

LINDENHURST MEMORIAL LIBRARY

**FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION**

JUNE 30, 2023

LINDENHURST MEMORIAL LIBRARY

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees and the Director
Lindenhurst Memorial Library
One Lee Avenue
Lindenhurst, New York 11757

Opinions

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Lindenhurst Memorial 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 Lindenhurst Memorial 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 Lindenhurst Memorial 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 Lindenhurst Memorial 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 Lindenhurst Memorial 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 Lindenhurst Memorial 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
January 9, 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 three columns of these financial statements include information on the Library's funds under the modified accrual method. These *Fund Financial Statements* focus on current financial resources and provide a more detailed view about the accountability of the Library's sources and uses of funds.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Condensed Financial Information:

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

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>Increase</u> <u>(Decrease)</u>
Assets:			
Current assets	\$ 5,602	\$ 10,648	\$ (5,046)
Net pensions asset	0	472	(472)
Capital assets	<u>13,017</u>	<u>8,759</u>	<u>4,258</u>
Total Assets	<u>18,619</u>	<u>19,879</u>	<u>(1,260)</u>
Deferred Outflows of Resources	<u>2,576</u>	<u>3,161</u>	<u>(585)</u>
Liabilities:			
Long-term debt	18,473	17,811	662
Other liabilities	<u>378</u>	<u>1,603</u>	<u>(1,225)</u>
Total Liabilities	<u>18,851</u>	<u>19,414</u>	<u>(563)</u>
Deferred Inflows of Resources	<u>2,612</u>	<u>4,682</u>	<u>(2,070)</u>
Net Position:			
Net investment in capital assets	4,742	(76)	4,818
Restricted	144	5,350	(5,206)
Unrestricted	<u>(5,154)</u>	<u>(6,330)</u>	<u>1,176</u>
Total Net Position	<u>\$ (268)</u>	<u>\$ (1,056)</u>	<u>\$ 788</u>
Revenue:			
Tax revenues	\$ 5,410	\$ 5,357	\$ 53
Sales, fees & gifts	5	5	0
Other revenue	<u>152</u>	<u>262</u>	<u>(110)</u>
Total Revenue	5,567	5,624	(57)
Expenses - Library services	<u>4,779</u>	<u>3,696</u>	<u>1,083</u>
Change in net position	788	1,928	(1,140)
Net Position - Beginning of Year	<u>(1,056)</u>	<u>(2,984)</u>	<u>1,928</u>
Net Position - End of Year	<u>\$ (268)</u>	<u>\$ (1,056)</u>	<u>\$ 788</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The Library As A Whole

- The Library's net position increased by \$788,186 this year. The primary reason for this increase is detailed within the Statement of Activities on pages 12.
- The Library's primary source of revenue is from property taxes, which represents 97 percent of total revenue. In the prior year, property taxes represented 95 percent of total revenues.
- As is typical of service agencies, salaries and benefits are a significant expense of the Library, representing 69 percent of the Library's total expenses (as per the Statement of Activities). In the prior year they represented 73 percent of the Library's total expenses.

The Library Funds:

Our analyses of the Library's funds are included in the first three columns of pages 10 through 12 on the respective statements. The fund columns provide detailed information about the most significant funds – not the Library as a whole. The Library Board has the ability to create separate funds to help manage money for specific purposes and to maintain accountability for certain activities. Currently the Library's funds consist of the General Fund and the Capital Projects Fund.

The fund balance of the General Fund increased during the year from \$3,341,435 to \$4,042,480. The fund balance of the Capital Projects Fund decreased from \$5,710,128 to \$1,187,439. Statements detailing the revenues and expenditures for all of the 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 Library received more payments in lieu of taxes and E-rate reimbursement than had been anticipated. The Library budgets conservatively for this income because they are not guaranteed sources of revenue.
- The favorable variance in interest income was due to the significant increase in rates.
- The budget line for commissions income had a favorable variance of \$6,561. As the Library and community have emerged from the pandemic, the copiers, fax machine, etc. have seen greater usage than anticipated.
- Both budget lines for salaries were underspent. The Library attributes this to having four employees separate from service during the year. Due to the construction project, and the fact that the Library has remained closed on Sundays until November of 2023, it was not immediately necessary to fill these positions.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- The New York State retirement budget line was underspent by \$52,144. 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 less than the original projection.
- The budget line for workers compensation was underspent because the Library received a safety dividend which reduced premiums.
- The budget line for health insurance reimbursement was underspent because some of the employees who had separated from service (mentioned previously) were the ones who had received this benefit.
- The budget line for books – print, audio & E-books was underspent by \$69,934. The Library attributes this lower than anticipated spending to supply chain issues at its major book vendor and the fact that the Library was only partially open until October 2022.
- The budget line for DVD's, CD's and video games was underspent by \$13,162. As demand for streaming services has increased, the Library has witnessed a decrease in demand for movies and music in the traditional disc format.
- The budget line for library supplies was underspent by \$13,951. The Library attributes this to anticipating greater demand for supplies as it operated in the new building.
- The budget line for postage was underspent because the Library did not produce as many mailers as anticipated.
- The budget line for circulation control was underspent because the anticipated price increase was less than anticipated.
- The Library attributes the favorable variance in the budget line for utilities – electric to the new energy efficient building and the solar panels that were fully activated.
- The budget line for building repair and maintenance was underspent because the Library spent less on these costs and services while the building was under construction.
- The budget line for insurance was underspent by \$5,660. Due to the completion of the expanded building, the Library expected premiums to increase more than they did.
- The budget lines for building service contracts was underspent. Due to the construction project, the Library cancelled some of the contracts that were no longer required with the new building.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- The budget lines for technology equipment, as well as for furniture and fixtures were both overspent because the Library was required to make additional purchases upon completion of the construction.
- The budget line for building improvements was underspent because improvements that were made were done as part of the building project and were paid from the Capital Projects Fund.

Capital Assets:

During the fiscal year ending June 30, 2023, the Library purchased \$4,686,154 of fixed assets (capital outlay). The majority of the expenditures were for construction costs related to the building renovation project. The remaining purchases were for computer equipment and other equipment.

Debt Administration:

Long term debt consists of bonds payable, the liability the Library has are to its employees for compensated absences, its net pension liability, and its obligation for other post-employment benefits. The net pension asset reported in the prior year of \$472,381 reversed and became a net pension liability of \$1,190,454 at June 30, 2023. The Library also made its annual principal payment on the bonds payable of \$560,000, reducing the liability at June 30, 2023 to \$8,275,000. Interest, which is paid two times per year, totaled \$176,700. The total liability for compensated absences at June 30, 2023 was \$78,207. This represents an decrease of \$4,286 as compared to the previous year. The obligation for other post-employment benefits at June 30, 2023 was \$8,826,376. This represents an increase of \$50,550 from the previous year.

Currently Known Conditions:

The anticipated tax revenues for the 2023-2024 fiscal year will be \$5,537,094.

**LINDENHURST MEMORIAL LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total of Funds</u>	<u>Adjustments (Note 15)</u>	<u>Statement of Net Position</u>
Assets:					
Cash and cash equivalents:					
Checking	\$ 3,091,531	\$ 337,063	\$ 3,428,594	\$	\$ 3,428,594
Money market/savings	994,545	1,012,155	2,006,700		2,006,700
Petty cash	500		500		500
Total cash and cash equivalents	<u>4,086,576</u>	<u>1,349,218</u>	<u>5,435,794</u>	<u>0</u>	<u>5,435,794</u>
Prepaid insurance	5,758		5,758		5,758
Payment in lieu of taxes receivable	1,143		1,143		1,143
Grant receivable		15,242	15,242		15,242
Internal receivables	82,298		82,298	(82,298)	
Funds held in custody of the Lindenhurst Union Free School District	21,622	122,789	144,411		144,411
Capital assets, net of depreciation (note 5)				13,016,699	13,016,699
Total Assets	<u>4,197,397</u>	<u>1,487,249</u>	<u>5,684,646</u>	<u>12,934,401</u>	<u>18,619,047</u>
Deferred Outflows of Resources:					
Deferred outflows on other post- employment benefits				1,737,395	1,737,395
Deferred outflows on pension				838,852	838,852
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,576,247</u>	<u>2,576,247</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,197,397</u>	<u>\$ 1,487,249</u>	<u>\$ 5,684,646</u>	<u>\$ 15,510,648</u>	<u>\$ 21,195,294</u>

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

**LINDENHURST MEMORIAL LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
AS OF JUNE 30, 2023**

	General Fund	Capital Projects Fund	Total of Funds	Adjustments (Note 15)	Statement of Net Position
Liabilities:					
Accounts payable	\$ 46,163	\$ 152,450	\$ 198,613	\$	\$ 198,613
Accrued payroll	52,625		52,625		52,625
NYS Retirement payable	56,129		56,129		56,129
Accrued interest on bonds payable				6,333	6,333
Grant revenues received in advance		65,062	65,062		65,062
Internal payables		82,298	82,298	(82,298)	
Non-current liabilities:					
Compensated absences				78,207	78,207
Net unamortized bond premium (note 9)				102,513	102,513
Bonds payable (note 8)				8,275,000	8,275,000
Net pension liability (note 13)				1,190,454	1,190,454
Obligation for other post-employment benefits (note 14)				8,826,376	8,826,376
Total Liabilities	154,917	299,810	454,727	18,396,585	18,851,312
Deferred Inflows of Resources:					
Deferred inflows on other post- employment benefits				2,555,286	2,555,286
Deferred inflows on pension				56,568	56,568
Total Deferred Inflows of Resources	0	0	0	2,611,854	2,611,854
Fund Balances/Net Position:					
Nonspendable (prepaid amounts)	5,758		5,758	(5,758)	
Restricted for specific purposes (note 10)	21,622	122,789	144,411	(144,411)	
Committed for specific purposes (note 11)	261,736		261,736	(261,736)	
Assigned for specific purposes (note 12)	75	1,064,650	1,064,725	(1,064,725)	
Unassigned	3,753,289		3,753,289	(3,753,289)	
Total Fund Balances	4,042,480	1,187,439	5,229,919	(5,229,919)	
Total Liabilities, Deferred Inflows Of Resources And Fund Balance	\$ 4,197,397	\$ 1,487,249	\$ 5,684,646		
Net Position:					
Net investment in capital assets				4,741,699	4,741,699
Restricted for specific purposes (note 10)				144,411	144,411
Unrestricted				(5,153,982)	(5,153,982)
Total Net Position				\$ (267,872)	\$ (267,872)

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

LINDENHURST MEMORIAL LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Total of Funds	Adjustments (Note 15)	Statement of Activities
Revenues:					
Tax revenues	\$ 5,410,130	\$	\$ 5,410,130	\$	\$ 5,410,130
Local Library Services Aid and grants	13,406	42,419	55,825		55,825
Payments in lieu of taxes	22,551		22,551		22,551
Interest income	10,696	47,551	58,247		58,247
Commissions	9,561		9,561		9,561
Sales, fees, & gifts	4,783		4,783		4,783
Miscellaneous income	5,839		5,839		5,839
Total Revenues	\$ 5,476,966	\$ 89,970	\$ 5,566,936	\$ 0	\$ 5,566,936
Expenditures/Expenses for Library Services:					
Salaries and benefits	\$ 3,067,536	\$	\$ 3,067,536	\$ 223,622	\$ 3,291,158
Library materials and programs	365,032		365,032		365,032
Library operations	347,095		347,095		347,095
Building operations	186,063		186,063		186,063
Capital outlay	73,495	4,612,659	4,686,154	(4,686,154)	
Depreciation				428,225	428,225
Debt service:					
Principal	560,000		560,000	(560,000)	
Interest	176,700		176,700	(15,523)	161,177
Total Expenditures/Expenses	4,775,921	4,612,659	9,388,580	(4,609,830)	4,778,750
Excess (Deficiency) Of Revenues Over Expenditures	701,045	(4,522,689)	(3,821,644)	4,609,830	
Other Financing Sources(Uses):					
Transfers- internal activities	0	0	0	0	
Excess (Deficiency) Of Revenues And Transfers In Over Expenditures	701,045	(4,522,689)	(3,821,644)	3,821,644	
Change In Net Position				788,186	788,186
Fund balance/net position- beginning of year	3,341,435	5,710,128	9,051,563	(10,107,621)	(1,056,058)
Fund Balance/Net Position- End Of The Year	\$ 4,042,480	\$ 1,187,439	\$ 5,229,919	\$ (5,497,791)	\$ (267,872)

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

**LINDENHURST MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of Lindenhurst Memorial 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 Lindenhurst Memorial Library coordinates the raising of its real estate tax revenues with the Lindenhurst 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.

**LINDENHURST MEMORIAL 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 Projects Fund: This fund is established to account for resources devoted to construction and renovation of the Library.

C. 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 typically loans 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. This includes the transfer of unrestricted General Fund revenues to finance various programs that the Library must account for in other funds in accordance with budgetary authorizations.

**LINDENHURST MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. 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.

E. 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.

F. 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.

**LINDENHURST MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1: Summary of Significant Accounting Policies (Continued)

- G. 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 as well as obligations of the United States of America and New York State.
- H. Capital Assets:** Capital assets are defined by the Library as assets with an initial cost of \$500 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:

Equipment	5 years
Furniture	7 years
Building and building improvements	40 years

NOTE 2: 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.

NOTE 3: Concentration of Credit Risk

The Library maintains all of its cash balances at two banks. At year end, the Library’s carrying amount of deposits was \$5,435,294 (not including petty cash) and the bank balance was \$5,565,861. Of the bank balance, \$550,143 was covered by federal depository insurance. Of the remaining balance of \$4,253,563 was covered by collateral held by the Library’s agent and \$762,155 was covered by a letter of credit issued to the Library.

NOTE 4: Grants Receivable and Grant Revenues Received in Advance

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

**LINDENHURST MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5: Capital Assets

A summary of changes in general fixed assets is as follows:

	Balance as of 7/1/2022	Additions	Adjustments & Deletions	Balance as of 6/30/2023
Assets not being depreciated:				
Land	\$ 154,291	\$ 0	\$ 0	\$ 154,291
Construction in progress	6,408,155	0	(6,408,155)	0
Assets being depreciated:				
Building and land improvements	3,218,569	4,536,935	6,408,155	14,163,659
Computer equipment	466,973	40,636	0	507,609
Other equipment	374,770	88,321	0	463,091
Furniture and fixtures	473,527	20,262	0	493,789
Total	11,096,285	4,686,154	0	15,782,439
Accumulated depreciation	(2,337,515)	(428,225)	0	(2,765,740)
Net Book Value	<u>\$ 8,758,770</u>	<u>\$ 4,257,929</u>	<u>\$ 0</u>	<u>\$ 13,016,699</u>

NOTE 6: Long Term Debt

Below is a summary of changes in long-term debt for the year ended June 30, 2023:

				<u>Non-current liabilities</u>		
				Balance 7/1/2022	Increases	Reductions
Compensated absences	\$ 82,493	\$ 0	\$ 4,286	\$ 78,207	\$ 165	\$ 78,042
Serial bonds payable	8,835,000	0	560,000	8,275,000	570,000	7,705,000
Net pension liability	0	1,190,454	0	1,190,454	0	1,190,454
Other post-employment benefits payable	8,775,826	50,550	0	8,826,376	0	8,826,376
	<u>\$ 17,693,319</u>	<u>\$ 1,241,004</u>	<u>\$ 564,286</u>	<u>\$ 18,370,037</u>	<u>\$ 570,165</u>	<u>\$ 17,799,872</u>

**LINDENHURST MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7: Compensated Absences Payable

The Library has an accumulated liability as of June 30, 2023 for unused sick and vacation pay amounting to \$78,207. This is an decrease of \$4,286 from the prior year. The Library expects to pay \$165 of this liability within the next twelve months.

NOTE 8: Bonds Payable

On July 13, 2021, the Lindenhurst Union Free School District, as custodian for the Lindenhurst Memorial Library, closed on \$9,400,000 serial bonds. The proceeds will be used to finance the Library’s renovation costs. The bonds are payable in annual principal installments that range from \$565,000 to \$715,000 per year through July 2036. The bonds are payable until June 15, 2036 and have a fixed interest rate of 2%. As of June 30, 2023, the remaining bond liability was \$8,275,000.

The Library’s future payments are as follows:

Year	Ending	Principal	Interest	Total
June 30,	Payments	Payments	Payments	Payments
2024	\$ 570,000	\$ 165,500	\$ 735,500	
2025	580,000	154,100	734,100	
2026	585,000	142,500	727,500	
2027	595,000	130,800	725,800	
2028	610,000	118,900	728,900	
2029-2033	3,235,000	406,800	3,641,800	
2034-2036	<u>2,100,000</u>	<u>84,600</u>	<u>2,184,600</u>	
Total	<u>\$ 8,275,000</u>	<u>\$ 1,203,200</u>	<u>\$ 9,478,200</u>	

NOTE 9: Net Unamortized Bond Premium

In July 2021, when the serial bonds mentioned in note 8 were issued, the Library received an original issue premium of \$132,339 which is being amortized over the term of the bonds. As of June 30, 2023, a total of \$102,513 remains to be amortized.

**LINDENHURST MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10: Fund Balance Restricted For Specific Purposes:

The components of the restricted fund balance as of June 30, 2023 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Restricted Fund Balance:			
Restricted for construction	\$ 0	\$ 79,100	\$ 79,100
Restricted for debt service	21,622	43,689	65,311
Total	<u>\$ 21,622</u>	<u>\$ 122,789</u>	<u>\$ 144,411</u>

NOTE 11: Fund Balance Committed For Specific Purposes

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

	<u>Balance as of 7/1/2022</u>	<u>Funds Committed (Uncommitted)</u>	<u>Funds Expended</u>	<u>Balance as of 6/30/2023</u>
Funds Committed For:				
Unemployment	\$ 45,536	\$ 0	\$ 0	\$ 45,536
New technology	46,583	0	(40,636)	5,947
Equipment and furniture	228,738	0	(18,485)	210,253
Total	<u>\$ 320,857</u>	<u>\$ 0</u>	<u>\$ (59,121)</u>	<u>\$ 261,736</u>

NOTE 12: Fund Balance Assigned For Specific Purposes:

The components of the assigned fund balance as of June 30, 2023 are as follows:

	<u>General Fund</u>	<u>Capital projects Fund</u>	<u>Total</u>
Assigned Fund Balance:			
Assigned for encumbrances	\$ 75	\$ 0	\$ 75
Assigned for capital projects	0	1,064,650	1,064,650
Total	<u>\$ 75</u>	<u>\$ 1,064,650</u>	<u>\$ 1,064,725</u>

LINDENHURST MEMORIAL 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.

**LINDENHURST MEMORIAL 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.

**LINDENHURST MEMORIAL 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.

**LINDENHURST MEMORIAL 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 ten 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. 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 \$193,112, for the 2022 fiscal year it was \$288,709 and for the 2021 fiscal year it was \$291,726.

- D. Pension Liabilities (Assets), Pension Expenses, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions:** At June 30, 2023, the Lindenhurst Memorial Library reported a liability of \$1,190,454 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 to calculate the net pension liability was determined by the actuarial valuation as of that date. The Lindenhurst Memorial Library's proportion of the net pension liability was based on a projection of the Lindenhurst Memorial 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 Lindenhurst Memorial Library's proportion was 0.0055514 percent, which is a decrease of .0002273 percent from its proportion measured at June 30, 2022.

**LINDENHURST MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: Retirement Plan (Continued)

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

For the year ended June 30, 2023, the Lindenhurst Memorial Library recognized pension expense of \$468,711. At June 30, 2023, the Lindenhurst 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>
Difference between expected and actual experience	\$ 126,793	\$ 33,432
Changes in assumptions	578,161	6,390
Net difference between projected and actual investment earnings on pension plan investments	0	6,994
Changes in proportion and differences between employer contributions and proportionate share of contributions	77,769	9,752
Library's contributions subsequent to the measurement date	<u>56,129</u>	<u>0</u>
Total	<u>\$ 838,852</u>	<u>\$ 56,568</u>

**LINDENHURST MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: Retirement Plan (Continued)

D. Pension Liabilities (Assets), Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: (Continued) \$56,129 reported as deferred outflows of resources related to pensions resulting from Lindenhurst Memorial 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:

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2024	\$ 193,830
2025	(42,130)
2026	251,006
2027	323,449
2028	<u>0</u>
Total	<u>\$ 726,155</u>

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 (prepared for the NYS Retirement System as a whole) 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.

**LINDENHURST MEMORIAL LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 13: Retirement Plan (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100.00%	

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

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

**LINDENHURST MEMORIAL 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)	\$ 2,876,817	\$ 1,190,454	\$ (218,698)

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%

**LINDENHURST MEMORIAL 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 Lindenhurst Memorial 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 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. Lindenhurst Memorial Library, as a participant in the plan, recognizes these post-employment benefits on an accrual basis.

B. Benefits Provided: Contribution requirements are determined by the Library Board. Currently, for full-time employees hired prior to July 1, 1999, the Library will pay 100% of the amount for a retiree and their spouse’s policy premium. For full-time employees hired between July 1, 1999 and June 30, 2015, the Library will pay 80% of the amount for a retiree and their spouse’s policy premium. For full-time employees hired after July 1, 2015, the Library will pay 75% of the amount for a retiree and their spouse’s policy premium. For part-time employees the Library will pay 50% of the amount for a retiree and their spouse’s policy premium.

For the fiscal year ending June 30, 2023, Lindenhurst Memorial Library recognized the cost of providing health insurance by recording its share of insurance premiums of \$280,745 (exclusive of Medicare D reimbursements) as an expenditure in the General Fund. The Library also reimburses retired employees and their spouses the full cost of Medicare deducted from their Social Security benefits, which amounted to \$75,429. 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	31
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	32
Total	63

**LINDENHURST MEMORIAL 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 \$8,826,376 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	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>8,775,826</u>
Changes for the year:	
Service cost	303,248
Interest	313,517
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	(116,941)
Benefit payments	<u>(449,274)</u>
Net changes	<u>50,550</u>
Balance at June 30, 2023	\$ <u><u>8,826,376</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.

**LINDENHURST MEMORIAL 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	\$ 9,982,244	\$ 8,826,376	\$ 7,863,476

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	\$ 7,589,612	\$ 8,826,376	\$ 10,382,737

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 \$406,327.

**LINDENHURST MEMORIAL 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)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 1,099,117	\$ 732,282
Changes in assumptions	<u>638,278</u>	<u>1,823,004</u>
Total	<u>\$ 1,737,395</u>	<u>\$ 2,555,286</u>

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	\$ (210,438)
2025	(210,438)
2026	(157,220)
2027	(107,682)
2028	(114,500)
Thereafter	<u>(17,613)</u>
Total	<u>\$ (817,891)</u>

**LINDENHURST MEMORIAL 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 net change in net position:

Total Fund Balance - Modified Accrual Basis	\$ 5,229,919
Amounts reported in the statement of net position are different because:	
• Capital assets are not financial resources, and are not reported in the funds	13,016,699
• Deferred outflows on post-employment health insurance are not reported in the funds	1,737,395
• Deferred outflows on pension are not reported in the funds	838,852
• Accrued bond interest payable is not recorded in the funds	(6,333)
• Compensated absences are not a liability in the funds	(78,207)
• Net bond premium to be recognized in future periods is not reported in the funds	(102,513)
• Bonds payable in the future are not a liability in the funds	(8,275,000)
• Net pension liabilities are not reported in the funds	(1,190,454)
• Obligation for post-employment health insurance, to be paid in future periods is not a liability reported in the funds	(8,826,376)
• Deferred inflows on post-employment health insurance are not reported in the funds	(2,555,286)
• Deferred inflows on pension are not reported in the funds	<u>(56,568)</u>
Total Net Position - Full Accrual Basis	<u>\$ (267,872)</u>

**LINDENHURST MEMORIAL 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	\$(3,821,644)														
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 as depreciation: <table style="margin-left: 20px; width: 80%;"> <tr> <td style="width: 80%;">Capital outlay</td> <td style="text-align: right;">4,686,154</td> </tr> <tr> <td>Depreciation expense</td> <td style="text-align: right;">(428,225)</td> </tr> </table> • (Increase)/decrease in the items reported as expenditures in the statements of activities, not in the fund statements: <table style="margin-left: 20px; width: 80%;"> <tr> <td style="width: 80%;">Compensated absences</td> <td style="text-align: right;">4,286</td> </tr> <tr> <td>Post-employment health costs</td> <td style="text-align: right;">42,947</td> </tr> <tr> <td>Net pension expenses</td> <td style="text-align: right;">(270,855)</td> </tr> <tr> <td>Interest on bonds payable</td> <td style="text-align: right;">15,523</td> </tr> </table> • 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; border-top: 1px solid black;">560,000</td> </tr> </table> 	Capital outlay	4,686,154	Depreciation expense	(428,225)	Compensated absences	4,286	Post-employment health costs	42,947	Net pension expenses	(270,855)	Interest on bonds payable	15,523	Principal paid on bonds payable	560,000	
Capital outlay	4,686,154														
Depreciation expense	(428,225)														
Compensated absences	4,286														
Post-employment health costs	42,947														
Net pension expenses	(270,855)														
Interest on bonds payable	15,523														
Principal paid on bonds payable	560,000														
Change in Net Position - Full Accrual Basis	<u>\$ 788,186</u>														

**LINDENHURST MEMORIAL LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL 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:				
Lindenhurst Union Free School				
District	\$ 5,410,130	\$ 5,410,130	\$ 5,410,130	\$ 0
Operating Revenue:				
Local Library Services Aid and grants	10,000	10,000	13,406	3,406
Payments in lieu of taxes	10,000	10,000	22,551	12,551
Interest income	4,000	4,000	10,696	6,696
Commissions	3,000	3,000	9,561	6,561
Sales, fees & gifts	5,000	5,000	4,783	(217)
E-rate reimbursement	0	0	5,168	5,168
Miscellaneous income	0	0	671	671
Total Operating Revenue	<u>32,000</u>	<u>32,000</u>	<u>66,836</u>	<u>34,836</u>
Non-Operating Revenue:				
Transfer from unappropriated fund balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 5,442,130</u>	<u>\$ 5,442,130</u>	<u>\$ 5,476,966</u>	<u>\$ 34,836</u>

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

**LINDENHURST MEMORIAL LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:				
Salaries and Benefits:				
Salaries	\$ 2,204,100	\$ 2,204,100	\$ 1,964,668	\$ 239,432
Salaries - Sunday	50,000	50,000	3,310	46,690
N.Y.S. Retirement	250,000	250,000	197,856	52,144
Social Security	165,000	165,000	151,512	13,488
Workers' compensation	25,000	25,000	8,944	16,056
Life insurance	7,000	7,000	5,618	1,382
Disability and unemployment insurance	2,500	2,500	289	2,211
Health insurance	679,830	679,830	627,961	51,869
Health insurance reimbursement	130,000	130,000	99,866	30,134
Dental insurance	8,000	8,000	5,144	2,856
Vision plan	3,000	3,000	2,368	632
Total Salaries and Benefits	<u>3,524,430</u>	<u>3,524,430</u>	<u>3,067,536</u>	<u>456,894</u>
Library Materials and Programs:				
Books - print, audio & E-books	235,000	225,000	155,066	69,934
Databases and downloadables	130,000	120,000	110,524	9,476
DVD's, CD's and video games	25,000	25,000	11,838	13,162
Magazines and newspapers	8,000	8,000	4,126	3,874
Programs (net cash receipts of \$17,782)	85,000	85,000	83,478	1,522
Total Library Materials and Programs	<u>483,000</u>	<u>463,000</u>	<u>365,032</u>	<u>97,968</u>
Library Operations:				
Library supplies	55,000	75,000	61,049	13,951
Telephone	45,000	45,000	42,654	2,346
Postage	13,000	13,000	5,826	7,174
Printing and public relations	45,000	45,000	48,901	(3,901)
Professional fees	51,000	51,000	48,965	2,035
Circulation control	44,000	44,000	38,595	5,405
Equipment repair and rental contracts	3,500	3,500	3,556	(56)
S.C.L.S. basic service plan	56,000	56,000	54,141	1,859
Bank and payroll processing fees	12,500	12,500	13,450	(950)
Professional development	8,000	8,000	11,682	(3,682)
Travel	7,000	7,000	8,971	(1,971)
Elections	6,000	6,000	3,288	2,712
Dues	7,000	7,000	6,017	983
Total Library Operations	<u>\$ 353,000</u>	<u>\$ 373,000</u>	<u>\$ 347,095</u>	<u>\$ 25,905</u>

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

**LINDENHURST MEMORIAL LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual Balances	Variance Favorable (Unfavorable)
Expenditures: (continued)				
Building Operations:				
Utilities - electric	\$ 75,000	\$ 75,000	\$ 51,155	\$ 23,845
Utilities - gas	12,000	12,000	12,990	(990)
Utilities - water	3,000	3,000	1,644	1,356
Building repair and maintenance	20,000	20,000	13,250	6,750
Insurance	40,000	40,000	34,340	5,660
Building service contracts	68,000	68,000	59,925	8,075
Custodial supplies	12,000	12,000	12,759	(759)
Total Building Operations	230,000	230,000	186,063	43,937
Capital Expenditures:				
Furniture and equipment	20,000	20,000	32,859	(12,859)
Technology equipment	25,000	25,000	40,636	(15,636)
Building improvements	20,000	20,000	0	20,000
Total Capital Expenditures	65,000	65,000	73,495	(8,495)
Debt Service:				
Principal - bond			560,000	
Interest - bond			176,700	
Total Debt Service	736,700	736,700	736,700	0
Total Expenditures	5,392,130	5,392,130	4,775,921	616,209
Excess Of Revenues Over Expenditures	50,000	50,000	701,045	651,045
Other Financing Sources (Uses):				
Transfer to Capital Projects Fund	(50,000)	(50,000)	0	50,000
Excess Of Revenues Over Expenditures and Other Financing Uses	0	0	701,045	701,045
Budgetary fund balance- beginning of year	3,341,435	3,341,435	3,341,435	3,341,435
Budgetary Fund Balance- End Of Year	\$ 3,341,435	\$ 3,341,435	\$ 4,042,480	\$ 4,042,480

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

LINDENHURST MEMORIAL 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)	0.00555%	0.00578%	0.00562%	0.00559%	0.00531%	0.00536%	0.00483%	0.00520%	0.00490%
Library's proportionate share of the net pension liability (asset)	\$ 1,190,454	\$ (472,381)	\$ 5,598	\$ 1,481,089	\$ 376,066	\$ 173,079	\$ 453,715	\$ 834,203	\$ 166,960
Library's covered-employee payroll	\$ 1,693,956	\$ 1,779,208	\$ 1,952,947	\$ 1,918,136	\$ 1,848,664	\$ 1,817,681	\$ 1,853,415	\$ 1,830,839	\$ 1,816,680
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	70.277%	(26.550%)	0.287%	77.215%	20.343%	9.522%	24.480%	45.564%	9.190%
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.

**LINDENHURST MEMORIAL 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	\$ 193,112	\$ 288,709	\$ 291,726	\$ 285,474	\$ 280,590	\$ 280,136	\$ 289,463	\$ 338,514	\$ 361,957
Contributions in relation to the contractually required contribution	<u>193,112</u>	<u>288,709</u>	<u>291,726</u>	<u>285,474</u>	<u>280,590</u>	<u>280,136</u>	<u>289,463</u>	<u>338,514</u>	<u>361,957</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	\$ 1,693,956	\$ 1,779,208	\$ 1,952,947	\$ 1,918,136	\$ 1,848,664	\$ 1,817,681	\$ 1,853,415	\$ 1,830,839	\$ 1,816,680
Contributions as a percentage of covered-employee payroll	11.40%	16.23%	14.94%	14.88%	15.18%	15.41%	15.62%	18.49%	19.92%

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

**LINDENHURST MEMORIAL 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	\$ 303,248	\$ 414,369	\$ 418,004	\$ 308,905	\$ 380,892	\$ 371,603
Interest	313,517	225,124	202,686	264,455	292,430	283,549
Changes of benefit terms	0	0	0	0	0	0
Differences between expected and actual experience	0	1,537,885	0	(1,695,814)	0	0
Changes in assumptions or other inputs	(116,941)	(2,225,215)	61,777	1,396,102	(441,854)	0
Benefit payments	(449,274)	(436,988)	(348,333)	(346,754)	(384,580)	(376,895)
Net Change in total OPEB liability	<u>50,550</u>	<u>(484,825)</u>	<u>334,134</u>	<u>(73,106)</u>	<u>(153,112)</u>	<u>278,257</u>
Total OPEB liability- beginning	<u>8,775,826</u>	<u>9,260,651</u>	<u>8,926,517</u>	<u>8,999,623</u>	<u>9,152,735</u>	<u>8,874,478</u>
Total OPEB liability- ending	<u>\$ 8,826,376</u>	<u>\$ 8,775,826</u>	<u>\$ 9,260,651</u>	<u>\$ 8,926,517</u>	<u>\$ 8,999,623</u>	<u>\$ 9,152,735</u>
Covered-employee payroll	\$ 1,785,620	\$ 1,742,068	\$ 1,750,811	\$ 1,708,108	\$ 1,843,617	\$ 1,798,651
Total OPEB liability as a % of covered-employee payroll	494.30%	503.76%	528.93%	522.60%	488.15%	508.87%
Notes to schedule:						
Changes of benefit terms: None						
Changes of assumptions:						
Discount rate	3.65%	3.54%	2.16%	2.21%	3.50%	3.13%
Mortality Improvement Scale	MP-2021	MP-2021	MP-2019	MP-2019	MP-2016	MP-2016
Pre-65 Trend Rate	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.