

**MASTICS-MORICHES-SHIRLEY
COMMUNITY LIBRARY**

**FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION**

JUNE 30, 2023

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees and the Director
Mastics-Moriches-Shirley Community Library
407 William Floyd Parkway
Shirley, New York 11967

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Mastics-Moriches-Shirley Community Library, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mastics-Moriches-Shirley Community 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 Mastics-Moriches-Shirley Community 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 Mastics-Moriches-Shirley Community 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 Mastics-Moriches-Shirley Community 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
April 25, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Using This Annual Report

This annual report consists of three parts- *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include information that presents two different views of the Library:

- The first three columns of the financial statements include information on the Library's funds under the modified accrual method. These *Fund Financial Statements* focus on current financial resources and provide a more detailed view about the accountability of the Library's sources and uses of funds.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Condensed Financial Information:

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

	<u>June 30,</u> <u>2023</u>	<u>June 30,</u> <u>2022</u>	<u>Increase</u> <u>(Decrease)</u>
Assets:			
Current assets	\$ 20,710	\$ 18,223	\$ 2,487
Net pension asset	0	981	(981)
Right to use assets	43	74	(31)
Capital assets	<u>26,573</u>	<u>14,747</u>	<u>11,826</u>
Total Assets	<u>47,326</u>	<u>34,025</u>	<u>13,301</u>
Deferred Outflows of Resources	<u>3,990</u>	<u>4,674</u>	<u>(684)</u>
Liabilities:			
Long-term debt	34,778	21,105	13,673
Other liabilities	<u>1,563</u>	<u>1,021</u>	<u>542</u>
Total Liabilities	<u>36,341</u>	<u>22,126</u>	<u>14,215</u>
Deferred Inflows of Resources	<u>3,815</u>	<u>7,430</u>	<u>(3,615)</u>
Net Position:			
Net investment in capital assets	4,512	3,721	791
Restricted	6,467	5,568	899
Unrestricted	<u>181</u>	<u>(146)</u>	<u>327</u>
Total Net Position	<u>\$ 11,160</u>	<u>\$ 9,143</u>	<u>\$ 2,017</u>
Revenue:			
Tax revenue	\$ 10,303	\$ 10,303	\$ 0
Contracts with other districts	127	263	(136)
Other revenue	<u>407</u>	<u>198</u>	<u>209</u>
Total Revenue	10,837	10,764	73
Expenses - Library services	<u>8,820</u>	<u>7,072</u>	<u>1,748</u>
Change in net position	2,017	3,692	(1,675)
Net Position - Beginning of Year	<u>9,143</u>	<u>5,451</u>	<u>3,692</u>
Net Position - End of Year	<u>\$ 11,160</u>	<u>\$ 9,143</u>	<u>\$ 2,017</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

The Library As A Whole

- The Library's net position increased by \$2,016,432 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 96 percent of total revenue.
- As is typical of service agencies, salaries and benefits are a significant expense of the Library, representing 70 percent of the Library's total expenses (as per the Statement of Activities). In the prior year salaries and benefits represented 71 percent of total expenses.

The Library Funds:

Our analyses of the Library's major funds are included in the first three 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 has two major funds, the General Fund and Capital Fund.

For the year ending June 30, 2023, the fund balance of the General Fund increased from \$6,947,270 to \$7,476,512. The fund balance of the Capital Fund increased from \$10,264,320 to \$11,816,027.

Budgetary Highlights:

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

- The Library received \$132,719 less revenue for contracts with other districts than anticipated. This revenue can fluctuate depending upon the number of residents from a neighboring un-served library district who sign up with the Mastics-Moriches-Shirley Community Library for service. Since the main library site has been closed for renovations, it is possible that patrons chose to contract with other neighboring libraries during the fiscal year.
- The Library received \$103,828 more interest income than anticipated. The Library attributes this to the rapid increase in interest rates.
- Copier and printer revenue was lower than anticipated. This was due to the fact that the second satellite branch only being open for the last two and a half months of the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Budgetary Highlights: (continued)

- In total, the salaries and wages budget section was only overspent by \$38,272 or 1.03%. It is difficult to budget on an individual salary line basis because of staff transitioning in and out of employment with the Library and the changing of staff titles during the year. Although the Library had an open administrative position, it was required to increase its security guard presence across three locations, which now includes the computer lab at the Mastic Recreation Center.
- The budget line for retirement was underspent by \$40,260. This was the result of projecting an amount based on information provided by the New York State Retirement System approximately a year in advance of the billing. The actual amount billed was less than the original projection.
- The budget line for health insurance and workers compensation were overspent as more was paid on premiums that anticipated.
- In total, the Library materials and programs budget section was underspent by approximately 20%. This was a transitional year for the Library as it looked to supply the Mastic Beach Branch for the full fiscal year and the Moriches Branch for less than one quarter of the fiscal year. The combined square footage of the two branches is only about one-third of the main Library's footprint. The Library had to make sure it could physically house new additions to the collection so as not to incur additional, off-site storage costs.
- In total, the Library operations budget section was overspent by \$74,677. The budget line for office, library and computer supplies had an unfavorable variance as the Library ramped up spending for the grand openings for the two new branches. The telecommunication budget line was underspent due to receiving an unexpected rebate from the Federal government. The printing budget line was overspent because the Library expanded its newsletter and mailed out informational material related to its budget. The budget line for promotion and publicity was underspent as the Library reduced its consulting engagements. The budget line for postage was overspent because rates increased twice during the fiscal year. The budget line for other rent, repair and maintenance costs was underspent. Due to the transition to brand new systems at the branches, any services that were required were covered by the manufacturer's warranties. The budget line for conference and travel was underspent because many of the staff have still been reluctant to attend in-person conferences.
- The budget line for other professional fees was overspent by \$38,095. This was directly related to the fees associated with the bond issuance.
- The budget line for electricity, fuel and gas were underspent significantly. The Library attributes this to operating out of much smaller spaces and to not having these spaces open to the public for the entire fiscal.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(continued)

Budgetary Highlights: (continued)

- The budget line for branch operations appears to be underspent by \$999,500. It was the intent of the Library to use this budget line as a tool to estimate all of the operating costs associated with the branches. However, for financial reporting purposes, these expenditures were required to be reclassified to other budget lines within the financial statement.
- The budget line for building repairs and maintenance was underspent by \$52,367. The Library attributes this to operating out of smaller, brand new facilities which required fewer repairs.
- The budget line for building improvements was overspent by \$2,132,600. This was due to not having budgeted for building improvements. The Library decided to not budget for various planning costs that were ultimately going to be classified as construction in progress.
- The budget line for furniture and equipment was underspent because the Library has been able to recycle some of their furniture and fixtures as they launched the two branches this year.

Capital Assets:

During the fiscal year ending June 30, 2023 the Library purchased \$12,461,833 of fixed assets. The majority of the expenditures (\$12,364,781) were for costs related to the building project. The remaining purchases were for computer and other equipment.

Debt Administration:

The only long-term debt that the Library has is to its employees for compensated absences, its lease liability, its net pension liability, its bonds payable and its obligation for other post-employment benefits. The net pension asset reported in the prior year of \$980,520 reversed and became a net pension liability of \$2,419,072 at June 30, 2023. The liability for compensated absences at June 30, 2023 was \$556,219. This represents an increase of \$45,734 from the previous year. The Library also made principal payments of \$30,785 on its lease liability reducing the debt at June 30, 2023 to \$43,329. The obligation for other post-employment benefits at June 30, 2023 was \$9,698,030. This represents an increase of \$204,100 from the previous year. During the fiscal year ending June 30, 2023 the Library received bond proceeds of \$11,000,000. The Library also made its annual principal payment on its bond payable of \$480,000. The net of this activity increased the bonds payable to \$21,465,000 at June 30, 2023.

Currently Known Conditions:

The Library anticipates that the tax revenues for the 2023-2024 fiscal year will be \$11,270,375.

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2023

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Adjustments (Note 16)</u>	<u>Statement of Net Position</u>
Assets:					
Cash and cash equivalents	\$ 7,514,455	\$ 6,490,812	\$ 14,005,267	\$	\$ 14,005,267
Contract services receivable	127,281		127,281		127,281
Accrued interest receivable	276		276		276
Internal receivables	78,051		78,051	(78,051)	
Prepaid insurance	95,516		95,516		95,516
Cash - restricted for debt service		124,854	124,854		124,854
Cash - restricted for construction		6,341,571	6,341,571		6,341,571
Investments - certificates of deposit	14,350		14,350		14,350
Right to use assets				43,329	43,329
Capital assets, net of depreciation				26,573,357	26,573,357
Total Assets	<u>7,829,929</u>	<u>12,957,237</u>	<u>20,787,166</u>	<u>26,538,635</u>	<u>47,325,801</u>
Deferred Outflows of Resources:					
Deferred outflows on pension				1,602,901	1,602,901
Deferred outflows on OPEB				2,386,777	2,386,777
Total Deferred Outflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,989,678</u>	<u>3,989,678</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 7,829,929</u>	<u>\$ 12,957,237</u>	<u>\$ 20,787,166</u>	<u>\$ 30,528,313</u>	<u>\$ 51,315,479</u>

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

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2023

	General Fund	Capital Fund	Total	Adjustments (Note 16)	Statement of Net Position
Liabilities:					
Accounts payable	\$ 98,847	\$ 612,157	\$ 711,004	\$	\$ 711,004
Internal payables		78,051	78,051	(78,051)	
Accrued payroll and related items	130,023		130,023		130,023
Accrued NYS retirement	124,547		124,547		124,547
Grants received in advance		451,002	451,002		451,002
Accrued interest payable				146,640	146,640
Non-current liabilities:					
Compensated absences payable				556,219	556,219
Obligation for other post-employment benefits				9,698,030	9,698,030
Net pension liability				2,419,072	2,419,072
Lease liability				43,329	43,329
Unamortized bond premium				596,204	596,204
Bonds payable				21,465,000	21,465,000
Total Liabilities	353,417	1,141,210	1,494,627	34,846,443	36,341,070
Deferred Inflows of Resources:					
Deferred inflows on pension				253,440	253,440
Deferred inflows on OPEB				3,561,164	3,561,164
Total Deferred Inflows of Resources	0	0	0	3,814,604	3,814,604
Fund Balances/Net Position:					
Nonspendable (prepaid expenses)	95,516		95,516	(95,516)	
Restricted for construction		6,341,571	6,341,571	(6,341,571)	
Restricted for debt service		124,854	124,854	(124,854)	
Committed for specific purposes	2,480,000	3,093,000	5,573,000	(5,573,000)	
Assigned for capital projects		2,256,602	2,256,602	(2,256,602)	
Unassigned	4,900,996		4,900,996	(4,900,996)	
Total Fund Balance	7,476,512	11,816,027	19,292,539	(19,292,539)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,829,929	\$ 12,957,237	\$ 20,787,166		
Net Position:					
Net investment in capital assets				4,512,153	4,512,153
Restricted for construction				6,341,571	6,341,571
Restricted for debt service				124,854	124,854
Unrestricted				181,227	181,227
Total Net Position				\$ 11,159,805	\$ 11,159,805

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

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total</u>	<u>Adjustments (Note 16)</u>	<u>Statement of Activities</u>
Revenues:					
Tax revenue	\$ 10,303,116	\$	\$ 10,303,116	\$	\$ 10,303,116
Contracts with other districts	127,281		127,281		127,281
Fines and fees	1,353		1,353		1,353
Interest	116,828	247,260	364,088		364,088
State aid and grants	14,899		14,899		14,899
Copier and printer revenue	10,257		10,257		10,257
Program fees	5,037		5,037		5,037
Miscellaneous sales and other income	11,049		11,049		11,049
Total Revenues	<u>10,589,820</u>	<u>247,260</u>	<u>10,837,080</u>	<u>0</u>	<u>10,837,080</u>
Expenditures/Expenses For					
Library Services:					
Salaries and wages	3,738,013		3,738,013	42,484	3,780,497
Employee benefits	1,678,011		1,678,011	675,806	2,353,817
Library materials and programs	636,128		636,128		636,128
Library operations	606,774		606,774		606,774
Professional fees	189,493		189,493		189,493
Building operations	232,720		232,720		232,720
Capital outlay	2,243,735	10,218,098	12,461,833	(12,461,833)	
Depreciation				635,759	635,759
Amortization				30,785	30,785
Debt Service:					
Principal - Bonds	480,000		480,000	(480,000)	
Principal - Leases	30,785		30,785	(30,785)	
Interest	224,919		224,919	129,756	354,675
Total Expenditures/Expenses	<u>\$ 10,060,578</u>	<u>\$ 10,218,098</u>	<u>\$ 20,278,676</u>	<u>\$ (11,458,028)</u>	<u>\$ 8,820,648</u>

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

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Capital Fund	Total	Adjustments (Note 16)	Statement of Activities
Excess (Deficiency) Of Revenues Over Expenditures	\$ 529,242	\$ (9,970,838)	\$ (9,441,596)	\$ 11,458,028	\$
Other Financing Sources:					
Bond issuance proceeds		11,000,000	11,000,000	(11,000,000)	
Bond premium proceeds		522,545	522,545	(522,545)	
Total Other Financing Sources	<u>0</u>	<u>11,522,545</u>	<u>11,522,545</u>	<u>(11,522,545)</u>	
 Excess (Deficiency) Of Revenues And Transfers Over Expenditures	 529,242	 1,551,707	 2,080,949	 <u>(2,080,949)</u>	
Change In Net Position				2,016,432	2,016,432
Fund balance/net position- beginning of year	<u>6,947,270</u>	<u>10,264,320</u>	<u>17,211,590</u>	<u>(8,068,217)</u>	<u>9,143,373</u>
 Fund Balance/Net Position- End Of The Year	 <u>\$ 7,476,512</u>	 <u>\$ 11,816,027</u>	 <u>\$ 19,292,539</u>	 <u>\$ (8,132,734)</u>	 <u>\$ 11,159,805</u>

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

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Mastics-Moriches-Shirley Community Library conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Accordingly, in June 1999, the Governmental Accounting Standards Board issued Statement No. 34, *Basic Financial Statements – and Managements Discussion and analysis – for State and Local Governments*. Some of the significant changes in the statement include the following:

- A management’s Discussion and Analysis section providing an analysis of the Library’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Library’s activities.
- A change in the fund financial statements to focus on the major funds.

The following is a summary of the significant accounting policies:

- A. Reporting Entity:** The Mastics-Moriches-Shirley Community Library coordinates the raising of its real estate tax revenues with the William Floyd 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.

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: **Summary of Significant Accounting Policies (continued)**

B. **Management Focus, Basis of Accounting and Financial Statement Presentation: (continued)**

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.

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.

C. **Interfund Transactions:** The operations of the Library include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Library typically loans resources between funds for cash flow purposes. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services. This includes the transfer of unrestricted General Fund revenues to finance various programs that the Library must account for in other funds in accordance with budgetary authorizations.

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: **Summary of Significant Accounting Policies (continued)**

D. Capital Assets: Capital assets are defined by the Library as assets with an initial cost of \$2,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Library books and materials are not capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	5 years
Furniture and fixtures	7 to 15 years
Building and improvements	40 years

E. 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.

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1: **Summary of Significant Accounting Policies (continued)**

- F.** **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.
- G.** **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.
- H.** **Right to Use Assets:** The Library has recorded right to use lease assets as a result of implementing GASB No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized over the terms of the related leases and at the same rate as the lease payment schedule.
- I.** **Investments:** The Library's investment policies are governed by State statutes and its own written investment policy. Permissible investments for the Library include special time deposit accounts, certificates of deposit as well as obligations of the United States of America and New York State.

NOTE 2: **Cash and Cash Equivalents**

The Library has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less.

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3: Investments

Generally, fair values for investments are determined by reference to quoted market prices for similar investments, yield curves, and other relevant information. There were no changes in valuation techniques in the twelve months ended June 30, 2023. The Library recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the twelve months ended June 30, 2023. Fair value measurements for investments reported at fair value on a recurring basis at June 30, 2023 were determined based on:

	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Market Value
Investment in Certificates of Deposit:			
Flushing Bank- matures 9/22/23 yielding 2.50%	\$ 0	\$ 14,350	\$ 14,350
Total Investment in Certificates of Deposit	<u>\$ 0</u>	<u>\$ 14,350</u>	<u>\$ 14,350</u>

NOTE 4: Concentration of Credit Risk

The Library maintains all of its cash balances at one bank. At year end, the Library's carrying amount of deposits was \$20,485,242 (exclusive of petty cash) and the bank balance was \$22,705,912. Of the bank balance, \$264,405 was covered by federal depository insurance. The remaining balance of \$22,441,507 was covered by collateral held by the Library's agent.

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 5: Capital Assets

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

	Balance as of 7/1/2022	Additions	Adjustments & Deletions	Balance as of 6/30/2023
Assets not being depreciated:				
Land	\$ 262,072	\$ 0	\$ 0	\$ 262,072
Land improvements	125,201	0	0	125,201
Building, not placed in service	582,465	0	(582,465)	0
Construction in progress	10,304,551	12,364,781	(14,058,027)	8,611,305
Assets being depreciated:				
Building and improvements	7,636,190	0	14,640,492	22,276,682
Furniture and fixtures	1,101,295	0	0	1,101,295
Computer equipment	1,027,590	68,155	0	1,095,745
Other equipment	321,709	28,897	0	350,606
Automotive	70,527	0	0	70,527
Total	21,431,600	12,461,833	0	33,893,433
Accumulated depreciation	(6,684,317)	(635,759)	0	(7,320,076)
Net Book Value	\$ 14,747,283	\$ 11,826,074	\$ 0	\$ 26,573,357

NOTE 6: Right to Use Leased Assets

The Library has recorded two right to use leased assets for copier and postal equipment. The right to use assets are amortized over the term of their related leases and at the same rate as the lease payment schedules.

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

	Balance as of 7/1/2022	Increases	Decreases	Balance as of 6/30/2023
Right to use assets:				
Leased copier equipment	\$ 142,111	\$ 0	\$ 0	\$ 142,111
Leased postage machine	10,099	0	0	10,099
Total	152,210	0	0	152,210
Less accumulated amortization for:				
Leased office equipment	(78,096)	(30,785)	0	(108,881)
Right to use assets, net	\$ 74,114	\$ (30,785)	\$ 0	\$ 43,329

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7: Accounts Payable

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

NOTE 8: Long Term Debt

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

	Balance			Non-current Liabilities		
	<u>7/1/2022</u>	<u>Increases</u>	<u>Reductions</u>	<u>Balance 6/30/2023</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Compensated absences	\$ 510,485	\$ 45,734	\$ 0	\$ 556,219	\$ 0	\$ 556,219
Net pension liability	0	2,419,072	0	2,419,072	0	2,419,072
Lease liability	74,114	0	30,785	43,329	31,316	12,013
Bonds payable:						
Serial bonds -2021	10,945,000	0	480,000	10,465,000	490,000	9,975,000
Serial bonds -2023	0	11,000,000	0	11,000,000	190,000	10,810,000
Other post-employment benefits payable	<u>9,493,930</u>	<u>204,100</u>	<u>0</u>	<u>9,698,030</u>	<u>0</u>	<u>9,698,030</u>
	<u>\$ 21,023,529</u>	<u>\$ 13,668,906</u>	<u>\$ 510,785</u>	<u>\$ 34,181,650</u>	<u>\$ 711,316</u>	<u>\$ 33,470,334</u>

NOTE 9: Compensated Absences Payable

The Library has an accumulated liability as of June 30, 2023 for unused sick and vacation pay amounting to \$556,219. This is an increase of \$45,734 from the June 30, 2022 balance of \$510,485. The Library does not expect to pay any of this liability within the next twelve months.

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10: Lease Liability

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

The first agreement for copier equipment was executed on September 6, 2019 and requires 60 monthly payments of \$2,476. The lease liability is measured at a discount rate of 1.76%, which is the Applicable Federal Rate. As a result of the lease, the Library has recorded a right to use asset with a net book value of \$36,708 at June 30, 2023.

The second agreement for postage machine was executed on August 25, 2021 and requires 20 quarterly payments of \$518. The lease liability is measured at a discount rate of 1.00%, which is the Applicable Federal Rate. As a result of the lease, the Library has recorded a right to use asset with a net book value of \$6,621 at June 30, 2023.

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

<u>Year Ended</u> <u>June 30,</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u> <u>Payments</u>
2024	\$ 31,316	\$ 469	\$ 31,785
2025	9,441	60	9,501
2026	2,055	18	2,073
2027	517	2	519
Total	<u>\$ 43,329</u>	<u>\$ 549</u>	<u>\$ 43,878</u>

NOTE 11: Bonds Payable

In November 2021, the William Floyd Union Free School District, as custodian for the Library, closed on \$11,500,000 of serial bonds, which are being used to finance the Library renovation project. The bonds are payable in annual principal installments that range from \$480,000 to \$685,000 per year through June 2041. Interest on the bonds is paid semi-annually and the interest rates range from 2.0% to 2.25% over their term.

In March 2023, the William Floyd Union Free School District, as custodian for the Library, closed on \$11,000,000 of serial bonds, which are being used to finance the Library renovation project. The bonds are payable in annual principal installments that range from \$190,000 to \$750,000 per year through June 2045. Interest on the bonds is paid semi-annually and the interest rates range from 5.0% to 4.0% over their term.

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11: Bonds Payable (continued)

As of June 30, 2023, the Library's combined liability for both serial bonds is \$21,465,000. Future payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 680,000	\$ 803,195	\$ 1,483,195
2025	815,000	667,169	1,482,169
2026	845,000	641,419	1,486,419
2027	870,000	614,469	1,484,469
2028	895,000	586,569	1,481,569
2029 to 2033	4,935,000	2,476,094	7,411,094
2034 to 2038	5,730,000	1,675,593	7,405,593
2039 to 2043	5,225,000	779,612	6,004,612
2044 to 2045	<u>1,470,000</u>	<u>88,800</u>	<u>1,558,800</u>
Total	<u>\$ 21,465,000</u>	<u>\$ 8,332,920</u>	<u>\$ 29,797,920</u>

NOTE 12: Net Unamortized Bond Premium

During 2021, when the School issued the serial bonds (mentioned in Note 11), it received a premium of \$86,124. The bond premium is being amortized over the life of the bond. During 2023, when the School issued the serial bonds (mentioned in Note 11), it received a premium of \$522,545. Both bond premiums are being amortized over the life of the bonds. The remaining unamortized bond premiums as of June 30, 2023 is \$569,204.

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 13: Funds Committed for Specific Purposes

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

	<u>Balance as of 7/1/2022</u>	<u>Funds Committed (Uncommitted)</u>	<u>Funds Expended</u>	<u>Balance as of 6/30/2023</u>
Funds Committed For:				
General Fund:				
Unused sick and vacation time	\$ 550,000	\$ (75,000)	\$ 0	\$ 475,000
Other post-employment benefits	2,000,000	0	0	2,000,000
Unemployment	4,000	1,000	0	5,000
Capital Fund:				
Capital repairs	<u>3,093,000</u>	<u>0</u>	<u>0</u>	<u>3,093,000</u>
Total	<u>\$ 5,647,000</u>	<u>\$ (74,000)</u>	<u>\$ 0</u>	<u>\$ 5,573,000</u>

NOTE 14: Retirement Plan

- A. **Plan Description and Benefits Provided:** The Library participates in the New York State and Local Employees' Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2022, he was elected for a new term commencing January 1, 2023. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Library also participates in the Public Employees' Group Life Insurance plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website.

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14: Retirement Plan (continued)

- 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.

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14: 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 5 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with five or more years of service can retire as early as age 55 with reduced benefits.

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

Disability Retirement Benefits

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

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14: 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 retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement.

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 \$338,344, for the 2022 fiscal year it was \$567,794, and for the 2021 fiscal year it was \$576,025.

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14: Retirement Plan (continued)

D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: At June 30, 2023, the Library reported a liability of \$2,419,072 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2023, the Library's proportion was 0.0112809 percent, which was an increase of .0007138 percent from its proportion measured at June 30, 2022.

For the year ended June 30, 2023, the Library recognized pension expense of \$808,996.

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

	<u>Outflow of Resources</u>	<u>Inflow of Resources</u>
Differences between expected and actual experience	\$ 257,650	\$ 67,937
Changes in assumptions	1,174,857	12,984
Net difference between projected and actual earnings on pension plan investments	0	14,212
Changes in proportion and differences between employer contributions and proportionate share of contributions	45,847	158,307
Library's contributions subsequent to the measurement date	<u>124,547</u>	<u>0</u>
Total	<u>\$ 1,602,901</u>	<u>\$ 253,440</u>

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14: Retirement Plan (continued)

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

\$124,547 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2024	\$ 276,640
2025	(167,173)
2026	471,717
2027	643,730
2028	<u>0</u>
Total	<u>\$ 1,224,914</u>

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

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

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension asset.

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

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 14: Retirement Plan (continued)

E. Actuarial Assumptions: (continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic portfolio	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	1.00%	0.00%
Total	100.00%	

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

Discount Rate – The discount rate used to 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.

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14: 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)	\$ 5,845,860	\$ 2,419,072	\$ (444,408)

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, 2023, in thousands of dollars was as follows:

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

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15: 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 Mastics-Moriches-Shirley Community 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, the Library will pay 100% of the amount for an individual policy premium and 50% for a family policy provided that upon termination/retirement of employment at the Library they have: 1) completed twenty years of employment at the Library, 2) continuously been covered through the Library’s health insurance plan for five years up to the date of termination/retirement, and 3) have either terminated employment five years prior to being eligible for full retirement benefits or formally fully retired through the NYS Retirement System.

For the year ending June 30, 2023, the Library recognized the cost of providing health insurance by recording its share of retiree insurance premiums of \$163,281 as an expenditure in the General Fund. Mastics-Moriches-Shirley Community Library also reimburses qualifying retired employees and their spouses the full cost of part B Medicare deducted from their Social Security benefits, which amounted to \$64,089.

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

Active employees	30
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	24
Total	54

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15: Post-employment Benefits Other Than Pensions (continued)

C. Total Other Post-Employment Benefit (OPEB) Liability: The Library's total OPEB liability of \$9,698,030 was updated through June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

D. Actuarial Assumptions and Other Inputs:

Inflation Rate	2.00%
Participant Salary Increases	3.50%
Discount Rate	3.65%
2021 Medical Trend Rates (Pre-65/Post-65)	7.00% / 5.00%
2022 Medical Trend Rates (Pre-65/Post-65)	6.50% / 5.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Trend Year Reached (Pre-65/Post-65)	2025/2021

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

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

E. Changes in The Total OPEB Liability:

Balance at June 30, 2022	\$ <u>9,493,930</u>
Changes for the year:	
Service cost	269,628
Interest	341,627
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	(179,036)
Benefit payments	<u>(228,119)</u>
Net changes	<u>204,100</u>
Balance at June 30, 2023	\$ <u><u>9,698,030</u></u>

Note: For the purpose of calculating this liability, there have been no plan changes. The assumption changes were the updating of the pre-65 healthcare cost trend rates and the mortality improvement scale. The discount rate was 3.54% at June 30, 2022 and was 3.65% at June 30, 2023.

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15: Post-employment Benefits Other Than Pensions (continued)

E. Changes in The Total OPEB Liability: (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65%) or 1 percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 11,501,410	\$ 9,698,030	\$ 8,256,333

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percentage point lower (5.00% decreasing to 4.00%) or 1 percentage point higher (7.00% decreasing to 6.00%) than the current healthcare cost trend rate:

	1% Decrease (5.00% Decreasing to 4.00%)	Healthcare Cost Trend Rate (6.00% Decreasing to 5.00%)	1% Increase (7.00% Decreasing to 6.00%)
Total OPEB Liability	\$ 7,917,016	\$ 9,698,030	\$ 12,061,363

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15: 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, 2023, the Library recognized OPEB expense of \$453,867. At June 30, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 978,181	\$ 1,049,096
Changes in assumptions	<u>1,408,596</u>	<u>2,512,068</u>
Total	<u>\$ 2,386,777</u>	<u>\$ 3,561,164</u>

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

<u>Year Ending June 30,</u>	<u>Amount Recognized</u>
2024	\$ (157,388)
2025	(157,388)
2026	(157,388)
2027	(145,769)
2028	(156,295)
Thereafter	<u>(400,159)</u>
Total	<u>\$ (1,174,387)</u>

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements

Total fund balance and the net change in fund balance of the Library's governmental fund differs from net position and changes in net position of the governmental activities reported in the statement of net position and statement of activities. This difference primarily results from the long-term economic focus of the statement of net position and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and change in fund balance. The following are reconciliations of fund balance to net position and the net change in fund balance to the net change in net position:

Total Fund Balance - Modified Accrual Basis **\$ 19,292,539**

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

- Capital assets are not financial resources, and are not reported in the funds 26,573,357
- Right to use assets are not financial resources, and are not reported in the funds 43,329
- Deferred outflows on pension is not reported in the funds 1,602,901
- Deferred outflows on OPEB is not reported in the funds 2,386,777
- Interest expense on the bond liability is not accrued in the funds (146,640)
- Compensated absences are not a liability in the funds (556,219)
- Lease liability payments due in future periods are not reported in the funds (43,329)
- Net pension liabilities are not reported in the funds (2,419,072)
- Deferred inflows on pension is not reported in the funds (253,440)
- Deferred inflows on OPEB is not reported in the funds (3,561,164)
- Obligation for post-employment health insurance, to be paid in future periods is not reported in the funds (9,698,030)
- Net bond premium to be recognized in future periods is not reported in the funds (596,204)
- Bonds payable in future periods are not reported in the funds (21,465,000)

Total Net Position - Full Accrual Basis **\$ 11,159,805**

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements (continued)

Net Change in Fund Balance - Modified Accrual Basis **\$ 2,080,949**

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:

Capital outlay	12,461,833
Depreciation expense	(635,759)
Amortization expense	(30,785)
- (Increase)/decrease in the items reported as expenditures in the statements of activities, not in the fund statements:

Compensated absences	(45,734)
Interest on bonds payable	(137,310)
Net pension expenses	(446,808)
Post-employment health costs	(225,748)
- Bond and premium proceeds are reported as other financing sources in the funds whereas in the statement of activities these proceeds are omitted:

Bond proceeds	(11,000,000)
Bond premium	(522,545)
- Net bond premium is reported as an income in the statement of fund revenues, expenditures, and changes in fund balance when received; in the statement of activities, these costs are amortized over the bond term and reflected as a decrease in interest expense 7,554
- Repayment of long-term debt is not an expense in the statement of activities, rather a reduction of the liability:

Principal paid on bond payable	480,000
Principal paid on lease liability	<u>30,785</u>

Change in Net Position - Full Accrual Basis **\$ 2,016,432**

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Tax Revenues	10,303,000	10,303,000	10,303,116	116
Operating Revenue:				
Contracts with other districts	260,000	260,000	127,281	(132,719)
Fines and fees	2,500	2,500	1,353	(1,147)
Interest	13,000	13,000	116,828	103,828
State aid and grants	15,000	15,000	14,899	(101)
Copier and printer revenue	16,000	16,000	10,257	(5,743)
Program fees	3,500	3,500	5,037	1,537
Miscellaneous sales and other income	0	0	11,049	11,049
Total Operating Revenue	<u>310,000</u>	<u>310,000</u>	<u>286,704</u>	<u>(23,296)</u>
Total Revenues	<u>\$ 10,613,000</u>	<u>\$ 10,613,000</u>	<u>\$ 10,589,820</u>	<u>\$ (23,180)</u>
Expenditures:				
Salaries and Wages:				
Professional	\$ 1,586,417	\$ 1,586,417	\$ 1,574,898	\$ 11,519
Clerical	863,573	863,573	932,837	(69,264)
Pages	279,999	279,999	230,118	49,881
Custodial	234,594	234,594	241,855	(7,261)
Security	211,955	211,955	307,928	(95,973)
Technical	104,397	104,397	122,028	(17,631)
Administrative	418,806	418,806	328,349	90,457
Total Salaries and wages	<u>3,699,741</u>	<u>3,699,741</u>	<u>3,738,013</u>	<u>(38,272)</u>
Employee Benefits:				
Retirement	402,521	402,521	362,261	40,260
Social security	280,000	280,000	273,310	6,690
Health insurance	884,154	884,154	952,001	(67,847)
Disability insurance	15,000	15,000	16,642	(1,642)
Unemployment insurance	2,000	2,000	2,083	(83)
Workers compensation	62,000	62,000	71,714	(9,714)
Total Employee Benefits	<u>\$ 1,645,675</u>	<u>\$ 1,645,675</u>	<u>\$ 1,678,011</u>	<u>\$ (32,336)</u>

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

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Library Materials and Programs:				
Books - adult	\$ 150,000	\$ 150,000	\$ 99,190	\$ 50,810
Books - C&P	70,000	70,000	50,838	19,162
Books - lit	500	500	0	500
Books - teen	22,000	22,000	43,440	(21,440)
Microforms and C.D. - adult	45,000	45,000	30,451	14,549
Microforms and C.D. - C&P	15,000	15,000	18,878	(3,878)
Microforms and C.D. - teen	15,000	15,000	14,388	612
Recordings - adult	40,000	40,000	6,685	33,315
Recordings - C&P	10,000	10,000	5,681	4,319
Recordings - teen	10,000	10,000	4,697	5,303
Periodicals - adult	33,000	33,000	18,960	14,040
Periodicals - C&P	5,000	5,000	718	4,282
Periodicals - adm	500	500	0	500
Periodicals - gen	500	500	0	500
Periodicals - teen	1,500	1,500	137	1,363
Periodicals - wires	150	150	0	150
Videos - adult	90,000	90,000	12,172	77,828
Videos - C&P	15,000	15,000	4,058	10,942
Videos - lit	150	150	0	150
Videos - teen	6,000	6,000	6,257	(257)
Software - gen	45,000	45,000	55,561	(10,561)
Software - teen	1,000	1,000	0	1,000
Software - tech	1,500	1,500	14,514	(13,014)
Software - wires	10,000	10,000	12,495	(2,495)
Other materials	1,000	1,000	452	548
Realia	650	650	0	650
Programs - adult	55,000	55,000	45,482	9,518
Programs - C&P	55,000	55,000	57,956	(2,956)
Programs - digital	15,000	15,000	16,181	(1,181)
Programs - lit	65,000	65,000	95,112	(30,112)
Programs - teen	20,000	20,000	21,825	(1,825)
Total Library Materials and Programs	<u>\$ 798,450</u>	<u>\$ 798,450</u>	<u>\$ 636,128</u>	<u>\$ 162,322</u>

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

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Library Operations:				
Office, library and computer supplies	\$ 61,362	\$ 61,362	\$ 69,292	\$ (7,930)
Telecommunications	65,000	65,000	26,446	38,554
Printing	101,091	101,091	140,957	(39,866)
Promotion and publicity	152,000	152,000	128,171	23,829
Postage	32,000	32,000	43,853	(11,853)
Contracts	89,348	89,348	85,263	4,085
Repair and maintenance - circulation system	45,000	45,000	44,253	747
Other rent, repair and maintenance costs	87,150	87,150	38,318	48,832
Conference, education and travel	46,000	46,000	22,740	23,260
Dues	2,500	2,500	4,962	(2,462)
Miscellaneous	0	0	2,519	(2,519)
Total Library Operations	<u>681,451</u>	<u>681,451</u>	<u>606,774</u>	<u>74,677</u>
Professional Fees:				
Accounting and auditing fees	23,500	23,500	28,386	(4,886)
Payroll services	22,000	22,000	18,148	3,852
Legal fees	75,000	75,000	77,952	(2,952)
Other professional fees	23,845	23,845	65,007	(41,162)
Total Professional Fees	<u>144,345</u>	<u>144,345</u>	<u>189,493</u>	<u>(45,148)</u>
Building Operations:				
Electricity	150,000	150,000	58,111	91,889
Fuel/gas	18,000	18,000	4,652	13,348
Water	5,000	5,000	3,879	1,121
Branch operations	999,500	999,500	0	999,500
Building repairs and maintenance	105,000	105,000	52,633	52,367
Insurance	85,000	85,000	91,797	(6,797)
Custodial supplies	20,000	20,000	18,908	1,092
Cartage	3,420	3,420	2,740	680
Total Building Operations	<u>\$ 1,385,920</u>	<u>\$ 1,385,920</u>	<u>\$ 232,720</u>	<u>\$ 1,153,200</u>

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

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (continued)				
Capital Outlay:				
Building improvements	\$ 0	\$ 0	\$ 2,132,600	\$ (2,132,600)
Furniture and equipment	<u>1,553,500</u>	<u>1,553,500</u>	<u>111,135</u>	<u>1,442,365</u>
Total Capital Outlay	<u>1,553,500</u>	<u>1,553,500</u>	<u>2,243,735</u>	<u>(690,235)</u>
Debt Service:				
Principal - bond	480,000	480,000	480,000	0
Interest - bond	223,918	223,918	223,919	(1)
Principal - leases	0	0	30,785	(30,785)
Interest - leases	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>(1,000)</u>
Total Debt Service	<u>703,918</u>	<u>703,918</u>	<u>735,704</u>	<u>(31,786)</u>
Total Expenditures	<u>10,613,000</u>	<u>10,613,000</u>	<u>10,060,578</u>	<u>552,422</u>
Excess Of Revenues Over Expenditures	0	0	529,242	529,242
Other Financing Sources (Uses):				
Lease proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess Of Revenues And Other Financing Sources Over Expenditures	0	0	529,242	529,242
Budgetary fund balance- beginning of year	<u>6,947,270</u>	<u>6,947,270</u>	<u>6,947,270</u>	<u>6,947,270</u>
Budgetary Fund Balance- End Of Year	<u>\$ 6,947,270</u>	<u>\$ 6,947,270</u>	<u>\$ 7,476,512</u>	<u>\$ 7,476,512</u>

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

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN
FOR THE 2023 FISCAL YEAR**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability (asset)	0.01128%	0.01199%	0.01266%	0.01392%	0.01456%	0.01147%	0.01573%	0.01600%	0.01658%
Library's proportionate share of the net pension liability (asset)	\$ 2,419,072	\$ (980,520)	\$ 12,607	\$ 3,687,379	\$ 1,031,647	\$ 473,586	\$ 1,477,908	\$ 2,567,764	\$ 560,264
Library's covered-employee payroll	\$ 2,931,427	\$ 3,451,791	\$ 3,966,530	\$ 4,010,622	\$ 3,973,252	\$ 4,063,008	\$ 4,221,728	\$ 4,099,172	\$ 4,128,076
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	82.522%	(28.406%)	0.318%	91.940%	25.965%	11.656%	35.007%	62.641%	13.572%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

** The amounts presented for the fiscal year were determined as of the March 31st that occurred within the fiscal year.

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

**MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS
NYSLRS PENSION PLAN
FOR THE 2023 FISCAL YEAR**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 338,344	\$ 567,794	\$ 576,025	\$ 577,437	\$ 586,009	\$ 602,796	\$ 632,843	\$ 731,805	\$ 822,691
Contributions in relation to the contractually required contribution	338,344	567,794	576,025	577,437	586,009	602,796	632,843	731,805	822,691
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Library's covered-employee payroll	\$ 2,931,427	\$ 3,451,791	\$ 3,966,530	\$ 4,010,622	\$ 3,973,252	\$ 4,063,008	\$ 4,221,728	\$ 4,099,172	\$ 4,128,076
Contributions as a percentage of covered-employee payroll	11.54%	16.45%	14.52%	14.40%	14.75%	14.84%	14.99%	17.85%	19.93%

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

MASTICS-MORICHES-SHIRLEY COMMUNITY LIBRARY
SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 269,628	\$ 398,567	\$ 554,855	\$ 395,206	\$ 349,167	\$ 373,112
Interest	341,627	258,606	229,720	275,285	329,566	303,598
Changes of benefit terms	0	0	0	0	0	0
Differences between expected and actual experience	0	1,252,951	0	(1,797,116)	0	0
Changes in assumptions or other inputs	(179,036)	(2,791,473)	97,759	1,814,887	612,284	(453,071)
Benefit payments	<u>(228,119)</u>	<u>(263,328)</u>	<u>(166,001)</u>	<u>(139,810)</u>	<u>(166,323)</u>	<u>(162,153)</u>
Net Change in total OPEB liability	204,100	(1,144,677)	716,333	548,452	1,124,694	61,486
Total OPEB liability- beginning	<u>9,493,930</u>	<u>10,638,607</u>	<u>9,922,274</u>	<u>9,373,822</u>	<u>8,249,128</u>	<u>8,187,642</u>
Total OPEB liability- ending	<u>\$ 9,698,030</u>	<u>\$ 9,493,930</u>	<u>\$ 10,638,607</u>	<u>\$ 9,922,274</u>	<u>\$ 9,373,822</u>	<u>\$ 8,249,128</u>
Covered-employee payroll	\$ 2,192,690	\$ 2,139,210	\$ 2,306,250	\$ 2,250,000	\$ 2,743,085	\$ 2,676,181
Total OPEB liability as a % of covered-employee payroll	442.29%	443.81%	461.29%	440.99%	341.73%	308.24%
Notes to schedule:						
Changes of benefit terms:	None					
Changes of assumptions:	None					
Discount rate	3.65%	3.54%	2.16%	2.21%	3.50%	3.13%
Mortality Improvement Scale	MP-2021	MP-2021	MP-2019	MP-2019	MP-2016	MP-2016
Pre-65 Trend Rate	6.5% down to 5.0%	7.0% down to 5.0%	7.0% down to 4.5%	7.5% down to 4.5%	8.5% down to 5.0%	9.0% down to 5.0%

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