4,052,272	\$ 4,814,037	\$ 5,793,369

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of

resources Related to OPEB: For the year ending June 30, 2023, the Library recognized OPEB expense of \$446,208. At June 30, 2023, 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	\$ 601,321	\$ 410,577
Changes in assumptions	326,755	846,084
Total	\$ 928,076	\$ 1,256,661

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14: 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>
2024	\$ (57,397)
2025	(44,904)
2026	(68,152)
2027	(68,152)
2028	(33,237)
Thereafter	<u>(56,743)</u>
Total	<u>\$ (328,585)</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15: 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	\$24,298,231
Amounts reported in the statement of net position are different because:	
• Capital assets are not reported in the funds	18,821,924
• Right to use assets are not financial resources, and are not reported in the funds	280,519
• Deferred outflow on post-employment health insurance is not reported in the funds	928,076
• Deferred outflow on pension is not reported in the funds	1,181,690
• Interest expense on the bond liability is not accrued in the funds	(634,900)
• Deferred inflow on other post-employment benefits are not reported in the funds	(1,256,661)
• Deferred inflow on pension is not reported in the funds	(57,835)
• Compensated absences are not included as a liability in the funds	(88,261)
• Net pension liabilities are not financial resources, and are not reported in the funds	(1,470,649)
• Lease liability payments due in future periods are not reported in the funds	(280,519)
• Obligation for other post-employment health insurance, to be paid in future periods is not reported in the funds	(4,814,037)
• Net bond premium to be recognized in future periods is not reported in the funds	(3,432,131)
• Bonds payable in future periods are not reported in the funds	<u>(30,715,000)</u>
Total Net Position - Full Accrual Basis	<u>\$ 2,760,447</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements (Continued)

Net Change in Fund Balance - Modified Accrual Basis	\$(10,444,682)
Amounts reported in the statement of activities are different because:	
<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> Capital outlay Depreciation expense Amortization expense 	11,775,759 (178,697) (554,405)
(Increase)/decrease in the items reported as expenditures in the statements of activities, not in the fund statements:	
<ul style="list-style-type: none"> • Repayment of long-term debt is not an expense in the statement of activities, rather a reduction of the liability: <ul style="list-style-type: none"> Compensated absences Post-employment health costs Net pension expenses Interest accrued on bonds payable Amortization of bond premium 	8,581 (284,553) (336,929) (222,087) 161,919
Principal paid on lease liability	<u>554,405</u>
Change in Net Position - Full Accrual Basis	<u>\$ 479,311</u>

OCEANSIDE LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Tax revenues	\$ 7,035,969	\$ 7,035,969	\$ 7,035,969	\$ 0
State Aid and other grants	10,000	10,000	19,099	9,099
Other Revenue:				
Fines and fees			148	
Lost material reimbursements			914	
Interest			32,941	
E-rate reimbursement			3,517	
Gifts and donations			1,000	
Miscellaneous			32	
Total Other Revenue	<u>20,000</u>	<u>20,000</u>	<u>38,552</u>	<u>18,552</u>
Transfer From Prior Year Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 7,065,969</u>	<u>\$ 7,065,969</u>	<u>\$ 7,093,620</u>	<u>\$ 27,651</u>
Expenditures:				
Salaries and Wages:				
Professional	\$ 1,460,000	\$ 1,460,000	\$ 1,262,071	\$ 197,929
Clerical	695,900	695,900	965,956	(270,056)
Custodial	310,000	310,000	329,592	(19,592)
Pages	158,000	158,000	160,022	(2,022)
Total Salaries and wages	<u>2,623,900</u>	<u>2,623,900</u>	<u>2,717,641</u>	<u>(93,741)</u>
Employee Benefits:				
Hospital and medical insurance	885,000	885,000	869,830	15,170
Retirement	275,000	275,000	296,073	(21,073)
Social Security	202,000	202,000	202,548	(548)
Workers' compensation	40,000	40,000	23,968	16,032
Life insurance and disability	20,000	20,000	23,244	(3,244)
Total Employee Benefits	<u>\$ 1,422,000</u>	<u>\$ 1,422,000</u>	<u>\$ 1,415,663</u>	<u>\$ 6,337</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Library Services:				
Books	\$ 217,000	\$ 217,000	\$ 107,091	\$ 109,909
Media	53,000	53,000	54,217	(1,217)
Community information and programs	123,500	123,500	125,491	(1,991)
Databases (electronic searching)	41,402	41,402	43,987	(2,585)
Library automation system	60,146	60,146	64,294	(4,148)
Library System support	30,717	30,717	28,472	2,245
Periodicals	22,000	22,000	5,787	16,213
Software and online services	10,000	10,000	24,890	(14,890)
Total Library Services	<u>557,765</u>	<u>557,765</u>	<u>454,229</u>	<u>103,536</u>
Administrative Operations:				
Office and library supplies	38,000	38,000	50,654	(12,654)
Telephone	12,000	12,000	28,188	(16,188)
Printing and postage	30,000	30,000	33,779	(3,779)
Professional fees/contracts	50,000	50,000	79,034	(29,034)
Professional dues/development	26,000	26,000	17,000	9,000
Office equipment contracts and maintenance	72,500	72,500	63,831	8,669
Total Administrative Operations	<u>228,500</u>	<u>228,500</u>	<u>272,486</u>	<u>(43,986)</u>
Building Operations:				
Utilities	105,000	105,000	85,130	19,870
Insurance	50,000	50,000	26,316	23,684
Building service contracts	33,500	33,500	15,507	17,993
Repair to building equipment and grounds	30,000	30,000	23,814	6,186
Custodial supplies	20,000	20,000	11,203	8,797
Total Building Operations	<u>\$ 238,500</u>	<u>\$ 238,500</u>	<u>\$ 161,970</u>	<u>\$ 76,530</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, 2023

	<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)	\$ 114,902	\$ 114,902	\$ 0	\$ 114,902
Furniture and equipment	<u>2,000</u>	<u>2,000</u>	<u>17,820</u>	<u>(15,820)</u>
Total Capital Outlay	<u>116,902</u>	<u>116,902</u>	<u>17,820</u>	<u>99,082</u>
Debt Service:				
Principal - office equipment leases			8,224	
Interest - bond			1,051,112	
Interest - office equipment leases			128	
Bond and administrative fees			<u>19,751</u>	
Total Debt Service	<u>2,001,012</u>	<u>2,001,012</u>	<u>1,079,215</u>	<u>921,797</u>
Total Expenditures	<u>7,188,579</u>	<u>7,188,579</u>	<u>6,119,024</u>	<u>1,069,555</u>
Excess Of Revenues Over Expenditures	(122,610)	(122,610)	974,596	1,097,206
Other Financing Sources (Uses):				
Transfer from Capital Fund	122,610	122,610	0	(122,610)
Transfer to Debt Service Fund	<u>0</u>	<u>0</u>	<u>(924,597)</u>	<u>(924,597)</u>
Total Other Financing Sources	<u>122,610</u>	<u>122,610</u>	<u>(924,597)</u>	<u>(1,047,207)</u>
Excess Of Revenues And Other Financing Sources Over Expenditures	0	0	49,999	49,999
Budgetary fund balance- beginning of year	<u>4,462,934</u>	<u>4,462,934</u>	<u>4,462,934</u>	<u>4,462,934</u>
Budgetary Fund Balance- End Of Year	<u>\$ 4,462,934</u>	<u>\$ 4,462,934</u>	<u>\$ 4,512,933</u>	<u>\$ 4,512,933</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 2023 FISCAL YEAR**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability (asset)	0.00686%	0.00675%	0.00566%	0.00513%	0.00415%	0.00473%	0.00450%	0.00472%	0.00455%
Library's proportionate share of the net pension liability (asset)	\$ 1,470,649	\$ (551,458)	\$ 5,632	\$ 1,357,774	\$ 293,891	\$ 152,505	\$ 423,219	\$ 757,840	\$ 153,690
Library's covered-employee payroll	\$ 2,415,177	\$ 2,261,938	\$ 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	60.89%	(24.38%)	0.27%	71.53%	14.88%	7.64%	22.21%	43.38%	8.87%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	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 2023 FISCAL YEAR**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 277,675	\$ 366,734	\$ 301,276	\$ 276,863	\$ 295,364	\$ 305,864	\$ 293,887	\$ 313,213	\$ 370,364
Contributions in relation to the contractually required contribution	<u>277,675</u>	<u>366,734</u>	<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>	<u>\$ 0</u>	<u>\$ 0</u>
Library's covered-employee payroll	\$ 2,415,177	\$ 2,261,938	\$ 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	11.50%	16.21%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 337,206	\$ 451,227	\$ 338,219	\$ 255,781	\$ 260,474	\$ 271,087
Interest	169,728	117,083	94,793	118,341	147,150	130,804
Changes of benefit terms	0	0	0	0	0	0
Differences between expected and actual experience	0	788,067	0	(198,511)	0	0
Changes in assumptions or other inputs	(68,745)	(1,008,046)	29,411	(104,488)	185,422	(133,892)
Benefit payments	<u>(161,655)</u>	<u>(164,064)</u>	<u>(119,863)</u>	<u>(135,910)</u>	<u>(117,749)</u>	<u>(100,092)</u>
Net Change in total OPEB liability	276,534	184,267	342,560	(64,787)	475,297	167,907
Total OPEB liability- beginning	<u>4,537,503</u>	<u>4,353,236</u>	<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>\$ 4,814,037</u>	<u>\$ 4,537,503</u>	<u>\$ 4,353,236</u>	<u>\$ 4,010,676</u>	<u>\$ 4,075,463</u>	<u>\$ 3,600,166</u>
Covered-employee payroll	\$ 1,994,472	\$ 1,945,826	\$ 1,720,534	\$ 1,678,570	\$ 1,671,003	\$ 1,638,238
Total OPEB liability as a % of covered-employee payroll	241.37%	233.19%	253.02%	238.93%	243.89%	219.76%

Notes to schedule:

Changes of benefit terms: None

Notes to schedule:

Assumption changes:

Discount rate

Mortality Improvement Scale

Pre-65 Trend Rate

3.65%	3.54%	2.16%	2.21%	3.50%	3.87%
MP-2021	MP-2021	MP-2019	MP-2019	MP-2016	MP-2016
6.5% down	7.0% down	7.0% down	7.5% down	8.5% down	9.0% down
to 5.0%	to 5.0%	to 4.5%	to 4.5%	to 5.0%	to 5.0%

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