

OCEANSIDE LIBRARY
FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION
JUNE 30, 2024

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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, 2024, 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, 2024, 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.

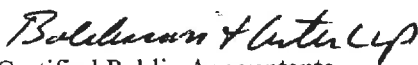
In performing an audit in accordance with generally accepted auditing standards, we:

- 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
December 13, 2024

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>2024</u>	<u>June 30,</u> <u>2023</u>	<u>Increase</u> <u>(Decrease)</u>
Assets:			
Current assets	\$ 12,144	\$ 26,027	\$ (13,883)
Right to use assets	37	281	(244)
Capital assets	<u>34,874</u>	<u>18,822</u>	<u>16,052</u>
Total Assets	<u>47,055</u>	<u>45,130</u>	<u>1,925</u>
Deferred Outflows of Resources	<u>1,751</u>	<u>2,110</u>	<u>(359)</u>
Liabilities:			
Long-term debt	38,501	40,801	(2,300)
Other liabilities	<u>2,798</u>	<u>2,364</u>	<u>434</u>
Total Liabilities	<u>41,299</u>	<u>43,165</u>	<u>(1,866)</u>
Deferred Inflows of Resources	<u>2,824</u>	<u>1,315</u>	<u>1,509</u>
Net Position:			
Net investment in capital assets	4,474	(11,893)	16,367
Restricted	4,265	18,831	(14,566)
Unrestricted	<u>(4,056)</u>	<u>(4,178)</u>	<u>122</u>
Total Net Position	<u>\$ 4,683</u>	<u>\$ 2,760</u>	<u>\$ 1,923</u>
Revenue:			
Tax revenues	\$ 8,022	\$ 7,036	\$ 986
State Aid and other grants	141	19	122
Other revenue	<u>882</u>	<u>927</u>	<u>(45)</u>
Total Revenue	9,045	7,982	1,063
Expenses - Library Services	<u>7,122</u>	<u>7,503</u>	<u>(381)</u>
Change in net position	1,923	479	1,444
Net position- beginning of year	<u>2,760</u>	<u>2,281</u>	<u>479</u>
Net Position - End of Year	<u>\$ 4,683</u>	<u>\$ 2,760</u>	<u>\$ 1,923</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The Library as A Whole

- The Library's net position increased by \$1,922,172 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 and tax related revenue, which totaled \$8,021,574 for the year ending June 30, 2024. In the prior year, revenue from property taxes were \$7,035,969.
- Salaries and employee benefits continue to be a significant expense of the Library, representing 61 percent of the Library's total expenses (as per the Statement of Activities). In the prior year, salaries and employee benefits represented 63 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 \$4,512,933 to \$5,710,269. The fund balance of the Capital Fund decreased by \$15,931,871. The fund balance of the Debt Service Fund increased from \$954,095 to \$1,365,462. 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 LIPA direct tax assessments had a favorable variance of \$357,314. The Library attributes all of this variance to the collection of "Direct Tax Assessment Payments" received from LIPA to settle an outstanding lawsuit.
- The budget line for State aid and other grants had a favorable budget variance of \$25,053. In addition to the annual State Aid that the Library typically receives, the Library received \$18,000 in Bullet Aid 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- The salaries and wages budget section was only underspent by \$75,706 or 2.9%. The Library attributes this to having budgeted for additional staff hours in its new, renovated space. However, due to project delays, additional hours were not required.
- The New York State retirement budget line was overspent by \$35,158. 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 lines for workers' compensation as well as for life and disability insurance were both underspent. The Library budgeted for these expenses based upon expenditures made in prior years. Fortunately, costs were lower than anticipated.
- The budget lines for books as well as for community information and programs were both underspent. 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 materials processing & RFID was underspent because many of these costs were able to be included as part of the construction project and were paid from the Capital Fund.
- The budget line for software and online services was underspent because fewer purchases were required than anticipated.
- The building operations budget section was underspent by \$91,403. The Library had budgeted for this section assuming that it would be in its new larger space.
- The budget line for building improvements was underspent by \$100,000. 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 unfavorable variance in the budget line for right to use assets, and the favorable variance in the budget line for other financing sources, are directly related. Due to the issuance of Governmental Accounting Standard No. 87, once the Library signed a lease for its computer equipment, it is required to reflect the present value of future minimum payments as a right to use asset. The funding provided by the leasing company is considered an other financing source.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Capital Assets:

During the fiscal year ending June 30, 2024, the Library purchased \$16,236,282 of fixed assets and \$50,936 of right to use assets. The majority of the expenditures (\$16,196,087) were related to the Vision 2020 construction project. The remaining purchases were for computers and other 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 liability at June 30, 2024 was \$1,027,500. This represents a decrease of \$443,149 from the previous year. During the fiscal year ending June 30, 2024 the Library made its annual principal payment on the bonds payable of \$315,000, this reduced the liability at June 30, 2024 to \$30,400,000. Interest, which is paid two times per year, totaled \$1,263,500. The liability for compensated absences at June 30, 2024 was \$123,676. This represents an increase of \$35,415 from the previous year. Although the Library entered into a new lease for copier equipment, it also made principal payments of \$294,086 on its outstanding lease liability. As of June 30, 2024 the total lease liability was \$37,369. The obligation for other post-employment benefits at June 30, 2024 was \$3,675,758. This represents a decrease of \$1,138,279 from the previous year.

Currently Known Conditions:

The anticipated tax revenues for the 2024-2025 fiscal year will be \$7,607,143. This represents an increase of 3.4% from the 2023-2024 fiscal year.

OCEANSIDE LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2024

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Net Position
Assets:						
Cash and cash equivalents						
Checking	\$ 3,421,656	\$ 67,117	\$	\$ 3,488,773	\$	\$ 3,488,773
Money market/savings	1,441,232			1,441,232		1,441,232
Petty cash	700			700		700
Total cash and cash equivalents	4,863,588	67,117	0	4,930,705	0	4,930,705
Prepaid insurance		1,839		1,839		1,839
Prepaid rent		97,500		97,500		97,500
Rent security deposit	91,667			91,667		91,667
Funds held in custody		5,656,930	1,365,462	7,022,392		7,022,392
Internal receivables	961,950			961,950	(961,950)	
Right to use assets, net of amortization (note 5)					37,369	37,369
Capital assets, net of depreciation (note 4)					34,873,568	34,873,568
Total Assets	5,917,205	5,823,386	1,365,462	13,106,053	33,948,987	47,055,040
Deferred Outflows Of Resources:						
Deferred outflows on other post-employment benefits					740,776	740,776
Deferred outflows on pension					1,010,247	1,010,247
Total Deferred Outflows of Resources	0	0	0	0	1,751,023	1,751,023
Total Assets And Deferred Outflows Of Resources	\$ 5,917,205	\$ 5,823,386	\$ 1,365,462	\$ 13,106,053	\$ 35,700,010	\$ 48,806,063

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

OCEANSIDE LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2024

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Net Position
Liabilities:						
Accounts payable	\$ 33,482	\$ 1,918,740	\$	\$ 1,952,222	\$	1,952,222
Accrued payroll and related items	71,050			71,050		71,050
Accrued NYS retirement	102,404			102,404		102,404
Accrued interest on bonds payable					628,600	628,600
Grant funds received in advance		43,364		43,364		43,364
Internal payables		961,950		961,950	(961,950)	
Non-current liabilities:						
Compensated absences payable					123,676	123,676
Net pension liability					1,027,500	1,027,500
Obligation for other post-employment benefits					3,675,758	3,675,758
Lease liability (note 10)					37,369	37,369
Net unamortized bond premium (note 9)					3,237,494	3,237,494
Bonds payable (note 8)					30,400,000	30,400,000
Total Liabilities	<u>206,936</u>	<u>2,924,054</u>	<u>0</u>	<u>3,130,990</u>	<u>38,168,447</u>	<u>41,299,437</u>
Deferred Inflows of Resources:						
Deferred inflows on other post-employment benefits					2,294,062	2,294,062
Deferred inflows on pension					529,945	529,945
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,824,007</u>	<u>\$ 2,824,007</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, 2024**

		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	\$	\$	91,667	\$ (91,667)	\$
Restricted for construction			1,588,652		1,588,652	(1,588,652)	
Restricted for debt service			1,310,680	1,365,462	2,676,142	(2,676,142)	
Assigned for specific purposes (note 12)		1,441,232			1,441,232	(1,441,232)	
Unassigned		4,177,370			4,177,370	(4,177,370)	
Total Fund Balance		<u>5,710,269</u>	<u>2,899,332</u>	<u>1,365,462</u>	<u>9,975,063</u>	<u>(9,975,063)</u>	
Total Liabilities, Deferred Inflows Of Resources And Fund Balance	\$	<u>5,917,205</u>	<u>5,823,386</u>	\$ <u>1,365,462</u>	<u>\$ 13,106,053</u>		
Net Position:							
Net investment in capital assets						4,473,568	4,473,568
Restricted for construction						1,588,652	1,588,652
Restricted for debt service						2,676,142	2,676,142
Unrestricted						<u>(4,055,743)</u>	<u>(4,055,743)</u>
Total Net Position	\$					<u>4,682,619</u>	<u>\$ 4,682,619</u>

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, 2024

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Activities
Revenues:						
Taxes and tax related revenue	\$ 8,021,574	\$	\$	\$ 8,021,574	\$	8,021,574
State Aid and other grants	35,053	106,356		141,409		141,409
Fines, fees and material reimbursements	1,331			1,331		1,331
Investment income	113,777	719,527	41,287	874,591		874,591
E-rate reimbursement	3,517			3,517		3,517
Gifts and donations	1,723			1,723		1,723
Miscellaneous	548			548		548
Total Revenues	\$ 8,177,523	\$ 825,883	\$ 41,287	\$ 9,044,693	0	\$ 9,044,693

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, 2024

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Activities
Expenditures/Expenses For						
Library Services:						
Salaries and wages	\$ 2,507,067	\$	\$	\$ 2,507,067	\$ 32,898	\$ 2,539,965
Employee benefits	1,513,313			1,513,313	289,342	1,802,655
Library services	488,601			488,601		488,601
Administrative operations	287,757			287,757		287,757
Building operations	155,276	286,667		441,943		441,943
Capital outlay	91,131	16,196,087		16,287,218	(16,287,218)	
Depreciation					184,638	184,638
Amortization					294,086	294,086
Debt service:						
Principal - bond	315,000			315,000	(315,000)	
Principal - leases	19,724	274,362		294,086	(294,086)	
Interest	1,263,555	638		1,264,193	(200,936)	1,063,257
Bond and administrative fees	19,619			19,619		19,619
Total Expenditures/Expenses	\$ 6,661,043	\$ 16,757,754	\$ 0	\$ 23,418,797	\$ (16,296,276)	\$ 7,122,521

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, 2024**

	General Fund	Capital Fund	Debt Service Fund	Total	Adjustments (Note 15)	Statement of Activities
Excess (Deficiency) Of Revenues Over Expenditures	\$ 1,516,480	\$ (15,931,871)	\$ 41,287	\$ (14,374,104)	\$ 16,296,276	\$
Other Financing Sources/Uses:						
Lease proceeds	50,936			50,936	(50,936)	
Transfers- internal activities	(370,080)		370,080	0		
Total Other Financing Sources	(319,144)	0	370,080	50,936		
Excess (Deficiency) Of Revenues And Transfers In Over Expenditures	1,197,336	(15,931,871)	411,367	(14,323,168)	14,323,168	
Change In Net Position					1,973,108	1,922,172
Fund balance/net position- beginning of year	4,512,933	18,831,203	954,095	24,298,231	(21,537,784)	2,760,447
Fund Balance/Net Position- End Of The Year	\$ 5,710,269	\$ 2,899,332	\$ 1,365,462	\$ 9,975,063	\$ (5,190,572)	\$ 4,682,619

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

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024**

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, 2024

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, 2024

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 \$4,930,005 (excludes petty cash and funds held in custody) and the bank balance was \$4,990,755. Of the bank balance, \$500,000 was covered by Federal Depository Insurance. The remaining balance of \$4,490,755 was covered by collateral held by the Library’s agent.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024 is as follows:

	Balance as of 7/1/2023	Additions	Deletions and Adjustments	Balance as of 6/30/2024
Assets not being depreciated:				
Land	\$ 1,067,691	\$ 0	\$ 0	\$ 1,067,691
Construction in progress	15,285,859	16,196,087	0	31,481,946
Other capital assets:				
Building and improvements	5,854,452	0	0	5,854,452
Furniture and fixtures	555,852	0	0	555,852
Equipment	204,346	40,195	0	244,541
Vehicles	59,385	0	0	59,385
Total	23,027,585	16,236,282	0	39,263,867
Accumulated depreciation	(4,205,661)	(184,638)	0	(4,390,299)
Net Book Value	\$ <u>18,821,924</u>	\$ <u>16,051,644</u>	\$ <u>0</u>	\$ <u>34,873,568</u>

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5: Right to Use Leased Assets

The Library has recorded three right to use leased assets. The leases are for temporary library space, computer 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, 2024:

	Balance as of 7/1/2023	Increases	Decreases	Balance as of 6/30/2024
Right to use assets:				
Leased library space	\$ 1,636,028	\$ 0	\$ (1,636,028)	\$ 0
Leased computer equipment	0	50,936	0	50,936
Leased postage machine	8,719	0	0	8,719
Total right to use assets	<u>1,644,747</u>	<u>50,936</u>	<u>(1,636,028)</u>	<u>59,655</u>
Less accumulated amortization for:				
Leased library space	(1,361,666)	(274,362)	1,636,028	0
Leased computer equipment	0	(17,987)	0	(17,987)
Leased postage machine	(2,562)	(1,737)	0	(4,299)
Total accumulated amortization	<u>(1,364,228)</u>	<u>(294,086)</u>	<u>1,636,028</u>	<u>(22,286)</u>
Right to use assets, net	<u>\$ 280,519</u>	<u>\$ (243,150)</u>	<u>\$ 0</u>	<u>\$ 37,369</u>

NOTE 6: Accounts Payable

Accounts payable consisted of unpaid invoices at June 30, 2024.

NOTE 7: Compensated Absences Payable

The Library has an accumulated liability as of June 30, 2024 for unused sick, vacation and compensatory time due to its employees in the amount of \$123,676. This is an increase of \$35,415 from the June 30, 2023 balance of \$88,261. The Library expects to pay \$1,692 of this liability within one year.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, the Library’s liability for bonds payable is \$30,400,000. Future payments are as follows:

<u>Year Ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
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	635,000	1,127,475	1,762,475
2030-2034	3,690,000	5,118,550	8,808,550
2035-2039	4,580,000	4,232,400	8,812,400
2040-2044	5,570,000	3,220,400	8,790,400
2045-2049	6,775,000	1,989,900	8,764,900
2050-2052	6,455,000	529,100	6,984,100
Total	\$ <u>30,400,000</u>	\$ <u>21,016,500</u>	\$ <u>51,416,500</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, 2024, 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	1,365,462	0	1,365,462
US Bank - Construction account	3,693	5,646,321	5,650,014
Total funds held in custody	\$ <u>1,376,071</u>	\$ <u>5,646,321</u>	\$ <u>7,022,392</u>

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024 is \$3,237,494.

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 required 12 quarterly payments of \$137,500. The lease liability was 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 \$0 at June 30, 2024.

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 \$4,420 at June 30, 2024.

The agreement for computer equipment was executed on April 25, 2024 and requires 3 annual payments of \$17,987. The lease liability is measured at a discount rate of 5.90%, which is the lease stated rate. As a result of the lease, the Library has recorded a right to use asset with a net book value of \$32,949 at June 30, 2024.

The future minimum lease obligations and the present value of these minimum lease payments as of June 30, 2024, are as follows:

<u>Year Ended June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2025	\$ 17,744	\$ 2,035	\$ 19,779
2026	18,731	1,048	19,779
2027	894	3	897
Total	<u>\$ 37,369</u>	<u>\$ 3,086</u>	<u>\$ 40,455</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11: Long Term Debt

The following is a summary of changes in long-term debt for the period ended June 30, 2024:

	Balance			Non-current liabilities		
	7/1/2023	Increases	Reductions	6/30/2024	Due within one year	Due after one year
Compensated absences	\$ 88,261	\$ 35,415	\$ 0	\$ 123,676	\$ 1,692	\$ 121,984
Net pension liability	1,470,649	0	443,149	1,027,500	0	1,027,500
Revenue bonds-series 2022	30,715,000	0	315,000	30,400,000	735,000	29,665,000
Lease liability	280,519	50,936	294,086	37,369	17,744	19,625
Other post-employment benefits payable	4,814,037	0	1,138,279	3,675,758	0	3,675,758
Total	\$ 37,368,466	\$ 86,351	\$ 2,190,514	\$ 35,264,303	\$ 754,436	\$ 34,509,867

NOTE 12: Funds Assigned for Specific Purposes

A summary of changes in assigned funds for the year ending June 30, 2024 is as follows:

Funds Assigned For:	Balance as of 7/1/2023	Funds Assigned (Unassigned)	Funds Expended	Balance as of 6/30/2024
Special project fund	\$ 5,160	\$ 95	\$ 0	\$ 5,255
Unemployment	14,955	282	0	15,237
Other post-employment benefits	455,662	8,569	0	464,231
Sick and vacation payouts	22,022	38,327	0	60,349
Emergency building fund	283,651	5,334	0	288,985
Technology and projects	221,545	385,630	0	607,175
Total	\$ 1,002,995	\$ 438,237	\$ 0	\$ 1,441,232

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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, defined benefit pension plan. 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, 2024

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's compensation used in the final average salary calculation is limited to no more than 20 percent greater than 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, 4 and 5 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 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, 2024**

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, 2024

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 retiree 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:** Generally, Tier 3, 4, and 5 members must contribute 3 percent of their salary to the System. As a result of Article 19 of the RSSL, eligible tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3 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 \$338,320, for the 2023 fiscal year it was \$277,675, and for the 2022 fiscal year it was \$366,734.

- D. Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions:** At June 30, 2024, the Library reported a liability of \$1,027,500 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2024, 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, 2024, the Library's proportion was 0.0069784 percent, which was an increase of .0001203 percent from its proportion measured at June 30, 2023.

For the year ended June 30, 2024, the Library recognized pension expense of \$556,337.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, 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	\$ 330,957	\$ 28,017
Changes in assumptions	388,475	0
Net difference between projected and actual earnings on pension plan investments	0	501,928
Changes in proportion and differences between employer contributions and proportionate share of contributions	188,411	0
Library's contributions subsequent to the measurement date	<u>102,404</u>	<u>0</u>
Total	<u>\$ 1,010,247</u>	<u>\$ 529,945</u>

\$102,404 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, 2025. 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>
2025	\$ (104,443)
2026	254,562
2027	323,186
2028	(95,407)
2029	<u>0</u>
Total	<u>\$ 377,898</u>

OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13: Retirement Plan (Continued)

E. Actuarial Assumptions: The total pension liability at March 31, 2024 was determined by using a roll forward procedure to advance the liability calculated using System assumptions and member demographics from the actuarial valuation completed as of April 1, 2023. Economic assumptions used in the April 1, 2023 actuarial valuation include:

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%

To set the long-term expected rate of return on pension plan investments, consideration was given to a building-block method using best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) 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.

Demographic assumptions used in the April 1, 2023 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of Actuaries' Scale MP-2021.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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%	4.00%
International equity	15.00%	6.65%
Private equity	10.00%	7.25%
Real estate	9.00%	4.60%
Opportunistic portfolio	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	3.00%	5.79%
Fixed income	23.00%	1.50%
Cash	1.00%	0.25%
Total	<u>100.00%</u>	

The real rate of return is net of the long-term inflation assumption of 2.9%

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 (asset).

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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 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 (asset) liability	\$ 3,230,566	\$ 1,027,500	\$ (812,517)

Pension plan fiduciary net position – The components of the current year net pension liability of the New York State Employees’ Retirement System as of March 31, 2024, in thousands of dollars was as follows:

	Total
Employers' total pension liability	\$ 240,696,851
Plan net position	(225,972,801)
Employers' net pension liability	\$ <u>14,724,050</u>
Ratio of plan net position to the Employers' total pension liability	93.88%

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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, 2024, the Library recognized the cost of providing health insurance by recording its share of retiree insurance premiums of \$208,980 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 \$70,310. The retiree’s share of premiums for health insurance is withheld from their monthly NYS retirement pension payment.

As of July 1, 2023, 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	21
Total	48

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

C. Total Other Post-Employment Benefit (OPEB) Liability: The Library's total OPEB liability of \$3,675,758 was updated through June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

D. Actuarial Assumptions and Other Inputs:

Inflation Rate	2.00%
Annual Payroll Increase	2.50%
Discount Rate	3.93%
2023 Medical Trend Rates (Pre-65/Post-65)	8.00% / 5.00%
2024 Medical Trend Rates (Pre-65/Post-65)	7.50% / 5.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Trend Year Reached (Pre-65/Post-65)	2029/2023

The discount rate was based on the *Bond Buyer's 20 Bond Index* as of June 30, 2024.

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, 2023	\$ <u>4,814,037</u>
Changes for the year:	
Service cost	299,730
Interest	136,696
Changes in benefit terms	0
Differences between expected and actual experience	(1,316,422)
Changes in assumptions and other inputs	(121,839)
Benefit payments	<u>(136,444)</u>
Net changes	<u>(1,138,279)</u>
Balance at June 30, 2024	\$ <u><u>3,675,758</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 3.65% at June 30, 2023 and was 3.93% at June 30, 2024.

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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 (2.93%) or 1 percentage point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 4,202,879	\$ 3,675,758	\$ 3,242,416

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 (6.50% decreasing to 4.00%) or 1 percentage point higher (8.50% decreasing to 6.00%) than the current healthcare cost trend rate:

	1% Decrease (6.50% Decreasing to 4.00%)	Healthcare Cost Trend Rate (7.50% Decreasing to 5.00%)	1% Increase (8.50% Decreasing to 6.00%)
Total OPEB Liability	\$ 3,125,421	\$ 3,675,758	\$ 4,388,054

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to OPEB: For the year ending June 30, 2024, the Library recognized OPEB expense of \$222,866. At June 30, 2024, 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	\$ 507,948	\$ 1,483,186
Changes in assumptions	232,828	810,876
Total	\$ 740,776	\$ 2,294,062

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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>
2025	\$ (201,067)
2026	(224,315)
2027	(224,315)
2028	(189,400)
2029	(189,443)
Thereafter	<u>(524,746)</u>
Total	<u>\$ (1,553,286)</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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	\$ 9,975,063
Amounts reported in the statement of net position are different because:	
• Capital assets are not reported in the funds	34,873,568
• Right to use assets are not financial resources, and are not reported in the funds	37,369
• Deferred outflow on post-employment health insurance is not reported in the funds	740,776
• Deferred outflow on pension is not reported in the funds	1,010,247
• Interest expense on the bond liability is not accrued in the funds	(628,600)
• Deferred inflow on other post-employment benefits are not reported in the funds	(2,294,062)
• Deferred inflow on pension is not reported in the funds	(529,945)
• Compensated absences are not included as a liability in the funds	(123,676)
• Net pension liabilities are not financial resources, and are not reported in the funds	(1,027,500)
• Lease liability payments due in future periods are not reported in the funds	(37,369)
• Obligation for other post-employment health insurance, to be paid in future periods is not reported in the funds	(3,675,758)
• Net bond premium to be recognized in future periods is not reported in the funds	(3,237,494)
• Bonds payable in future periods are not reported in the funds	<u>(30,400,000)</u>
Total Net Position - Full Accrual Basis	<u>\$ 4,682,619</u>

**OCEANSIDE LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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

Net Change in Fund Balance - Modified Accrual Basis	\$(14,323,168)						
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: <table style="margin-left: 20px; width: 80%;"> <tr> <td style="width: 80%;">Capital outlay</td> <td style="text-align: right;">16,287,218</td> </tr> <tr> <td>Depreciation expense</td> <td style="text-align: right;">(184,638)</td> </tr> <tr> <td>Amortization expense</td> <td style="text-align: right;">(294,086)</td> </tr> </table> 	Capital outlay	16,287,218	Depreciation expense	(184,638)	Amortization expense	(294,086)	
Capital outlay	16,287,218						
Depreciation expense	(184,638)						
Amortization expense	(294,086)						
(Increase)/decrease in the items reported as expenditures in the statements of activities, not in the fund statements:							
<ul style="list-style-type: none"> Compensated absences	(35,415)	(86,422)	(200,403)	6,300	194,636		
<ul style="list-style-type: none"> • Lease proceeds are an other financing source in the funds, rather than a liability on the statement of activities	(50,936)						
<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: <table style="margin-left: 20px; width: 80%;"> <tr> <td style="width: 80%;">Principal paid on bonds payable</td> <td style="text-align: right;">315,000</td> </tr> <tr> <td>Principal paid on lease liability</td> <td style="text-align: right;"><u>294,086</u></td> </tr> </table> 	Principal paid on bonds payable	315,000	Principal paid on lease liability	<u>294,086</u>			
Principal paid on bonds payable	315,000						
Principal paid on lease liability	<u>294,086</u>						
Change in Net Position - Full Accrual Basis	<u>\$ 1,922,172</u>						

OCEANSIDE LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Tax revenues	\$ 7,358,030	\$ 7,358,030	\$ 7,358,030	\$ 0
LIPA direct tax assessments	306,230	306,230	663,544	357,314
Total Taxes and Tax Related Revenue	<u>7,664,260</u>	<u>7,664,260</u>	<u>8,021,574</u>	<u>357,314</u>
State Aid and other grants	10,000	10,000	35,053	25,053
Other Revenue:				
Fines and fees			403	
Lost material reimbursements			928	
Interest			113,777	
E-rate reimbursement			3,517	
Gifts and donations			1,723	
Miscellaneous			548	
Total Other Revenue	<u>25,000</u>	<u>25,000</u>	<u>120,896</u>	<u>95,896</u>
Transfer From Prior Year Fund Balance	<u>192,094</u>	<u>192,094</u>	<u>0</u>	<u>(192,094)</u>
Total Revenues	<u>\$ 7,891,354</u>	<u>\$ 7,891,354</u>	<u>\$ 8,177,523</u>	<u>\$ 286,169</u>
Expenditures:				
Salaries and Wages:				
Professional	\$ 1,320,773	\$ 1,320,773	\$ 1,307,832	\$ 12,941
Clerical	811,000	811,000	777,505	33,495
Custodial	297,000	297,000	284,583	12,417
Pages	154,000	154,000	137,147	16,853
Total Salaries and wages	<u>2,582,773</u>	<u>2,582,773</u>	<u>2,507,067</u>	<u>75,706</u>
Employee Benefits:				
Hospital and medical insurance	1,024,000	1,004,381	923,498	80,883
Retirement	320,986	320,986	356,144	(35,158)
Social Security	202,000	202,000	185,704	16,296
Workers' compensation	34,500	34,500	29,189	5,311
Life insurance and disability	27,500	27,500	18,778	8,722
Total Employee Benefits	<u>\$ 1,608,986</u>	<u>\$ 1,589,367</u>	<u>\$ 1,513,313</u>	<u>\$ 76,054</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, 2024**

	<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	\$ 100,609	\$ 116,391
Media	53,000	53,000	52,802	198
Community information and programs (net cash receipts of \$16,000)	219,100	223,500	165,642	57,858
Databases (electronic searching)	41,402	41,402	40,742	660
Library automation system	60,146	60,146	65,475	(5,329)
Library System support	30,717	30,717	29,014	1,703
Periodicals	22,000	22,000	8,314	13,686
Material processing & RFID	40,000	40,000	12,940	27,060
Software and online services	19,000	19,000	13,063	5,937
Total Library Services	<u>702,365</u>	<u>706,765</u>	<u>488,601</u>	<u>218,164</u>
Administrative Operations:				
Office and library supplies	38,000	38,000	33,949	4,051
Telephone	25,000	25,000	28,137	(3,137)
Printing and postage	40,000	40,000	41,656	(1,656)
Professional fees/contracts	73,000	86,025	85,416	609
Professional dues/development	30,000	30,000	25,758	4,242
Office equipment contracts and maintenance	72,500	72,500	72,841	(341)
Total Administrative Operations	<u>278,500</u>	<u>291,525</u>	<u>287,757</u>	<u>3,768</u>
Building Operations:				
Utilities	130,000	116,975	94,115	22,860
Insurance	65,000	29,104	26,297	2,807
Building service contracts	55,000	55,000	11,902	43,098
Repair to building equipment and grounds	30,000	25,600	13,110	12,490
Custodial supplies	20,000	20,000	9,852	10,148
Total Building Operations	<u>\$ 300,000</u>	<u>\$ 246,679</u>	<u>\$ 155,276</u>	<u>\$ 91,403</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, 2024

	<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)	\$ 100,000	\$ 100,000	\$ 0	\$ 100,000
Furniture and equipment	2,000	37,896	40,195	(2,299)
Right to use assets	0	0	50,936	(50,936)
Total Capital Outlay	<u>102,000</u>	<u>137,896</u>	<u>91,131</u>	<u>46,765</u>
Debt Service:				
Principal - bond			315,000	
Principal - computer equipment leases			17,987	
Principal - office equipment leases			1,737	
Interest - bond			1,263,500	
Interest - office equipment leases			55	
Bond and administrative fees			19,619	
Total Debt Service	<u>1,640,420</u>	<u>1,660,039</u>	<u>1,617,898</u>	<u>42,141</u>
Total Expenditures	<u>7,215,044</u>	<u>7,215,044</u>	<u>6,661,043</u>	<u>554,001</u>
Excess Of Revenues Over Expenditures	676,310	676,310	1,516,480	840,170
Other Financing Sources (Uses):				
Transfer to Capital Fund	(306,230)	(306,230)	0	306,230
Transfer to Debt Service Fund	(370,080)	(370,080)	(370,080)	0
Lease proceeds	0	0	50,936	50,936
Total Other Financing Sources	<u>(676,310)</u>	<u>(676,310)</u>	<u>(319,144)</u>	<u>357,166</u>
Excess Of Revenues And Other Financing Sources Over Expenditures	0	0	1,197,336	1,197,336
Budgetary fund balance- beginning of year	<u>4,512,933</u>	<u>4,512,933</u>	<u>4,512,933</u>	<u>4,512,933</u>
Budgetary Fund Balance- End Of Year	<u>\$ 4,512,933</u>	<u>\$ 4,512,933</u>	<u>\$ 5,710,269</u>	<u>\$ 5,710,269</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 2024 FISCAL YEAR**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability (asset)	0.00698%	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)	\$ 1,027,500	\$ 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	\$ 2,588,061	\$ 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	39.70%	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	93.88%	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 2024 FISCAL YEAR**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 338,320	\$ 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	338,320	277,675	366,734	301,276	276,863	295,364	305,864	293,887	313,213	370,364
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Library's covered-employee payroll	\$ 2,588,061	\$ 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	13.07%	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

	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 299,730	\$ 337,206	\$ 451,227	\$ 338,219	\$ 255,781	\$ 260,474	\$ 271,087
Interest	136,696	169,728	117,083	94,793	118,341	147,150	130,804
Changes of benefit terms	0	0	0	0	0	0	0
Differences between expected and actual experience	(1,316,422)	0	788,067	0	(198,511)	0	0
Changes in assumptions or other inputs	(121,839)	(68,745)	(1,008,046)	29,411	(104,488)	185,422	(133,892)
Benefit payments	(136,444)	(161,655)	(164,064)	(119,863)	(135,910)	(117,749)	(100,092)
Net Change in total OPEB liability	(1,138,279)	276,534	184,267	342,560	(64,787)	475,297	167,907
Total OPEB liability- beginning	4,814,037	4,537,503	4,353,236	4,010,676	4,075,463	3,600,166	3,432,259
Total OPEB liability- ending	\$ 3,675,758	\$ 4,814,037	\$ 4,537,503	\$ 4,353,236	\$ 4,010,676	\$ 4,075,463	\$ 3,600,166
Covered-employee payroll	\$ 2,124,215	\$ 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	173.04%	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

3.93%	MP-2021	3.65%	MP-2021	3.54%	MP-2021	2.16%	MP-2019	2.21%	MP-2019	3.50%	MP-2016	3.87%	MP-2016
8.0% down to 5.0%		6.5% down to 5.0%		7.0% down to 5.0%		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.