

LEVITTOWN PUBLIC LIBRARY

**FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION**

JUNE 30, 2022

LEVITTOWN PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees and the Director
Levittown Public Library
One Bluegrass Lane
Levittown, NY 11756

Opinions

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Levittown 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 Levittown 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 Levittown 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 Levittown 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 Levittown 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 Levittown 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.

Baldwin & Carter LLP

Certified Public Accountants
Stewart Manor, New York
December 7, 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:

	<u>June 30,</u> <u>2022</u>	<u>June 30,</u> <u>2021</u>	<u>Increase</u> <u>(Decrease)</u>
Assets:			
Current assets	\$ 5,932	\$ 6,348	\$ (416)
Net pension asset	982	0	982
Capital assets	<u>7,642</u>	<u>7,034</u>	<u>608</u>
Total Assets	<u>14,556</u>	<u>13,382</u>	<u>1,174</u>
Deferred Outflows of Resources	<u>5,986</u>	<u>5,944</u>	<u>42</u>
Liabilities:			
Long-term debt	13,201	14,589	(1,388)
Other liabilities	<u>332</u>	<u>590</u>	<u>(258)</u>
Total Liabilities	<u>13,533</u>	<u>15,179</u>	<u>(1,646)</u>
Deferred Inflows of Resources	<u>7,618</u>	<u>5,033</u>	<u>2,585</u>
Net Position			
Net investment in capital assets	7,642	7,034	608
Unrestricted	<u>(8,251)</u>	<u>(7,920)</u>	<u>(331)</u>
Total Net Position	<u>\$ (609)</u>	<u>\$ (886)</u>	<u>\$ 277</u>
Revenue:			
Tax revenues	\$ 7,868	\$ 7,650	\$ 218
State aid and grants	378	499	(121)
Other revenue	<u>48</u>	<u>30</u>	<u>18</u>
Total Revenue	8,294	8,179	115
Expenses - Library Services	<u>8,017</u>	<u>8,154</u>	<u>(137)</u>
Change in net position	277	25	252
Net Position - Beginning of Year	<u>(886)</u>	<u>(911)</u>	<u>25</u>
Net Position - End of Year	<u>\$ (609)</u>	<u>\$ (886)</u>	<u>\$ 277</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

The Library As A Whole

- The Library's net position increased by \$277,956 this year. The primary reason for this increase is detailed within the Statement of Activities on pages twelve through thirteen.
- The Library's primary source of revenue is from property taxes, which represents 95 percent of total revenue. In the prior year, property taxes represented 94 percent of total revenue.
- As is typical of service agencies, salaries and benefits are a significant expense of the Library, representing 74 percent of the Library's total expenses (as per the Statement of Activities). In the prior year, salaries and benefits represented 79 percent of total expenditures.

The Library Funds:

Our analyses of the Library's funds are included in the first four 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 Central Library Aid Fund and the Capital Projects Fund.

The fund balance of the General Fund decreased during the year from \$5,610,958 to 5,592,949. This was primarily the result of the transfer of funds to the Capital Project Fund. The fund balance of the Central Library Aid Fund remained the same at \$0. The fund balance of Capital Projects Fund decreased from \$146,829 to \$7,379.

Budgetary Highlights:

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

- The budget line for State aid and grants had a favorable variance of \$84,373. This was due to the unanticipated receipt of grants from New York State and a PPE grant from the Town of Hempstead. The Library budgets conservatively for grants because they are not a guaranteed source of income.
- The operating revenue budget section had an unfavorable variance of \$47,753. The Library attributes this to the fact that it waived most fines and fees during the pandemic, and it hosted fewer programs that required fees.
- In total, the salaries budget section was underspent by \$341,374. The Library attributes this savings to having several staff separate from service. The Library did not need to fill these positions due to the decrease in Library activity during the pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Budgetary Highlights: (continued)

- The employee benefits budget section budget was underspent as a direct function of the lower salaries that were paid.
- The Library materials and programs budget section was underspent by \$153,905. The Library attributes this to reduced ordering during the pandemic, a transition to digital formats, and streaming movies exceeded expectations. In addition, in-person programming was reduced due to the pandemic and the renovations taking place in the Library.
- The budget line for library supplies was underspent because demand for these items remained low due to the pandemic and the Library renovations.
- The budget line for training was underspent because more training is being offered virtually since the pandemic.
- The budget lines for professional fees – attorney, accountant/auditor as well as for security, were all underspent because fewer services were required than had been anticipated.
- The budget line for office equipment contracts was underspent because of a decrease in copy machine leasing fees.
- The budget line for contracts – libraries and library systems was underspent because ILS fees did not increase as much as expected.
- The budget line for vehicle operation was underspent because less maintenance and fewer repairs were required than anticipated.
- The budget line for conference, dues & subscriptions was underspent by \$7,728. During the pandemic, most in-person conferences were canceled.
- The budget line for Contingency (miscellaneous) was underspent because the Library did not have many emergency expenditures.
- The budget line for utilities was underspent by \$11,475. The Library attributes this to lower usage for portions of the building that were closed for renovations.
- The budget line for insurance was underspent as premiums were lower than anticipated.
- The capital outlay budget section was underspent by \$10,981. This was primarily due to paying for many of the items and improvements from the Capital Fund as opposed to the General Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Capital Assets:

During the fiscal year, the Library purchased \$1,587,856 of fixed assets (capital outlay). Approximately 22% of the expenditures (\$352,450) were for library materials, and approximately 72% of the fixed assets (\$1,139,539) were related to the building renovation project. The remaining expenditures were for furniture, security cameras, computers, etc. During the year, the Library discarded obsolete or broken capital assets that had an original cost of \$574,652.

Debt Administration:

Long-term debt consists of the liability the Library has to its employees for compensated absences, and its obligation for other post-employment benefits. The net pension liability reported in the prior year of \$11,931 reversed and became a net pension asset of \$982,257 at June 30, 2022. The liability for compensated absences at June 30, 2022 was \$909,304. This represents a decrease of \$6,448 from the previous year. The obligation for other post-employment benefits at June 30, 2022 was \$12,291,721. This represents a decrease of \$1,369,994 from the previous year.

Currently Known Conditions:

The Library budget vote for the 2022-2023 fiscal year was approved by the taxpayers. The anticipated tax revenues will be \$7,867,690. This is the same as the budget from the 2021-2022 fiscal year.

LEVITTOWN PUBLIC LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AS OF JUNE 30, 2022

	General Fund	Central Library Aid Fund	Capital Projects Fund	Total of Funds	Adjustments (Note 12)	Statement of Net Position
Assets:						
Cash and cash equivalents	\$ 5,692,658	\$ 36,088	\$ 60,432	\$ 5,789,178	\$	\$ 5,789,178
Prepaid expenses and deposits	39,261			39,261		39,261
Grants and aid receivable	1,367	71,118	31,447	103,932		103,932
Internal receivables	184,500			184,500	(184,500)	982,257
Net pension asset (note 9)					982,257	
Capital assets, net of accumulated depreciation (note 5)					7,641,762	7,641,762
Total Assets	5,917,786	107,206	91,879	6,116,871	8,439,519	14,556,390
Deferred Outflows of Resources:						
Deferred outflows on OPEB					4,044,405	4,044,405
Deferred outflows on pension					1,941,925	1,941,925
Total Deferred Outflows of Resources	0	0	0	0	5,986,330	5,986,330
Total Assets and Deferred Outflows of Resources	5,917,786	107,206	91,879	6,116,871	14,425,849	20,542,720
Liabilities:						
Accounts payable	\$ 122,115	\$ 7,206	\$	\$ 129,321	\$	\$ 129,321
Accrued payroll and related items	100,328			100,328		100,328
Accrued NYS retirement contribution	102,394			102,394		102,394
Internal payables		100,000	84,500	184,500	(184,500)	
Non-current liabilities:						
Compensated absences payable (note 8)					909,304	909,304
Obligation for post-employment benefits (note 10)					12,291,721	12,291,721
Total Liabilities	324,837	107,206	84,500	516,543	13,016,525	13,533,068

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

**LEVITTOWN PUBLIC LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Central Library Aid Fund</u>	<u>Capital Projects Fund</u>	<u>Total of Funds</u>	<u>Adjustments (Note 12)</u>	<u>Statement of Net Position</u>
Deferred Inflows of Resources:						
Deferred inflows on OPEB	\$	\$	\$	\$	\$	\$
Deferred inflows on pension					4,263,412	4,263,412
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,618,186</u>	<u>7,618,186</u>
Fund Balances/Net position:						
Nonspendable (prepaid amounts)	39,261			39,261	(39,261)	
Assigned (note 11)	1,982,307		7,379	1,989,686	(1,989,686)	
Unassigned	<u>3,571,381</u>			<u>3,571,381</u>	<u>(3,571,381)</u>	
Total Fund Balances	<u>5,592,949</u>	<u>0</u>	<u>7,379</u>	<u>5,600,328</u>	<u>(5,600,328)</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,917,786</u>	<u>\$ 107,206</u>	<u>\$ 91,879</u>	<u>\$ 6,116,871</u>		
Net Position:						
Net investment in capital assets					7,641,762	7,641,762
Unrestricted					<u>(8,250,296)</u>	<u>(8,250,296)</u>
Total Net Position					<u>\$ (608,534)</u>	<u>\$ (608,534)</u>

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

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

	General Fund	Central Library Aid Fund	Capital Projects Fund	Total of Funds	Adjustments (Note 12)	Statement of Activities
Revenues:						
Tax revenues	\$ 7,867,690	\$	\$	\$ 7,867,690	\$	7,867,690
State aid and grants	94,373	283,521		377,894		377,894
Gifts and donations	1,282			1,282		1,282
Fines and other charges	26,364			26,364		26,364
Program fees	6,052			6,052		6,052
Interest income	7,758	106	89	7,953		7,953
Other income	7,579			7,579		7,579
Total Revenues	\$ 8,011,098	\$ 283,627	\$ 89	\$ 8,294,814	\$ 0	\$ 8,294,814

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

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

	General Fund	Central Library Aid Fund	Capital Projects Fund	Total of Funds	Adjustments (Note 12)	Statement of Activities
Expenditures/Expenses for Library Services:						
Salaries	\$ 3,736,812	\$ 31,509	\$	\$ 3,768,321	\$ (5,990)	\$ 3,762,331
Employee benefits	1,958,611	2,410		1,961,021	178,245	2,139,266
Library materials and programs	533,822	205,361		739,183	(352,450)	386,733
Library operations	424,506	44,087		468,593		468,593
Building operations	279,489	260		279,749		279,749
Capital outlay	95,867		1,139,539	1,235,406	(1,235,406)	0
Depreciation					980,186	980,186
Total Expenditures/Expenses	<u>7,029,107</u>	<u>283,627</u>	<u>1,139,539</u>	<u>8,452,273</u>	<u>(435,415)</u>	<u>8,016,858</u>
Excess (Deficiency) Of Revenues Over Expenditures	981,991	0	(1,139,450)	(157,459)	435,415	
Other Financing Sources/Uses:						
Net transfers- internal activities	<u>(1,000,000)</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>		
Excess (Deficiency) Of Revenues And Transfers In Over Expenditures	(18,009)	0	(139,450)	(157,459)	157,459	
Change In Net Position					277,956	277,956
Fund balance/net position - beginning of year	<u>5,610,958</u>	<u>0</u>	<u>146,829</u>	<u>5,757,787</u>	<u>(6,644,277)</u>	<u>(886,490)</u>
Fund Balance/Net Position- End Of Year	<u>\$ 5,592,949</u>	<u>\$ 0</u>	<u>\$ 7,379</u>	<u>\$ 5,600,328</u>	<u>\$ (6,208,862)</u>	<u>\$ (608,534)</u>

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

LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of Levittown 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 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 Levittown Public Library coordinates the raising of its real estate tax revenues with the Levittown 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.

**LEVITTOWN 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.

Central Library Aid Fund: This fund accounts for the collection and disbursement of New York State funds for the purpose of maintaining a central library site within the Levittown Public Library.

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

LEVITTOWN 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.

LEVITTOWN 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. Artwork is capitalized but not depreciated. Construction in progress is not depreciated until the project has been completed. Other costs incurred for repairs and maintenance are expensed as incurred. The land and the library building have not been capitalized as they are owned by the School District.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Computer equipment	5 years
Library books and materials	5 years
Vehicles	8 years
Furniture and other equipment	5 to 20 years
Permanent fixtures	10 to 20 years
Building improvements	20 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 its cash balances at two banks. At year-end, the Library’s carrying amount of deposits was \$5,788,163 (excludes \$1,015 in cash on hand) and the bank balance was \$6,009,320. Of the bank balance, \$669,972 was covered by federal depository insurance. The remaining balance of \$5,339,348 was covered by collateral held by the Library’s agent.

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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.”

NOTE 5: Capital Assets

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

	Balance as of <u>7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance as of <u>6/30/2022</u>
Assets not being depreciated:				
Artwork	\$ 6,000	\$ 0	\$ 0	\$ 6,000
Construction in progress	2,453,622	144,981	(2,373,599)	225,004
Other Capital Assets:				
Library books and materials	6,385,397	352,450	(545,669)	6,192,178
Building improvements	5,046,701	953,577	2,373,599	8,373,877
Permanent fixtures	822,117	53,694	0	875,811
Vehicles	34,682	0	0	34,682
Computer equipment	334,033	50,547	(20,762)	363,818
Furniture and other equipment	<u>607,374</u>	<u>32,607</u>	<u>(8,221)</u>	<u>631,760</u>
Total	15,689,926	1,587,856	(574,652)	16,703,130
Accumulated depreciation	<u>(8,655,834)</u>	<u>(980,186)</u>	<u>574,652</u>	<u>(9,061,368)</u>
Net Book Value	<u>\$ 7,034,092</u>	<u>\$ 607,670</u>	<u>\$ 0</u>	<u>\$ 7,641,762</u>

NOTE 6: Accounts Payable

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

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7: Long Term Debt

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

	Balance			Non-current liabilities		
	7/1/2021	Increases	Reductions	6/30/2022	Due within one year	Due after one year
Compensated absences \$	915,752	\$ 0	\$ 6,448	\$ 909,304	\$ 100,086	\$ 809,218
Net pension liability	11,931	0	11,931	0	0	0
Other post-employment benefits payable	13,661,715	0	1,369,994	12,291,721	0	12,291,721
Total	\$ 14,589,398	\$ 0	\$ 1,388,373	\$ 13,201,025	\$ 100,086	\$ 13,100,939

NOTE 8: Compensated Absences Payable

The Library has an accumulated liability as of June 30, 2022 for unused sick and vacation pay amounting to \$909,304. This is a decrease of \$6,448 from the June 30, 2021 balance of \$915,752. The Library expects to pay \$100,086 of this liability within the next twelve months.

NOTE 9: Retirement Plan

A. Plan Description and Benefits Provided: 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, 2019. 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 at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9: **Retirement Plan**

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

Tiers 1 and 2

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

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

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

Tiers 3, 4, and 5

Eligibility: Tier 3, 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.

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: Retirement Plan (continued)

B. Benefits Provided: (continued)

Tiers 3, 4, and 5 (continued)

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

Tier 6

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

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.

LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9: **Retirement Plan (continued)**

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

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

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 \$564,931, for the 2021 fiscal year it was \$514,858, and for the 2020 fiscal year it was \$531,966.

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: Retirement Plan (continued)

D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: At June 30, 2022, the Library reported an asset of \$982,257 for its proportionate share of the net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension asset 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 0.012016 percent, which was an increase of .0000338 percent from its proportion measured at June 30, 2021.

For the year ended June 30, 2022, the Library recognized pension expense of \$119,942.

At June 30, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 74,388	\$ 96,485
Changes in assumptions	1,639,277	27,661
Net difference between projected and actual earnings on pension plan investments	0	3,216,481
Changes in proportion and differences between employer contributions and proportionate share of contributions	125,866	14,147
Library's contributions subsequent to the measurement date	102,394	0
Total	\$ 1,941,925	\$ 3,354,774

\$102,394 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date and will be recognized as a reduction of the net pension asset in the year ended June 30, 2023.

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: Retirement Plan (continued)

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

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	\$ (202,703)
2024	(328,546)
2025	(813,836)
2026	(170,158)
2027	<u>0</u>
Total	<u>\$ (1,515,243)</u>

E. Actuarial Assumptions:

The total pension 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 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 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.

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: Retirement Plan (continued)

E. Actuarial Assumptions: (continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	32.00%	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 asset.

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: 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)	\$ 2,528,320	\$ (982,257)	\$ (3,918,686)

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:

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

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: 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 Levittown 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. Benefits Provided:** Contribution requirements are determined by the Library Board. Currently, employees that are paid on an annual salaried basis are eligible for enrollment in the NYS Health Insurance Plan. Employees who retire and are eligible for a pension from the NYS and Local Government Retirement System continue to have coverage paid by the Library. If they have family coverage, 50% of the family coverage is paid by the Library and 50% by the retiree.

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 \$244,416 as an expenditure in the General Fund. Levittown Public Library also reimburses retired employees and their spouses the full cost of Medicare deducted from their Social Security benefits, which amounted to \$93,386.

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

Active employees	45
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	38
Total	83

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: Post-employment Benefits Other Than Pensions (continued)

C. Total Other Post-Employment Benefit (OPEB) Liability: The Library's total OPEB liability of \$12,291,721 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	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	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 generational mortality table with projection scale MP-2021.

E. Changes In The Total OPEB Liability:

Balance at June 30, 2021	\$ <u>13,661,715</u>
Changes for the year:	
Service cost	661,081
Interest	331,205
Changes in benefit terms	0
Differences between expected and actual experience	1,479,673
Changes in assumptions and other inputs	(3,403,264)
Benefit payments	<u>(438,689)</u>
Net changes	<u>(1,369,994)</u>
Balance at June 30, 2022	\$ <u><u>12,291,721</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.

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: 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 (2.54%) 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	\$ 14,471,404	\$ 12,291,721	\$ 10,558,367

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 Rates (6.50% Decreasing to 5.00%)	1% Increase (7.50% Decreasing to 6.00%)
Total OPEB Liability	\$ 10,324,615	\$ 12,291,721	\$ 14,863,354

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: Post-employment Benefits Other Than Pensions (continued)

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 \$1,020,847. At June 30, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 1,297,671	\$ 1,131,541
Changes in assumptions	2,746,734	3,131,871
Total	\$ 4,044,405	\$ 4,263,412

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

Year Ending June 30,	Amount Recognized
2023	\$ 28,561
2024	28,561
2025	35,767
2026	80,034
2027	17,052
Thereafter	(408,982)
Total	\$ (219,007)

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11: Assigned Fund Balance

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

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Assigned For:			
Compensated absences	\$ 654,291	\$	\$ 654,291
Roof/solar	450,000		450,000
Repairs	96,919		96,919
Technology	200,000		200,000
Retirement contributions	481,097		481,097
Retiree health	100,000		100,000
Other capital projects		7,379	7,379
Total	<u>\$ 1,982,307</u>	<u>\$ 7,379</u>	<u>\$ 1,989,686</u>

**LEVITTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12: 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. 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 \$ 5,600,328

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

- Capital assets are not financial resources, and are not reported in the funds 7,641,762
- Net pension asset is not included in the funds 982,257
- Deferred outflow on OPEB is not reported in the funds 4,044,405
- Deferred outflow on pension is not reported in the funds 1,941,925
- Compensated absences are not a liability in the funds (909,304)
- Obligation for post-employment health insurance, to be paid in future periods is not reported in the funds (12,291,721)
- Deferred inflow on OPEB is not reported in the funds (4,263,412)
- Deferred inflow on pension is not reported in the funds (3,354,774)

Total Net Position - Full Accrual Basis \$ (608,534)

Net Change in Fund Balance - Modified Accrual Basis \$ (157,459)

Amounts reported in the statement of activities are different because:

- Capital outlays are reported as expenditures in the statement of revenue, expenditures, and changes in fund balance; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:
 - Capital outlay 1,587,856
 - Depreciation expense (980,186)
- (Increase)/decrease in the items reported as expenditures in the statements of activities, not in the fund statements:
 - Compensated absences 6,448
 - Post-employment health costs (582,158)
 - Net pension expenses 403,455

Change In Net Position - Full Accrual Basis \$ 277,956

LEVITTOWN PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL 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:				
Levittown Union Free School District	\$ 7,867,690	\$ 7,867,690	\$ 7,867,690	\$ 0
Grants and Donations:				
State aid and grants	10,000	10,000	94,373	84,373
Gifts and donations	0	0	1,282	1,282
Total Grants and Donations	<u>10,000</u>	<u>10,000</u>	<u>95,655</u>	<u>85,655</u>
Operating Revenue:				
Fines and other charges			26,364	
Program fees			6,052	
Interest income			7,758	
Other income			7,579	
Total Operating Revenue	<u>135,500</u>	<u>135,500</u>	<u>47,753</u>	<u>(87,747)</u>
Non-Operating Revenue:				
Transfer from prior years surplus	0	0	0	0
Total Revenues	<u>\$ 8,013,190</u>	<u>\$ 8,013,190</u>	<u>\$ 8,011,098</u>	<u>\$ (2,092)</u>
Expenditures:				
Salaries:				
Certified Librarians	\$ 1,909,488	\$ 1,894,488	\$ 1,686,013	\$ 208,475
Other staff	2,204,198	2,183,698	2,050,799	132,899
Total Salaries	<u>4,113,686</u>	<u>4,078,186</u>	<u>3,736,812</u>	<u>341,374</u>
Employee Benefits:				
N.Y.S. retirement	591,226	591,226	523,393	67,833
Social Security	324,091	315,091	284,762	30,329
Workers' compensation	45,000	45,000	41,258	3,742
Disability	4,500	4,500	464	4,036
Health insurance	1,306,810	1,306,810	1,108,734	198,076
Total Employee Benefits	<u>\$ 2,271,627</u>	<u>\$ 2,262,627</u>	<u>\$ 1,958,611</u>	<u>\$ 304,016</u>

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

LEVITTOWN PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL 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 Materials and Programs:				
Books	\$ 180,534	\$ 179,484	\$ 162,491	\$ 16,993
Periodicals & Microforms	31,200	32,250	32,998	(748)
Continuations	63,583	63,583	25,708	37,875
Tapes, CD's and electronic resources	102,346	102,346	111,197	(8,851)
DVD's, video games and other	37,133	37,133	20,056	17,077
Binding and processing	14,700	14,700	12,382	2,318
Online database	85,450	98,050	65,082	32,968
Programs & public information	151,181	160,181	103,908	56,273
Total Library Materials and Programs	<u>666,127</u>	<u>687,727</u>	<u>533,822</u>	<u>153,905</u>
Library Operations:				
Library supplies	66,856	66,856	46,186	20,670
Computer software	5,000	7,400	9,950	(2,550)
Training	6,000	6,000	206	5,794
Postage & shipping	20,000	20,000	15,150	4,850
Professional fees - attorney	41,400	41,400	14,871	26,529
Professional fees - accountant/auditor	45,875	45,875	36,600	9,275
Professional fees - IT consultant	22,000	22,000	21,960	40
Professional fees - steno	3,000	3,000	2,250	750
Professional fees - unemployment service	1,000	1,000	566	434
Professional fees - security	133,100	133,100	118,186	14,914
Professional fees - other	5,000	5,000	4,456	544
Payroll service	11,500	11,500	10,339	1,161
Office equipment contracts	22,500	22,500	14,554	7,946
Contracts- libraries & library systems	143,359	143,359	121,296	22,063
Vehicle operation	12,800	12,800	652	12,148
Conference, dues & subscriptions	14,000	14,000	6,272	7,728
Contingency (miscellaneous)	14,365	14,365	1,012	13,353
Total Library Operations	<u>\$ 567,755</u>	<u>\$ 570,155</u>	<u>\$ 424,506</u>	<u>\$ 145,649</u>

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

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Building Operations:				
Utilities	\$ 124,326	\$ 124,326	\$ 112,851	\$ 11,475
Building maintenance	97,535	118,035	116,005	2,030
Telephone	10,000	10,000	12,182	(2,182)
Insurance	55,286	55,286	38,451	16,835
Total Building Operations	<u>287,147</u>	<u>307,647</u>	<u>279,489</u>	<u>28,158</u>
Capital Outlay:				
Computer equipment	40,848	40,848	44,941	(4,093)
Furniture and other equipment	29,000	29,000	23,919	5,081
Major repairs and improvements	37,000	37,000	27,007	9,993
Total Capital Outlay	<u>106,848</u>	<u>106,848</u>	<u>95,867</u>	<u>10,981</u>
Total Expenditures	<u>8,013,190</u>	<u>8,013,190</u>	<u>7,029,107</u>	<u>984,083</u>
Other Financing Uses:				
Transfer to the Capital Fund	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>(1,000,000)</u>
Total Expenditures and Other Financing Uses	<u>8,013,190</u>	<u>8,013,190</u>	<u>8,029,107</u>	<u>(15,917)</u>
Excess Of Expenditures And Other Financing Uses Over Revenues	0	0	(18,009)	(18,009)
Budgetary fund balance- beginning of year	<u>5,610,958</u>	<u>5,610,958</u>	<u>5,610,958</u>	<u>5,610,958</u>
Budgetary Fund Balance- End Of Year	<u>\$ 5,610,958</u>	<u>\$ 5,610,958</u>	<u>\$ 5,592,949</u>	<u>\$ 5,592,949</u>

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

LEVITTOWN 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	2015	2014
Library's proportion of the net pension liability (asset)	0.01202%	0.01198%	0.01136%	0.01188%	0.01200%	0.01044%	0.01013%	0.00958%	0.00958%
Library's proportionate share of the net pension liability (asset)	(\$982,257)	\$11,931	\$3,008,344	\$841,674	\$387,179	\$980,554	\$1,625,187	\$323,619	\$432,884
Library's covered-employee payroll	\$3,516,160	\$3,561,811	\$3,648,104	\$3,573,736	\$3,485,026	\$3,370,445	\$3,129,488	\$3,311,418	\$3,374,403
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(27.94%)	0.33%	82.46%	23.55%	11.11%	29.09%	51.93%	9.77%	12.83%
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%	97.95%	97.20%

** 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.

LEVITTOWN PUBLIC LIBRARY
 SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS
 NYSLRS PENSION PLAN
 FOR THE 2022 FISCAL YEAR

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$564,931	\$514,858	\$531,966	\$527,217	\$530,050	\$526,542	\$580,549	\$600,735	\$693,320
Contributions in relation to the to the contractually required contribution	(\$564,931)	(\$514,858)	(\$531,966)	(\$527,217)	(\$530,050)	(\$526,542)	(\$580,549)	(\$600,735)	(\$693,320)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Library's covered-employee payroll	\$3,516,160	\$3,561,811	\$3,648,104	\$3,573,736	\$3,485,026	\$3,370,445	\$3,129,488	\$3,311,418	\$3,374,403
Contributions as a percentage of covered-employee payroll	16.07%	14.45%	14.58%	14.75%	15.21%	15.62%	18.55%	18.14%	20.55%

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

LEVITTOWN 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	\$ 661,081	\$ 657,700	\$ 459,070	\$ 371,088	\$ 387,678
Interest	331,205	297,176	366,339	381,234	354,665
Changes of benefit terms	0	0	0	28,267	0
Differences between expected and actual experience	1,479,673	0	(1,769,629)	0	0
Changes in assumptions or other inputs	(3,403,264)	121,339	3,725,865	540,018	(404,578)
Benefit payments	<u>(438,689)</u>	<u>(405,063)</u>	<u>(396,414)</u>	<u>(386,690)</u>	<u>(367,749)</u>
Net Change in total OPEB liability	(1,369,994)	671,152	2,385,231	933,917	(29,984)
Total OPEB liability- beginning	<u>13,661,715</u>	<u>12,990,563</u>	<u>10,605,332</u>	<u>9,671,415</u>	<u>9,701,399</u>
Total OPEB liability- ending	<u>\$ 12,291,721</u>	<u>\$ 13,661,715</u>	<u>\$ 12,990,563</u>	<u>\$ 10,605,332</u>	<u>\$ 9,671,415</u>
Covered-employee payroll	\$ 2,817,984	\$ 2,771,083	\$ 2,703,496	\$ 2,772,192	\$ 2,691,449
Total OPEB liability as a % of covered-employee payroll	436.19%	493.01%	480.51%	382.56%	359.34%
Notes to schedule:					
Assumption changes:					
Discount rate	3.54%	2.16%	2.21%	3.50%	3.87%
Mortality Improvement Scale	RPH-2014	RPH-2014	RPH-2014	RP-2000	RP-2000
Pre-65 Trend Rate	7.0% down to 5.0%	7.0% down to 4.5%	7.5% down to 4.5%	7.3% down to 4.7%	7.7% down to 4.7%
Plan changes:	None	None	None	None	None

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