

**BAY SHORE - BRIGHTWATERS
PUBLIC LIBRARY**

**FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION**

JUNE 30, 2022

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Bay Shore - Brightwaters Public Library
One South Country Road
Brightwaters, New York 11718

Opinions

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Bay Shore - Brightwaters Public Library (the "Library") as of and for the year ended June 30, 2022, 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 Bay Shore - Brightwaters Public Library, as of June 30, 2022, 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 Bay Shore - Brightwaters Public 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 Bay Shore - Brightwaters Public 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.

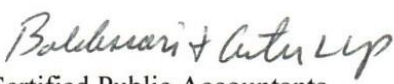
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Bay Shore - Brightwaters Public 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 Bay Shore - Brightwaters Public Library's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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


Certified Public Accountants
Stewart Manor, New York
October 6, 2022

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:

	June 30, 2022	June 30, 2021	Increase (Decrease)
Current assets	\$ 7,332	\$ 7,154	\$ 178
Net pension asset	461	0	461
Capital assets	9,588	9,992	(404)
Total Assets	17,381	17,146	235
Deferred Outflows of Resources	2,030	1,975	55
Long-term debt	10,766	11,589	(823)
Other liabilities	466	309	157
Total Liabilities	11,232	11,898	(666)
Deferred Inflows of Resources	3,004	2,046	958
Net Position:			
Net investment in capital assets	2,714	2,798	(84)
Restricted	565	561	4
Unrestricted	1,896	1,818	78
Total Net Position	\$ 5,175	\$ 5,177	\$ (2)
Revenue:			
Tax revenues	\$ 3,772	\$ 4,031	\$ (259)
Grants and donations	19	27	(8)
Other revenue	74	80	(6)
Total Revenue	3,865	4,138	(273)
Expenses - Library Services	3,867	3,940	(73)
Change in net position	(2)	198	(200)
Net position - beginning of year	5,177	4,979	198
Net Position - End of Year	\$ 5,175	\$ 5,177	\$ (2)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The Library As A Whole

- The Library's net position decreased by \$2,515 this year. The primary reason for this decrease is detailed within the Statement of Activities on pages 12 through 13.
- The Library's primary source of revenue is from property taxes, which represents 98 percent of total revenue. In the prior year, property taxes represented 97 percent of total revenue.
- As is typical of service agencies, salaries and benefits are a significant expense of the Library, representing 62 percent of the Library's total expenses. These expenses totaled \$2,381,136 for the year ending June 30, 2022. In the prior year, salaries and benefits represented 63 percent of the Library's total expenses.

The Library Funds:

Our analyses of the Library's funds are included in the first five columns of pages 10 through 13 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, the Capital Fund, the Debt Service Fund and the Permanent Fund.

The fund balance of the General Fund increased during the year from \$5,930,960 to \$5,941,415. The fund balance of the Capital Fund increased from \$512,755 to \$512,816. The fund balance of the Debt Service Fund increased from \$457,066 to \$460,373. The fund balance in the Permanent Fund increased from \$103,772 to \$103,788. 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:

- There was a \$17,467 unfavorable budget variance for NYS Aid and other grants. This was due to receiving less funding than anticipated.
- In total, the salaries and wages budget section was underspent by \$226,865. This was partly due to having an unfilled full-time position for the entire year and partly because the Library hired fewer Summer Reading Counselors than anticipated.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Budgetary Highlights: (continued)

- In total, the employee benefits budget section was underspent by \$73,787. This was a direct function of the lower salaries and wages mentioned above.
- In total, the library materials and programs budget section was underspent by \$24,779. The favorable variances within the budget lines for many traditional print materials as well as video and DVD's are due to the migration to materials in an online or computerized format.
- The budget line for library supplies appears overspent. This was due to the reclassification of minor furniture and computer equipment expenditures that had been budgeted to be paid from the capital outlay section. Since the cost for these items were under the Library's capital limit, they were reflected as supplies for financial statement purposes.
- The budget line for insurance was underspent because premiums were lower than anticipated.
- The budget lines for repairs as well as for building improvements were both underspent. Anticipated projects were postponed due to the delay in the parking lot upgrade project.
- The furniture, fixtures and other equipment budget line was underspent partially due to the reclassification mentioned above, and partially because of shipping delays and the cancellation of orders.

Capital Assets:

During the fiscal year ending June 30, 2022, the Library purchased \$24,883 of fixed assets (capital outlay). These expenditures were for primarily for improvements related to the LED lighting and the parking lot project, as well as computers and furniture. During the year, the Library discarded \$1,208 of obsolete furniture.

Debt Administration:

Long term debt consists of bonds payable, the Library's net pension liability and its obligation for other post-employment benefits. During the fiscal year ending June 30, 2022 the Library made a principal payment of \$310,000 on the bonds payable reducing the liability from \$7,010,000 to \$6,700,000. The net pension liability reported in the prior year of \$5,583 reversed and became a net pension asset of \$461,523 at June 30, 2022. The obligation for other post-employment benefits at June 30, 2022 was \$4,045,154. This represents a decrease of \$504,629 from the previous year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Currently Known Conditions:

The anticipated tax revenues for the 2022-2023 fiscal year will be \$3,847,527. This represents 2.0 percent increase as compared to the 2021-2022 fiscal year budget.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
AS OF JUNE 30, 2022

	General Fund	Capital Fund	Debt Service Fund	Permanent Fund	Total of Funds	Adjustments (Note 14)	Statement of Net Position
Assets:							
Cash and cash equivalents	\$ 6,028,540	\$ 654,183	\$	22	\$ 6,682,745	\$	\$ 6,682,745
P.I.L.O.T and grants receivable	41,463				41,463		41,463
Internal receivables	12,777			505	13,282	(13,282)	
Prepaid expenses	31,045				31,045		31,045
Funds held in custody			473,150	103,261	473,150		473,150
Cash - restricted					103,261		103,261
Net pension asset (note 12)						461,523	461,523
Capital assets, net of depreciation (note 4)						9,587,755	9,587,755
Total Assets	<u>6,113,825</u>	<u>654,183</u>	<u>473,150</u>	<u>103,788</u>	<u>7,344,946</u>	<u>10,035,996</u>	<u>17,380,942</u>
Deferred Outflows of Resources:							
Deferred outflows on pension						872,177	872,177
Deferred outflows on OPEB						1,157,688	1,157,688
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,029,865</u>	<u>2,029,865</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 6,113,825</u>	<u>\$ 654,183</u>	<u>\$ 473,150</u>	<u>\$ 103,788</u>	<u>\$ 7,344,946</u>	<u>\$ 12,065,861</u>	<u>\$ 19,410,807</u>
Liabilities:							
Accounts payable	\$ 69,232	\$ 5,175	\$	\$	74,407	\$	74,407
Accrued payroll and related items	61,004				61,004		61,004
Accrued NYS retirement	41,669				41,669		41,669
Grants received in advance		136,192			136,192		136,192
Accrued bond interest payable						152,769	152,769
Internal payables			12,777		13,282	(13,282)	
Non-current liabilities:	505						
Obligation for other post-employment benefits						4,045,154	4,045,154
Net unamortized bond premium (note 8)						20,775	20,775
Bonds payable (note 7)						6,700,000	6,700,000
Total Liabilities	<u>\$ 172,410</u>	<u>\$ 141,367</u>	<u>\$ 12,777</u>	<u>\$ 0</u>	<u>\$ 326,554</u>	<u>\$ 10,905,416</u>	<u>\$ 11,231,970</u>

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
AS OF JUNE 30, 2022

	General Fund	Capital Fund	Debt Service Fund	Permanent Fund	Total of Funds	Adjustments (Note 14)	Statement of Net Position
Deferred Inflows of Resources:							
Deferred inflows on pension	\$	\$	\$	\$	\$	\$ 1,611,537	\$ 1,611,537
Deferred inflows on OPEB						1,392,559	1,392,559
Total Deferred Inflows of Resources	0	0	0	0	0	3,004,096	3,004,096
Fund Balances/Net Position:							
Nonspendable (note 9)	31,045			41,500	72,545	(72,545)	
Restricted for specific purposes (note 10)			460,373	62,266	522,639	(522,639)	
Assigned for the 2022-2023 budget	150,000				150,000	(150,000)	
Assigned for specific purposes (note 11)	3,880,000	512,816		22	4,392,838	(4,392,838)	
Unassigned	1,880,370				1,880,370	(1,880,370)	
Total Fund Balances	5,941,415	512,816	460,373	103,788	7,018,392	(7,018,392)	
Total Liabilities, Deferred Inflows of Resources And Fund Balances	\$ 6,113,825	\$ 654,183	\$ 473,150	\$ 103,788	\$ 7,344,946		
Net Position:							
Net investment in capital assets						2,714,211	2,714,211
Restricted for permanent endowment						41,500	41,500
Restricted for specific purposes						522,639	522,639
Unrestricted						1,896,391	1,896,391
Total Net Position						\$ 5,174,741	\$ 5,174,741

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Fund	Debt Service Fund	Permanent Fund	Total of Funds	Adjustments (Note 14)	Statement of Activities
Revenues:							
Tax revenues	\$ 3,772,173	\$	\$	\$	\$ 3,772,173	\$	\$ 3,772,173
Fines, charges and sales	4,999				4,999		4,999
Payments in lieu of taxes	41,463				41,463		41,463
NY'S Aid and other grants	9,533	8,375			17,908		17,908
Gifts and bequests	1,189				1,189		1,189
Sale of materials and supplies	208				208		208
E-rate and refund of prior year expenditures	5,940				5,940		5,940
Lost or damaged book reimbursements	3,907				3,907		3,907
Investment income	16,148	61	381	16	16,606		16,606
Miscellaneous income	141				141		141
Total Revenues	\$ 3,855,701	\$ 8,436	\$ 381	\$ 16	\$ 3,864,534	\$ 0	\$ 3,864,534

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Fund	Debt Service Fund	Permanent Fund	Total of Funds	Adjustments (Note 14)	Statement of Activities
Expenditures/Expenses- Library Services:							
Salaries and wages	\$ 1,689,373	\$	\$	\$	\$ 1,689,373	\$	\$ 1,689,373
Employee benefits	759,855				759,855	(68,092)	691,763
Library materials and programs	340,156				340,156		340,156
Library operations	174,799				174,799		174,799
Building operations	239,116				239,116		239,116
Capital outlay	16,508	8,375			24,883	(24,883)	
Depreciation						428,839	428,839
Debt service:							
Principal			310,000		310,000	(310,000)	
Interest			312,513		312,513	(9,510)	303,003
Total Expenditures/Expenses	3,219,807	8,375	622,513	0	3,850,695	16,354	3,867,049
Excess (Deficiency) Of Revenues Over Expenditures	635,894	61	(622,132)	16	13,839	(16,354)	
Other Financing Sources (Uses):							
Transfers- internal activities	(625,439)	0	625,439	0	0		
Excess Of Revenues & Other Financing Sources (Uses) Over Expenditures	10,455	61	3,307	16	13,839	(13,839)	(2,515)
Change In Net Position						(2,515)	
Fund balance/net position- beginning of year	5,930,960	512,755	457,066	103,772	7,004,553	(1,827,297)	5,177,256
Fund Balance/Net Position- End Of The Year	\$ 5,941,415	\$ 512,816	\$ 460,373	\$ 103,788	\$ 7,018,392	\$ (1,843,651)	\$ 5,174,741

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of Bay Shore - Brightwaters Public 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 Management’s Discussion and Analysis – for State and Local Governments*. Some of the significant concepts 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 Bay Shore - Brightwaters Public Library coordinates the raising of its real estate tax revenues with the Bay Shore 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.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 construction and renovation of the Library.

Debt Service Fund: This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt and interest.

Permanent (Endowment) Fund: This fund is established to account for resources donated to the Library where either the principal donation and/or the income generated by such donation has been earmarked for a specific purpose.

- 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 expenditures that the Library must account for in other funds in accordance with budgetary authorizations.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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. Land is not subject to depreciation. 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
Fixtures	15 years
Building and building improvements	20 to 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. Cash in excess of current operating needs is invested in interest bearing.

NOTE 3: **Concentration of Credit Risk**

The Library maintains its cash balances at two banks. At year end, the Library's carrying amount of deposits was \$6,785,702 (excludes \$304 in petty cash and \$473,150 held in escrow – Dormitory Authority of the State of New York) and the bank balance was \$6,790,394. Of the bank balance, \$603,283 was covered by federal depository insurance. The remaining balance of \$6,187,111 was covered by collateral held by the Library's agent.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4: Capital Assets

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

	Balance as of 7/1/2021	Additions	Adjustments and Deletions	Balance as of 6/30/2022
Assets not being depreciated:				
Land	\$ 595,288	\$ 0	\$ 0	\$ 595,288
Fine arts	22,873	0	0	22,873
Construction in progress	12,642	8,375	0	21,017
Other Capital Assets:				
Building and improvements	12,170,482	10,848	0	12,181,330
Furniture and fixtures	805,399	1,696	(1,208)	805,887
Computer equipment	125,123	3,964	0	129,087
Other equipment	360,198	0	0	360,198
Total	14,092,005	24,883	(1,208)	14,115,680
Accumulated depreciation	(4,100,294)	(428,839)	1,208	(4,527,925)
Net Book Value	\$ 9,991,711	\$ (403,956)	\$ 0	\$ 9,587,755

NOTE 5: Accounts Payable

Accounts payable consisted of unpaid invoices at June 30, 2022.

NOTE 6: Long Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2022:

	Balance 7/1/2021	Increases	Reductions	Balance 6/30/2022	Non-current liabilities Due within one year	Due after one year
Net pension liability	\$ 5,583	\$ 0	\$ 5,583	\$ 0	\$ 0	\$ 0
Bonds payable	7,010,000	0	310,000	6,700,000	320,000	6,380,000
Other post-employment benefits payable	4,549,783	0	504,629	4,045,154	0	4,045,154
Total	\$ 11,565,366	\$ 0	\$ 820,212	\$ 10,745,154	\$ 320,000	\$ 10,425,154

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7: Bonds Payable

In April 2006, in order to finance its building renovation and expansion project, the Library issued \$10,075,000 of insured revenue bonds through the Dormitory Authority of the State of New York. The bonds are payable until July 1, 2036 and have an interest rate that increases from 4.5% to 4.625% over their term.

As of June 30, 2022, the Library's liability for the 2013 series bonds is \$6,700,000. Future payments are as follows:

Fiscal Year Ended June 30,	Principal Payments	Interest Payments	Total Payments
2023	\$ 320,000	\$ 298,338	\$ 618,338
2024	335,000	283,600	618,600
2025	350,000	268,187	618,187
2026	365,000	252,100	617,100
2027	385,000	235,225	620,225
2028-2032	2,195,000	894,350	3,089,350
2033-2037	2,750,000	329,531	3,079,531
Total	<u>\$ 6,700,000</u>	<u>\$ 2,561,331</u>	<u>\$ 9,261,331</u>

As part of the agreement with the Dormitory Authority, a portion of the bond proceeds were restricted and were held in reserve 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, 2022, the following funds are being held in trust:

Account Name	Cash	Treasury Obligations	Total Funds Held
Debt Service - 2016	\$ <u>0</u>	\$ <u>473,150</u>	\$ <u>473,150</u>

NOTE 8: Net Unamortized Bond Premium

In April 2006, when the Library closed on the issuance of the insured revenue bonds mentioned in note 7 above, it received an original issue premium of \$56,291. The bond premium is being amortized over the bond term of 30 years. The remaining unamortized bond premium as of June 30, 2022 is \$20,775.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9: Nonspendable Fund Balance:

The components of the nonspendable fund balance at June 30, 2022 are as follows:

	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
Nonspendable Fund Balance:			
Applicable to prepaid expenses	\$ 31,045	\$ 0	\$ 31,045
Held for permanent endowment:			
Pless Memorial Fund	0	1,500	1,500
Dorothy Banks Development Fund	0	40,000	40,000
Total held for permanent endowment	0	41,500	41,500
Total Nonspendable Fund Balance	\$ 31,045	\$ 41,500	\$ 72,545

NOTE 10: Funds Restricted for Specific Purposes

A summary of the restricted funds at June 30, 2022 are as follows:

	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
Fund Balance Restricted For:			
Future debt service payments	\$ 460,373	\$ 0	\$ 460,373
Professional development of employees (Dorothy Banks Development fund)	0	95	95
Enhancement of reading pleasure (Pless Memorial Fund)	0	3,298	3,298
Children's room projects (Betty De Santis Memorial Fund)	0	58,873	58,873
Total Restricted Fund Balance	\$ 460,373	\$ 62,266	\$ 522,639

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11: Funds Assigned for Specific Purposes

The components of the assigned fund balance as of June 30, 2022 are as follows:

	General Fund	Capital Fund	Permanent Fund	Total
Assigned Fund Balance:				
Roof replacement	\$ 750,000	\$ 0	\$ 0	\$ 750,000
Geothermal heat pump replacement	600,000	0	0	600,000
Post-employment health insurance	425,000	0	0	425,000
Teen space expansion	425,000	0	0	425,000
Future retirement costs	275,000	0	0	275,000
Carpet replacement	250,000	0	0	250,000
Outdoor children's space	225,000	0	0	225,000
Gallery area acoustics	175,000	0	0	175,000
Quiet study rooms	135,000	0	0	135,000
Building exterior façade	125,000	0	0	125,000
Staff office area	125,000	0	0	125,000
Automatic entrance doors	125,000	0	0	125,000
Additional meeting room space	85,000	0	0	85,000
Heating plant	60,000	0	0	60,000
Cooling plant	50,000	0	0	50,000
Unemployment	25,000	0	0	25,000
Compensated absences	25,000	0	0	25,000
Capital fund projects	0	512,816	0	512,816
General library purposes	0	0	22	22
Total Assigned Fund Balance	\$ 3,880,000	\$ 512,816	\$ 22	\$ 4,392,838

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: Retirement Plan

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: **Retirement Plan: (continued)**

B. Benefits Provided: (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, 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 of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 5 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.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: **Retirement Plan: (continued)**

B. **Benefits Provided: (continued)**

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 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 5 or more years of service can retire as early as age 55 with reduced benefits. Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Ordinary Disability Benefits

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

Accidental Disability Benefits

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

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: Retirement Plan: (continued)

B. Benefits Provided: (continued)

Post-Retirement Benefit Increases (Continued)

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

- C. Contributions:** The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first 10 years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required. The required contribution for the current fiscal year was \$235,665, for the 2021 fiscal year, it was \$203,305, and for the 2020 fiscal year it was \$188,088.

- D. Pension Assets, Pension Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions:** At June 30, 2022, the Library reported an asset of \$461,523 for its proportionate share of the net pension asset. The net pension asset was measured as of March 31, 2022 and was determined by an actuarial valuation as of that date. The Library's proportion of the net pension asset 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, 2022, the Library's proportion was 0.0056458 percent, which was an increase of .0000391 percent from its proportion measured at June 30, 2021.

For the year ended June 30, 2022, the Library recognized pension expense of \$10,834.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: Retirement Plan: (continued)

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

At June 30, 2022, 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	\$ 34,952	\$ 45,334
Changes in assumptions	770,230	12,997
Net difference between projected and actual earnings on pension plan investments	0	1,511,294
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,326	41,912
Library's contributions subsequent to the measurement date	<u>41,669</u>	<u>0</u>
Total	<u><u>\$ 872,177</u></u>	<u><u>\$ 1,611,537</u></u>

\$41,669 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, 2023. 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>
2023	\$ (124,609)
2024	(175,229)
2025	(395,736)
2026	(85,455)
2027	<u>0</u>
Total	<u><u>\$ (781,029)</u></u>

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: **Retirement Plan** (continued)

- E. **Actuarial Assumptions:** The total pension liability (asset) at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension liability (asset) to March 31, 2022. The actuarial valuation used the following actuarial assumptions:

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

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension liability (asset).

The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: 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%	3.30%
International equity	15.00%	5.85%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Opportunistic portfolio	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.80%
Fixed income	23.00%	0.00%
Cash	1.00%	(1.00%)
Total	<u>100.00%</u>	

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

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12: 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 liability (asset)	\$ 1,187,955	\$ (461,523)	\$ (1,841,231)

Pension plan fiduciary net position – The components of the current year net pension liability of the New York State and Local Retirement System as of March 31, 2022, in thousands of dollars was as follows:

	<u>Total</u>
Employers' total pension liability	\$ 223,874,888
Plan net position	<u>(232,049,473)</u>
Employers' net pension asset	<u>\$ (8,174,585)</u>
Ratio of plan net position to the Employers' total pension liability	103.65%

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13: 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 Bay Shore - Brightwaters Public 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, the Library will pay 100% of the retiree premiums provided that they are retiring after thirty years of service or if they were hired prior to February 1, 1996. As of February 1, 1996, all current employees began contributing 10% of the cost of their coverage. As of January 1, 2003, current employees continued to pay 10% for individual coverage and an additional 25% for family coverage. All retirees without thirty years of service are required to continue to make the same contribution in retirement as they did while they were employed. On June 24, 1996 it was resolved to limit health insurance benefits to retirees who were employed less than ten years by the Library. Effective on July 1, 2002 it was resolved to extend the required length of service to the Library to 15 years. Effective on July 1, 2007 it was resolved to extend the length of service to the Library to 20 years.

For the year ending June 30, 2022, the Library recognized the cost of providing health insurance by recording its share of retiree insurance premiums of \$94,717 as an expenditure in the General Fund. Bay Shore - Brightwaters Public Library also reimburses retired employees and their spouses the full cost of Medicare deducted from their Social Security benefits, which amounted to \$20,484. The retiree's share of premiums for health insurance is withheld from their monthly NYS retirement pension payment.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13: Post-employment Benefits Other Than Pensions (continued)

B. Funding Policy: (continued)

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

Active employees	16
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	11
Total	<u>27</u>

- C. Total Other Post-Employment Benefit (OPEB) Liability:** The Library's total OPEB liability of \$4,045,154 was updated through June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

D. Actuarial Assumptions and Other Inputs:

Inflation Rate	2.00%
Participant Salary Increases	3.50%
Discount Rate	3.54%
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, 2022.

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13: Post-employment Benefits Other Than Pensions (continued)

E. Changes in The Total OPEB Liability:

Balance at June 30, 2021	\$ 4,549,783
Changes for the year:	
Service cost	204,849
Interest	107,241
Changes in benefit terms	0
Differences between expected and actual experience	554,417
Changes in assumptions and other inputs	(1,222,189)
Benefit payments	<u>(148,947)</u>
Net changes	<u>(504,629)</u>
Balance at June 30, 2022	<u><u>\$ 4,045,154</u></u>

Note: For the purpose of calculating this liability, there have been no plan changes. The assumption changes were the updating of the pre-65 healthcare cost trend rates and the mortality improvement scale. The discount rate was 2.16% at June 30, 2021 and was 3.54% at June 30, 2022.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13: Post-employment Benefits Other Than Pensions (continued)

E. Changes in The Total OPEB Liability:

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 (2.54 %) or 1 percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 4,706,321	\$ 4,045,154	\$ 3,509,138

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 (5.50% decreasing to 4.00%) or 1 percentage point higher (7.50% decreasing to 6.00%) than the current healthcare cost trend rate:

	1% Decrease (5.50% Decreasing to 4.00%)	Healthcare Cost Trend Rate (6.50% Decreasing to 5.00%)	1% Increase (7.50% Decreasing to 6.00%)
Total OPEB Liability	\$ 3,398,922	\$ 4,045,154	\$ 4,890,990

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to OPEB: For the year ending June 30, 2022, the Library recognized OPEB expense of \$291,645. At June 30, 2022, the Library reported deferred inflows of resources that were related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 486,970	\$ 248,444
Changes in assumptions	670,718	1,144,115
Total	<u>\$ 1,157,688</u>	<u>\$ 1,392,559</u>

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13: **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>
2023	\$ (20,445)
2024	(20,445)
2025	(20,445)
2026	(20,445)
2027	(6,399)
Thereafter	<u>(146,692)</u>
Total	<u><u>\$ (234,871)</u></u>

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

Total fund balance and the net change in fund balance of the Library's governmental funds differ 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.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

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 \$ 7,018,392

Amounts reported in the statement of net position are different because:

- Capital assets are not financial resources, and are not reported in the funds 9,587,755
- Net pension asset is not reported in the funds 461,523
- Deferred outflows on pension is not reported in the funds 872,177
- Deferred outflows on OPEB is not reported in the funds 1,157,688
- Bonds payable in future periods are not reported in the funds (6,700,000)
- Net unamortized bond premium is not reported in the funds (20,775)
- Bond interest payable is not recorded in the funds (152,769)
- Obligation for post-employment health insurance, to be paid in future periods is not reported in the funds (4,045,154)
- Deferred inflows on pension is not reported in the funds (1,611,537)
- Deferred inflows on OPEB is not reported in the funds (1,392,559)

Total Net Position- Full Accrual Basis \$ 5,174,741

Net Change in Fund Balance-Modified Accrual Basis \$ 13,839

Amounts reported in the statement of activities are different because:

- Capital outlays are reported as expenditures in the statement of fund revenues, expenditures, and changes in fund balance; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:
 - Capital outlay 24,883
 - Depreciation expense (428,839)
- (Increase)/decrease in the items reported as an expenditure in the statements of activities, not in the fund statements:
 - Amortization of bond premium 2,535
 - Post-employment health costs (142,698)
 - Accrued interest on bonds payable 6,975
 - Net pension expenses 210,790
- Repayments of principal on bonds payable are not an expense in the statement of activities, rather a reduction of the liability 310,000

Change in Net Position-Full Accrual Basis \$ (2,515)

BAYSHORE - BRIGHTWATERS PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Tax Revenues				
Bay Shore Union Free School District	\$ 3,772,173	\$ 3,772,173	\$ 3,772,173	\$ 0
Operating Revenue:				
Fines, charges and fees	7,300	7,300	4,999	(2,301)
Payments in lieu of taxes	38,367	38,367	41,463	3,096
NYS Aid and other grants	27,000	27,000	9,533	(17,467)
Gifts and bequests	900	900	1,189	289
Sale of materials and supplies	350	350	208	(142)
E-rate and refund of prior year expenditures	6,500	6,500	5,940	(560)
Lost or damaged book reimbursements	3,000	3,000	3,907	907
Insurance recoveries	1,500	1,500	0	(1,500)
Interest	20,000	20,000	16,148	(3,852)
Miscellaneous income	500	500	141	359
Total Operating Revenue	<u>105,417</u>	<u>105,417</u>	<u>83,528</u>	<u>(21,889)</u>
Non-Operating Revenue:				
Transfer from fund balance	<u>415,000</u>	<u>415,000</u>	<u>0</u>	<u>(415,000)</u>
Total Revenues	<u>\$ 4,292,590</u>	<u>\$ 4,292,590</u>	<u>\$ 3,855,701</u>	<u>\$ (436,889)</u>
Expenditures:				
Salaries and Wages:				
Professional	\$ 972,258	\$ 972,258	\$ 814,964	\$ 157,294
Clerical	662,449	662,449	603,509	58,940
Custodial	159,283	159,283	158,715	568
Security	19,448	19,448	20,818	(1,370)
Other	102,800	102,800	91,367	11,433
Total Salaries and wages	<u>\$ 1,916,238</u>	<u>\$ 1,916,238</u>	<u>\$ 1,689,373</u>	<u>\$ 226,865</u>

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

BAYSHORE - BRIGHTWATERS PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Employee Benefits:				
Retirement	\$ 230,000	\$ 230,000	\$ 221,587	\$ 8,413
Social security	146,592	146,592	122,707	23,885
Health insurance	410,000	410,000	376,802	33,198
Dental insurance	25,000	25,000	19,509	5,491
Workers compensation insurance	16,950	16,950	14,510	2,440
Disability insurance	2,400	2,400	2,291	109
Life insurance	700	700	536	164
Unemployment	0	0	0	0
Other benefits	2,000	2,000	1,913	87
Total Employee Benefits	<u>833,642</u>	<u>833,642</u>	<u>759,855</u>	<u>73,787</u>
Library Materials and Programs:				
Books - adult	65,000	65,000	65,380	(380)
Books - children	30,000	30,000	24,478	5,522
Books - young adult	4,500	4,500	4,832	(332)
Electronic resources	120,000	120,000	108,363	11,637
Video and DVD	12,300	12,300	5,814	6,486
Recordings - music	200	200	0	200
Periodicals	16,500	16,500	15,102	1,398
Computer software	4,500	4,500	4,761	(261)
SCLS member services	41,735	41,735	42,190	(455)
Programs - adult (net cash receipts of \$18,983)	14,500	14,500	16,955	(2,455)
Programs - children	16,500	16,500	17,042	(542)
Programs - young adult	5,500	5,500	4,800	700
Programs- Summer Reading	12,000	12,000	13,195	(1,195)
Programs - Annual	10,000	10,000	9,650	350
Programs - other lectures, film series, etc.	3,450	3,450	925	2,525
Museum passes	7,000	7,000	5,815	1,185
Realia	1,000	1,000	854	146
Bookbinding	250	250	0	250
Total Library Materials and Programs	<u>\$ 364,935</u>	<u>\$ 364,935</u>	<u>\$ 340,156</u>	<u>\$ 24,779</u>

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

BAYSHORE - BRIGHTWATERS PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Library Operations:				
Library and general supplies	\$ 35,000	\$ 35,000	\$ 35,201	\$ (201)
Minor furniture and equipment	10,000	10,000	11,919	(1,919)
Circulation control system	10,500	10,500	11,114	(614)
Telecommunications	16,500	16,500	14,591	1,909
Technological enhancement	10,000	10,000	8,744	1,256
Telephone	7,000	7,000	6,997	3
Postage	10,000	10,000	7,336	2,664
Displays and brochures	20,000	20,000	21,196	(1,196)
Audit and accounting fees	11,250	11,250	11,250	0
Legal fees	6,500	6,500	2,850	3,650
Professional fees - other	12,000	12,000	12,535	(535)
Office equipment contracts	3,500	3,500	3,434	66
Conference and travel	3,000	3,000	1,290	1,710
Membership dues	2,500	2,500	3,216	(716)
Budget vote	8,500	8,500	10,008	(1,508)
Miscellaneous	13,550	13,550	13,118	432
Total Library Operations	<u>179,800</u>	<u>179,800</u>	<u>174,799</u>	<u>5,001</u>
Building Operations:				
Electric	90,000	90,000	90,524	(524)
Gas/fuel	4,500	4,500	4,479	21
Water	2,500	2,500	1,787	713
Insurance	41,975	41,975	35,611	6,364
Service contracts	78,000	78,000	82,491	(4,491)
Custodial supplies	16,000	16,000	12,588	3,412
Repairs	63,000	63,000	11,636	51,364
Total Building Operations	<u>295,975</u>	<u>295,975</u>	<u>239,116</u>	<u>56,859</u>
Capital Outlay:				
Building improvements	50,000	50,000	10,848	39,152
Furniture, fixtures and other equipment	17,000	17,000	1,696	15,304
Computer hardware	5,000	5,000	3,964	1,036
Total Capital Outlay	<u>\$ 72,000</u>	<u>\$ 72,000</u>	<u>\$ 16,508</u>	<u>\$ 55,492</u>

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

BAYSHORE - BRIGHTWATERS PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Other Financing Uses:				
Transfer to Debt Service Fund	\$ 630,000	\$ 630,000	\$ 625,439	\$ 4,561
Total Other Financing Uses	<u>630,000</u>	<u>630,000</u>	<u>625,439</u>	<u>4,561</u>
 Total Expenditures and Other Financing Uses	 <u>4,292,590</u>	 <u>4,292,590</u>	 <u>3,845,246</u>	 <u>447,344</u>
 Excess Of Revenues Over Expend- itures And Other Financing Uses	 0	 0	 10,455	 10,455
 Budgetary fund balance- beginning of year	 <u>5,930,960</u>	 <u>5,930,960</u>	 <u>5,930,960</u>	 <u>5,930,960</u>
 Budgetary Fund Balance - End Of Year	 <u><u>\$ 5,930,960</u></u>	 <u><u>\$ 5,930,960</u></u>	 <u><u>\$ 5,941,415</u></u>	 <u><u>\$ 5,941,415</u></u>

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN
FOR THE 2022 FISCAL YEAR**

	2022	2021	2020	2019	2018	2017	2016
Library's proportion of the net pension liability (asset)	0.00565%	0.00561%	0.00533%	0.00519%	0.00519%	0.00507%	0.00496%
Library's proportionate share of the net pension liability (asset)	(\$461,523)	\$5,583	\$1,411,036	\$367,461	\$167,588	\$476,546	\$796,703
Library's covered-employee payroll	\$1,429,951	\$1,388,381	\$1,288,992	\$1,240,352	\$1,185,861	\$1,159,776	\$1,107,728
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(32.28%)	0.402%	109.468%	29.626%	14.132%	41.089%	71.922%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24.%	94.70%	90.68%

** 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.

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS
NYSLRS PENSION PLAN
FOR THE 2022 FISCAL YEAR

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 235,665	\$ 203,305	\$ 188,088	\$ 187,135	\$ 184,426	\$ 194,795	\$ 190,003
Contributions in relation to the contractually required contribution	<u>235,665</u>	<u>203,305</u>	<u>188,088</u>	<u>187,135</u>	<u>184,426</u>	<u>194,795</u>	<u>190,003</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Library's covered-employee payroll	\$ 1,429,951	\$ 1,388,381	\$ 1,288,992	\$ 1,240,352	\$ 1,185,861	\$ 1,159,776	\$ 1,107,728
Contributions as a percentage of covered-employee payroll	16.48%	14.64%	14.59%	15.09%	15.55%	16.80%	17.15%

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

BAY SHORE - BRIGHTWATERS PUBLIC LIBRARY
SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 204,849	\$ 185,400	\$ 132,699	\$ 135,577	\$ 143,575
Interest	107,241	99,125	125,287	138,030	129,112
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	554,417	0	(382,736)	0	0
Changes in assumptions or other inputs	(1,222,189)	37,240	810,552	209,197	(155,276)
Benefit payments	<u>(148,947)</u>	<u>(142,969)</u>	<u>(154,261)</u>	<u>(147,490)</u>	<u>(151,039)</u>
Net Change in total OPEB liability	(504,629)	178,796	531,541	335,314	(33,628)
Total OPEB liability- beginning	<u>4,549,783</u>	<u>4,370,987</u>	<u>3,839,446</u>	<u>3,504,132</u>	<u>3,537,760</u>
Total OPEB liability- ending	<u>\$ 4,045,154</u>	<u>\$ 4,549,783</u>	<u>\$ 4,370,987</u>	<u>\$ 3,839,446</u>	<u>\$ 3,504,132</u>
Covered-employee payroll	\$ 1,134,455	\$ 1,071,657	\$ 1,045,519	\$ 1,041,814	\$ 1,016,404
Total OPEB liability as a % of covered-employee payroll	356.57%	424.56%	418.07%	368.53%	344.76%
Notes to schedule:					
Assumption changes:					
Discount rate	3.54%	2.16%	2.21%	3.50%	3.87%
Mortality Improvement Scale	MP-2021	MP-2019	MP-2019	MP-2016	MP-2016
Pre-65 Trend Rate	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%
Plan changes:	None	None	None	None	None

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