

**HUNTINGTON PUBLIC LIBRARY**

**FINANCIAL REPORT  
WITH  
ADDITIONAL INFORMATION**

**JUNE 30, 2023**

# HUNTINGTON PUBLIC LIBRARY

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## **INDEPENDENT AUDITOR'S REPORT**

The Board of Trustees and the Director  
Huntington Public Library  
338 Main Street  
Huntington, New York 11743

### **Opinions**

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Huntington Public 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 Huntington Public 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 Huntington 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 Huntington 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 Huntington 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 Huntington Public Library's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

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



Certified Public Accountants  
Stewart Manor, New York  
January 2, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Using This Annual Report

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Continued)**

**Condensed Financial Information:**

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

	June 30, 2023	June 30, 2022	Increase (Decrease)
Assets:			
Current assets	\$ 6,565	\$ 5,047	\$ 1,518
Net pension asset	0	1,163	(1,163)
Right to use asset	18	9	9
Capital assets	<u>8,442</u>	<u>8,645</u>	<u>(203)</u>
Total Assets	<u>15,025</u>	<u>14,864</u>	<u>161</u>
Deferred Outflows of Resources	<u>5,363</u>	<u>6,439</u>	<u>(1,076)</u>
Liabilities:			
Long-term debt	14,541	11,407	3,134
Other liabilities	<u>356</u>	<u>266</u>	<u>90</u>
Total Liabilities	<u>14,897</u>	<u>11,673</u>	<u>3,224</u>
Deferred Inflows of Resources	<u>4,048</u>	<u>8,633</u>	<u>(4,585)</u>
Net Position:			
Net investment in capital assets	8,442	8,645	(203)
Unrestricted	<u>(6,999)</u>	<u>(7,648)</u>	<u>649</u>
Total Net Position	<u>\$ 1,443</u>	<u>\$ 997</u>	<u>\$ 446</u>
Revenue:			
Tax revenues	\$ 9,038	\$ 8,949	\$ 89
Fines, fees and sales	2	1	1
Other revenue	<u>209</u>	<u>75</u>	<u>134</u>
Total Revenue	9,249	9,025	224
Expenses - Library Services	<u>8,803</u>	<u>7,516</u>	<u>1,287</u>
Change in net position	446	1,509	(1,063)
Net position - beginning of year	<u>997</u>	<u>(512)</u>	<u>1,509</u>
Net Position - End of Year	<u>\$ 1,443</u>	<u>\$ 997</u>	<u>\$ 446</u>

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(Continued)**

### **The Library as A Whole**

- The Library's net position increased by \$445,384 this year. The primary reason for this increase is detailed within the Statement of Activities on pages thirteen and fourteen.
- The Library's primary source of revenue is from property tax revenues, which represents 97.7 percent of total revenue. In the prior year, property taxes represented 99.2 percent of total revenue.
- As is typical of service agencies, salaries and benefits are a significant expense of the Library, representing 79.8 percent of the Library's total expenses (as per the Statement of Activities). In the prior year, salaries and benefits represented 77.2 percent of the Library's total expenses.

### **The Library Funds:**

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

The fund balance of the General Fund increased during the year from \$3,401,854 to \$4,012,823. The fund balance of the Capital Fund increased from \$1,378,403 to \$2,196,083.

### **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 lines for payments in lieu of taxes as well as for refund of prior year expense both had favorable budget variances. Since this income is not guaranteed or known in advance, the Library does not include this income in its budget.
- The favorable variance in the budget line for program income was \$14,845. As the Library emerged from the pandemic, patrons returned to the Library for its popular classes and exercise programs. This increased demand brought in more income, as well as more expenditures as many of the program expense budget lines were overspent.
- The favorable variance in the budget line for interest income was due to the rapidly increasing interest rates.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(Continued)**

### **Budgetary Highlights: (Continued)**

- The budget line for donations and miscellaneous income had a favorable variance of \$9,380. This was due to receiving approximately \$7,500 from the Board of Elections for allowing them to use the Station Branch as an early voting site.
- In total, the salaries and wages budget section was underspent by \$974,038. This was due to the combination of having several staff separate from service during the year and the Library having several unfilled supervisory positions.
- The budget line for Social Security was underspent as a function of the lower salaries and wages that were paid.
- The budget line for workers compensation and disability was underspent by \$11,036. Premiums have continued to decline as a result of minimal claims, older claims being closed out, and an overall decrease in payroll expenses.
- The budget line for processing was underspent \$14,774. The Library attributes this to the decreased demand for materials in the print format. Fewer materials to process led to lower costs. In addition, the Library's decision to process many of the materials in-house has also led to a significant savings.
- The budget line for downloadables was overspent by \$33,680. Due to the increased demand for materials in a digital format, the fees for the Overdrive collection have also increased.
- The budget line for programs – young adult was underspent by \$5,631. The Library attributes this savings to having its staff run some of its programs as opposed to paying outside contractors.
- The budget lines for library and general supplies, as well as for maintenance supplies, were both underspent. The Library has realized a savings by centralizing its purchasing and distribution of supplies combined with its continual pursuit of competitive pricing.
- The budget line for software/automation was underspent because some of the multi-year licenses that the Library had anticipated paying for, were not up for renewal yet.
- The budget line for legal fees was underspent because fewer services were required. The Library was able to settle its pending collective bargaining agreement.
- The budget line payroll service was underspent because the Library was able to re-negotiate pricing with its existing payroll processor.
- The budget line for professional fees - other was underspent by \$17,852. The Library had budgeted for the expectation that it would be paying for architect and other professional fees related to its Main Street building renovations. However, the project did not commence until the 23-24 fiscal year.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(Continued)**

### **Budgetary Highlights: (Continued)**

- The favorable variance in the budget line for equipment maintenance and repair is partially related to the unfavorable variance in the debt service budget section. Due to the issuance of Governmental Accounting Standard No. 87, the Library was required to reclassify its obligation for its copier lease to long-term debt. As a result, the monthly lease payments were required to be classified as principal and interest payments within the debt service budget section.
- The budget line for minor furniture and equipment was underspent because fewer items were required to be purchased than anticipated.
- The budget line for insurance was underspent by \$8,931. This was largely due to the Library receiving a safety dividend from their insurance carrier.
- In total, the capital outlay budget section was underspent by \$89,891. The Library had budgeted for the expectation that it would be paying for building improvements related to its Main Street building renovations. However, the project did not commence until the 23-24 fiscal year.

### **Capital Assets:**

During the fiscal year ending June 30, 2023 the Library purchased \$136,937 of fixed assets and \$13,172 of right to use assets (capital outlay). The majority of the money spent (\$102,112) was for the purchase of furniture and equipment. The remaining expenditures were for building improvements to the main and station branches.

During the year, the Library also discarded broken or obsolete furniture and equipment with an estimated original cost of \$52,930.

### **Debt Administration:**

The Library's long-term debt consists of its lease liability, its net pension liability, the liability for unused sick and vacation time (compensated absences), and its obligation for other post-retirement benefits. The net pension asset reported in the prior year of \$1,162,794 reversed and became a net pension liability of \$2,949,953 at June 30, 2023. Although the Library entered into a new lease for postal equipment, it also made principal payments of \$3,984 on its lease liability reducing the debt at June 30, 2023 to \$18,024. As of June 30, 2023, the Library's liability for unused sick and vacation time (compensated absences) was \$310,108. This represents an increase of \$21,030 from the previous year. The Library's obligation for other post-employment benefits at June 30, 2023 was \$11,262,717. This represents an increase of \$153,956 from the previous year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Continued)**

**Currently Known Conditions:**

The anticipated tax revenues for the 2023-2024 fiscal year are \$9,132,696. This represents a 1.05% tax increase as compared to the 2022-2023 fiscal year budget.

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

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total of Funds</u>	<u>Adjustments (Note 13)</u>	<u>Statement of Net Position</u>
<b>Assets:</b>					
Cash and cash equivalents:					
Checking	\$ 2,055,932	\$ 39,802	\$ 2,095,734	\$	\$ 2,095,734
Money market/savings	2,296,640	2,153,848	4,450,488		4,450,488
Petty cash	870		870		870
<b>Total cash and cash equivalents</b>	<u>4,353,442</u>	<u>2,193,650</u>	<u>6,547,092</u>	<u>0</u>	<u>6,547,092</u>
Accounts receivable	446		446		446
Internal receivables		2,433	2,433	(2,433)	
Prepaid insurance	17,528		17,528		17,528
Right to use assets, net of amortization				18,024	18,024
Capital assets, net of depreciation (note 5)				8,441,566	8,441,566
<b>Total Assets</b>	<u>4,371,416</u>	<u>2,196,083</u>	<u>6,567,499</u>	<u>8,457,157</u>	<u>15,024,656</u>
<b>Deferred Outflows of Resources:</b>					
Deferred outflows on OPEB				3,413,501	3,413,501
Deferred outflows on pension				1,949,946	1,949,946
<b>Total Deferred Outflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,363,447</u>	<u>5,363,447</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 4,371,416</u>	<u>\$ 2,196,083</u>	<u>\$ 6,567,499</u>	<u>\$ 13,820,604</u>	<u>\$ 20,388,103</u>

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

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

	<u>General Fund</u>	<u>Capital Fund</u>	<u>Total of Funds</u>	<u>Adjustments (Note 13)</u>	<u>Statement of Net Position</u>
<b>Liabilities:</b>					
Accounts payable	\$ 100,567	\$	\$ 100,567	\$	\$ 100,567
Accrued payroll and related taxes	128,136		128,136		128,136
Accrued retirement	127,457		127,457		127,457
Internal payables	2,433		2,433	(2,433)	
Non-current liabilities:					
Compensated absences				310,108	310,108
Lease liability				18,024	18,024
Net pension liability				2,949,953	2,949,953
Obligation for other post-employment benefits				11,262,717	11,262,717
<b>Total Liabilities</b>	<u>358,593</u>	<u>0</u>	<u>358,593</u>	<u>14,538,369</u>	<u>14,896,962</u>
<b>Deferred Inflows of Resources:</b>					
Deferred inflows on OPEB				3,865,678	3,865,678
Deferred inflows on pension				182,868	182,868
<b>Total Deferred Inflows of Resources</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,048,546</u>	<u>4,048,546</u>
<b>Fund Balances/Net Position:</b>					
Nonspendable (prepaid amounts)	17,528		17,528	(17,528)	
Committed for specific purposes	1,185,385		1,185,385	(1,185,385)	
Assigned for capital projects		2,196,083	2,196,083	(2,196,083)	
Unassigned	2,809,910		2,809,910	(2,809,910)	
<b>Total Fund Balances</b>	<u>4,012,823</u>	<u>2,196,083</u>	<u>6,208,906</u>	<u>(6,208,906)</u>	
<b>Total Liabilities, Deferred Inflows of Resources And Fund Balances</b>	<u>\$ 4,371,416</u>	<u>\$ 2,196,083</u>	<u>\$ 6,567,499</u>		
<b>Net Position:</b>					
Net investment in capital assets				8,441,566	8,441,566
Unrestricted				(6,998,971)	(6,998,971)
<b>Total Net Position</b>				<u>\$ 1,442,595</u>	<u>\$ 1,442,595</u>

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

**HUNTINGTON PUBLIC 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 of Funds</u>	<u>Adjustments (Note 13)</u>	<u>Statement of Activities</u>
<b>Revenues:</b>					
Tax revenues	\$ 9,038,194	\$	\$ 9,038,194	\$	\$ 9,038,194
Payments in lieu of taxes	22,263		22,263		22,263
Fines, fees and sales	1,726		1,726		1,726
Program fees	26,845		26,845		26,845
Local Incentive Aid	10,621		10,621		10,621
Copier machine/printing income	13,730		13,730		13,730
Interest	67,599	18,680	86,279		86,279
Lost books paid	2,105		2,105		2,105
Telephone/fax fees	1,775		1,775		1,775
Refund of prior year expense	28,306		28,306		28,306
Donations and miscellaneous income	17,380		17,380		17,380
<b>Total Revenues</b>	<b>\$ 9,230,544</b>	<b>\$ 18,680</b>	<b>\$ 9,249,224</b>	<b>\$ 0</b>	<b>\$ 9,249,224</b>

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

**HUNTINGTON PUBLIC 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 of Funds</u>	<u>Adjustments (Note 13)</u>	<u>Statement of Activities</u>
<b>Expenditures/Expenses:</b>					
Salaries and wages	\$ 3,916,760	\$	\$ 3,916,760	\$ 19,536	\$ 3,936,296
Employee benefits	2,326,862		2,326,862	760,228	3,087,090
Library services/materials	697,582		697,582		697,582
Library operations	417,397		417,397		417,397
Building operations	319,897	1,000	320,897		320,897
Capital outlay	150,109		150,109	(150,109)	
Depreciation				340,438	340,438
Amortization				3,984	3,984
Debt Service:					
Principal - leases	3,984		3,984	(3,984)	
Interest - leases	156		156		156
<b>Total Expenditures/Expenses</b>	<u>7,832,747</u>	<u>1,000</u>	<u>7,833,747</u>	<u>970,093</u>	<u>8,803,840</u>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	1,397,797	17,680	1,415,477	(970,093)	
<b>Other Financing Sources(Uses):</b>					
Lease proceeds	13,172		13,172		
Transfers- internal activities	<u>(800,000)</u>	<u>800,000</u>	<u>0</u>		
<b>Total Other Financing Sources(Uses)</b>	<u>(786,828)</u>	<u>800,000</u>	<u>13,172</u>	<u>(13,172)</u>	
<b>Excess Of Revenues And Other Financing Sources (Uses) Over Expenditures</b>	610,969	817,680	1,428,649	<u>(1,428,649)</u>	
<b>Change In Net Position</b>				445,384	445,384
Fund balance/net position- beginning of year	<u>3,401,854</u>	<u>1,378,403</u>	<u>4,780,257</u>	<u>(3,783,046)</u>	<u>997,211</u>
<b>Fund Balance/Net Position- End Of The Year</b>	<u>\$ 4,012,823</u>	<u>\$ 2,196,083</u>	<u>\$ 6,208,906</u>	<u>\$ (4,753,139)</u>	<u>\$ 1,442,595</u>

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

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1: Summary of Significant Accounting Policies**

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

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

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

**Fund Financial Statements:**      Governmental fund financial statements are reported using the modified accrual basis of accounting prescribed by the Governmental Accounting Standards Board and the State of New York's Department of Audit and Control, Division of Municipal Affairs. Under this method, revenues are recognized in the period in which they become both measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within a reasonable period of time after fiscal year end, except for real property taxes, which are considered to be available if they are collected within sixty days after the end of the fiscal year. Fees and other income items other than interest income are recorded when received in cash. Expenditures are recognized in the period in which the liability is incurred. However, debt service expenditures, if applicable, are recorded only when a payment is due.

The Library reports on the following funds:

**General Fund:**      This fund is established to account for resources devoted to the general services that the Library performs for its patrons. 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.**      **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.

**D.**      **Interfund Transactions:**      The operations of the Library include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Library 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.



**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

E.     **Budgetary Accounting:**     Formal budgetary accounting is employed as a management control of the general fund. Expenditures are compared to actual results in the report.

F.     **Fund Balance Classifications:**     The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* that defines the different types of fund balances that a governmental entity must use for financial reporting purposes. They are as follows:

**Nonspendable:**     This includes amounts that cannot be spent because they are either not in spendable form (i.e., inventories, prepaid expenses, etc.) or they are legally or contractually required to be maintained intact.

**Restricted:**     This includes amounts with constraints placed on the use of resources. These constraints can be externally imposed by creditors, grantors, contributors, or imposed by laws and regulations.

**Committed:**     This includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Library's Board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

**Assigned:**     This includes amounts that are constrained by the Library's intent to be used for specific purposes but are neither restricted nor committed. The Library Board is not required to impose or remove the constraint. Assignments of fund balance cannot be made if it would result in a negative unassigned fund balance.

**Unassigned:**     This includes the residual classification for the Library's general fund. This classification represents fund balance that has not been assigned to other funds, assigned for specific purposes, restricted, or committed.

G.     **Order of Use of Restricted/Unrestricted Net Position and Fund Balance:**     When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the Library's policy is to apply restricted net position first. Expenditures incurred from unrestricted resources are applied to committed fund balance as determined by the Board, then to assigned fund balance, and then to the unassigned fund balance.

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

- H.    **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.
- I.    **Right to Use Assets:**    The Library has recorded right to use lease assets as a result of implementing GASB No. 87, *Leases*. 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.
- J.    **Capital Assets:**    Capital assets are defined by the Library as assets with an initial cost of at least \$500 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. The Library's land and building for its Main Street location has not been capitalized as it is owned by the School District. However, the Station Branch location is owned by the Library and has been capitalized. Library books and materials are not capitalized. Depreciation is provided on the straight-line basis over the following estimated lives:

Furniture and equipment	5 to 7 years
Fixtures	20 years
Building and improvements	40 years

**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.

**NOTE 3:**      **Concentration of Credit Risk**

The Library maintains all of its cash balances at two banks. At year end, the Library's carrying amount of deposits was \$6,546,222 (excludes petty cash) and the bank balance was \$6,569,973. Of the bank balance, \$789,802 was covered by federal depository insurance and the remaining balance was covered by collateral or an irrevocable Letter of Credit.

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4: Right to Use Leased Assets**

The Library has recorded two right to use leased assets for postage equipment. The right to use assets are amortized over the term of the 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:

	<b>Balance as of 7/1/2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance as of 6/30/2023</b>
Right to use assets:				
Leased postal equipment	\$ 20,700	\$ 13,172	\$ (8,985)	\$ 24,887
Less accumulated amortization for:				
Leased postal equipment	(11,864)	(3,984)	8,985	(6,863)
Right to use assets, net	<u>\$ 8,836</u>	<u>\$ 9,188</u>	<u>\$ 0</u>	<u>\$ 18,024</u>

**NOTE 5: Capital Assets**

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

	<b>Balance as of 7/1/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance as of 6/30/2023</b>
<b>Assets not being depreciated:</b>				
Fine arts	\$ 38,050	\$ 0	\$ 0	\$ 38,050
Land - Station Branch	1,481,845	0	0	1,481,845
<b>Other capital assets:</b>				
Building improvements-338 Main	7,811,045	27,705	0	7,838,750
Building and improvements- Station Branch	2,508,257	7,120	0	2,515,377
Fixtures	1,352,930	0	0	1,352,930
Furniture and equipment	<u>1,159,718</u>	<u>102,112</u>	<u>(52,930)</u>	<u>1,208,900</u>
Total	14,351,845	136,937	(52,930)	14,435,852
Accumulated depreciation	<u>(5,706,778)</u>	<u>(340,438)</u>	<u>52,930</u>	<u>(5,994,286)</u>
Net Book Value	<u>\$ 8,645,067</u>	<u>\$ (203,501)</u>	<u>\$ 0</u>	<u>\$ 8,441,566</u>

**HUNTINGTON PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6:      Accounts Payable**

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

**NOTE 7:      Long Term Debt**

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

				<u>Non-current liabilities</u>		
	<u>Balance</u>			<u>Balance</u>	<u>Due within</u>	<u>Due after</u>
	<u>7/1/2022</u>	<u>Increases</u>	<u>Reductions</u>	<u>6/30/2023</u>	<u>one year</u>	<u>one year</u>
Compensated absences	\$ 289,078	\$ 21,030	\$ 0	\$ 310,108	\$ 30,091	\$ 280,017
Lease liability	8,836	13,172	3,984	18,024	4,578	13,446
Net pension liability	0	2,949,953	0	2,949,953	0	2,949,953
Other post-employment benefits payable	<u>11,108,761</u>	<u>153,956</u>	<u>0</u>	<u>11,262,717</u>	<u>0</u>	<u>11,262,717</u>
	<u>\$ 11,406,675</u>	<u>\$ 3,138,111</u>	<u>\$ 3,984</u>	<u>\$ 14,540,802</u>	<u>\$ 34,669</u>	<u>\$ 14,506,133</u>

**NOTE 8:      Compensated Absences Payable**

The Library has an accumulated liability as of June 30, 2023 for unused sick and vacation pay amounting to \$310,108. The Library expects to pay \$30,091 of this liability within the next twelve months.

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9: Lease Liability**

The Library entered into three lease agreements for postal equipment. 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 was executed on December 28, 2018 and requires 48 monthly payments of \$199. The lease liability is measured at a discount rate of 3.03%, which is the Applicable Federal Rate. As a result of the lease, the Library has recorded a right to use asset with a net book value of \$0 at June 30, 2023.

The second agreement was executed on August 17, 2020 and requires 63 monthly payments of \$188. The lease liability is measured at a discount rate of 0.41%, 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 \$5,424 at June 30, 2023.

The third agreement was executed on March 9, 2023 and requires 63 monthly payments of \$230. The lease liability is measured at a discount rate of 3.60%, 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 \$12,600 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:

<b><u>Year Ended June 30,</u></b>	<b><u>Principal Payments</u></b>	<b><u>Interest Payments</u></b>	<b><u>Total Payments</u></b>
2024	\$ 4,578	\$ 438	\$ 5,016
2025	4,674	342	5,016
2026	3,456	244	3,700
2027	2,610	150	2,760
2028	<u>2,706</u>	<u>54</u>	<u>2,760</u>
Total	<u>\$ 18,024</u>	<u>\$ 1,228</u>	<u>\$ 19,252</u>

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10: Funds Committed For Specific Purposes**

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

	<b>Balance as of 7/1/2022</b>	<b>Funds Committed (Uncommitted)</b>	<b>Funds Expended</b>	<b>Balance as of 6/30/2023</b>
<b>Funds Committed For:</b>				
Accrued benefits	\$ 50,000	\$ 0	\$ 0	\$ 50,000
Retirement	25,000	0	0	25,000
Building preservation	25,000	0	0	25,000
Station development fund	0	1,085,385	0	1,085,385
<b>Total</b>	<b>\$ 100,000</b>	<b>\$ 1,085,385</b>	<b>\$ 0</b>	<b>\$ 1,185,385</b>

**NOTE 11: 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.

**HUNTINGTON PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11:     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 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have 5 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11:**     **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.



**HUNTINGTON PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11:     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 \$456,085, for the 2022 fiscal year it was \$636,365 and for the 2021 fiscal year it was \$554,871.

**HUNTINGTON PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11: Retirement Plan (Continued)**

- D. Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions:** At June 30, 2023, the Huntington Public Library reported a liability of \$2,949,953 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 Huntington Public Library's proportion of the net pension liability was based on a projection of the Huntington Public 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 Huntington Public Library's proportion was 0.0137565 percent which was a decrease of .000468 percent from its proportion measured at June 30, 2022.

For the year ended June 30, 2023, the Huntington Public Library recognized pension expense of \$1,033,248. At June 30, 2023, the Huntington Public Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Difference between expected and actual experience	\$ 314,193	\$ 82,846
Changes in assumptions	1,432,687	15,834
Net difference between projected and actual investment earnings on pension plan investments	0	17,331
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,609	66,857
Library's contributions subsequent to the measurement date	<u>127,457</u>	<u>0</u>
Total	<u><u>\$ 1,949,946</u></u>	<u><u>\$ 182,868</u></u>

**HUNTINGTON PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11: Retirement Plan (Continued)**

- D. Pension Liability, Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: (Continued)** \$127,457 reported as deferred outflows of resources related to pensions resulting from Huntington Public 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	\$ 384,536
2025	(159,227)
2026	616,299
2027	798,013
2028	<u>0</u>
Total	<u>\$ 1,639,621</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.

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11:**    **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%	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	<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.

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11:**    **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:

	<b>1% Decrease (4.9%)</b>	<b>Current Assumption (5.9%)</b>	<b>1% Increase (6.9%)</b>
Library's proportionate share of the net pension liability (asset)	\$ 7,128,771	\$ 2,949,953	\$ (541,936)

*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:

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

**HUNTINGTON PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12: 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 Huntington 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 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 post-employment benefits on an accrual basis.
- B. Benefits Provided:** Contribution requirements are determined by the Library Board. For retirees hired on or before June 30, 1993 and whom have five or more years of service, the Library will pay 90% of the amount for a retiree's and their spouse's health insurance policy premium. For retirees hired on or before June 30, 1993, that have less than five years of service, the Library will pay 75% of the amount for a retiree's and their spouse's health insurance policy premium. For retirees hired after June 30 1993, and whom have ten years of service, the Library will pay 75% of the amount for a retiree's and their spouse's health insurance policy premium.

For the fiscal year ending June 30, 2023, Huntington Public Library recognized the cost of providing health insurance by recording its share of insurance premiums of \$350,044 (exclusive of Medicare B reimbursements) as an expenditure in the General Fund. The Library also reimburses retired employees and their spouses the full cost of Medicare deducted from their Social Security benefits, which amounted to \$131,290. The retiree's share of premiums for health insurance is withheld from their monthly NYS retirement pension payment.

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

Active employees	38
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	42
Total	<u>80</u>

**HUNTINGTON PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12: Post-employment Benefits Other Than Pensions (Continued)**

**C. Total Other Post-Employment Benefit (OPEB) Liability:** The Library's total OPEB liability of \$11,262,717 was updated through June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021.

**D. Actuarial Assumptions and Other Inputs:**

Inflation	2.00%
Payroll Growth Rate	2.50%
Discount Rate	3.65%
2021 Medical Trend Rates (Pre-65/Post-65)	7.00% / 5.00%
2022 Medical Trend Rates (Pre-65/Post-65)	6.50% / 5.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Trend Year Reached (Pre-65/Post-65)	2025/2021

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

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

**E. Changes In The Total OPEB Liability:**

Balance at June 30, 2022	\$ <u>11,108,761</u>
Changes for the year:	
Service cost	390,866
Interest	398,911
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	(169,900)
Benefit payments	<u>(465,921)</u>
Net changes	<u>153,956</u>
Balance at June 30, 2023	\$ <u><u>11,262,717</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.

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12: 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:

	<b>1% Decrease (2.65%)</b>	<b>Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Total OPEB Liability	\$ 12,954,277	\$ 11,262,717	\$ 9,875,686

*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:

	<b>1% Decrease (5.00% Decreasing to 4.00%)</b>	<b>Healthcare Cost Trend Rate (6.00% Decreasing to 5.00%)</b>	<b>1% Increase (7.00% Decreasing to 6.00%)</b>
Total OPEB Liability	\$ 9,475,010	\$ 11,262,717	\$ 13,578,077

**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 \$660,810. At June 30, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ 2,265,705	\$ 1,406,979
Changes in assumptions	1,147,796	2,458,699
Total	<u>\$ 3,413,501</u>	<u>\$ 3,865,678</u>



**HUNTINGTON PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12:    Post-employment Benefits Other Than Pensions (Continued)**

- F.    OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: (Continued)** Amounts reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized in other post-employment benefit expense as follows:

<b><u>Year Ending June 30,</u></b>	<b><u>Amount Recognized</u></b>
2024	\$    (128,967)
2025	(128,967)
2026	(81,838)
2027	(83,738)
2028	(5,869)
Thereafter	<u>(22,798)</u>
Total	<u>\$    (452,177)</u>

**HUNTINGTON PUBLIC LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 13: 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:

<b>Total Fund Balance-Modified Accrual Basis</b>	\$ 6,208,906
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Amounts reported in the statement of net position are different because:

- |   |                  |
|---|------------------|
| • Capital assets are not financial resources, and are not reported in the funds   | 8,441,566        |
| • Right to use assets are not financial resources, and are not reported in the funds  | 18,024           |
| • Deferred outflows on OPEB are not reported in the funds   | 3,413,501        |
| • Deferred outflows on pension are not reported in the funds  | 1,949,946        |
| • Compensated absences, not anticipated to be paid within the next twelve months, are not included a liability in the funds | (310,108)        |
| • Lease liability payments due in future periods are not reported in the funds  | (18,024)         |
| • Net pension liability is not reported in the funds  | (2,949,953)      |
| • The obligation for other post-employment benefits is not reported in the funds  | (11,262,717)     |
| • Deferred inflows on OPEB are not reported in the funds  | (3,865,678)      |
| • Deferred inflows on pension are not reported in the funds   | <u>(182,868)</u> |

<b>Total Net Position-Full Accrual Basis</b>	<b><u>\$ 1,442,595</u></b>
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**HUNTINGTON PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements (Continued)**

**Net Change in Fund Balance-Modified Accrual Basis** **\$ 1,428,649**

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	150,109
Depreciation expense	(340,438)
Amortization expense	(3,984)
- (Increase)/decrease in the items reported as an expenditure in the statements of activities, not in the fund statements:

Compensated absences	(21,030)
Net pension expenses	(563,845)
Post-employment health costs	(194,889)
- Repayment of long-term debt is not an expense in the statement of activities, rather a reduction of the liability:

Principal paid on lease liability	3,984
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- Lease proceeds are reported as other financing sources in the funds whereas in the statement of activities these proceeds are recorded as a liability (13,172)

**Change in Net Position-Full Accrual Basis** **\$ 445,384**

**HUNTINGTON PUBLIC LIBRARY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Balances</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Tax revenues	\$ 9,038,194	\$ 9,038,194	\$ 9,038,194	\$ 0
<b>Operating Revenue:</b>				
Payments in lieu of taxes	0	0	22,263	22,263
Fines, fees and sales	1,000	1,000	1,726	726
Program fees	12,000	12,000	26,845	14,845
Local Incentive Aid	10,000	10,000	10,621	621
Copier machine/printing income	12,000	12,000	13,730	1,730
Interest	6,000	6,000	67,599	61,599
Lost books paid	2,000	2,000	2,105	105
Telephone/fax fees	2,500	2,500	1,775	(725)
Refund of prior year expense	0	0	28,306	28,306
Donations and miscellaneous income	8,000	8,000	17,380	9,380
<b>Total Operating Revenue</b>	<u>53,500</u>	<u>53,500</u>	<u>192,350</u>	<u>138,850</u>
<b>Non-Operating Revenue:</b>				
Transfer from fund balance	0	0	0	0
<b>Total Revenues</b>	<u>\$ 9,091,694</u>	<u>\$ 9,091,694</u>	<u>\$ 9,230,544</u>	<u>\$ 138,850</u>
<b>Expenditures:</b>				
<b>Salaries and Wages:</b>				
Professional	\$ 2,874,109	\$ 2,874,109	\$ 2,149,744	\$ 724,365
Clerical	1,035,836	1,035,836	860,533	175,303
Custodial/Guard	824,213	824,213	765,545	58,668
Pages	156,640	156,640	140,938	15,702
<b>Total Salaries and wages</b>	<u>4,890,798</u>	<u>4,890,798</u>	<u>3,916,760</u>	<u>974,038</u>
<b>Employee Benefits:</b>				
Retirement	480,000	480,000	469,521	10,479
Social security	374,146	374,146	286,410	87,736
Health insurance	1,400,000	1,400,000	1,444,673	(44,673)
Dental and optical plan	88,000	88,000	86,506	1,494
Workers compensation and disability	50,000	50,000	38,964	11,036
Unemployment insurance	5,000	5,000	788	4,212
<b>Total Employee Benefits</b>	<u>\$ 2,397,146</u>	<u>\$ 2,397,146</u>	<u>\$ 2,326,862</u>	<u>\$ 70,284</u>

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

**HUNTINGTON PUBLIC 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>
<b>Expenditures: (continued)</b>				
<b>Library Services/Materials:</b>				
Books - Village - adult	\$ 60,000	\$ 60,000	\$ 47,421	\$ 12,579
Books - Village - children	19,800	19,800	16,854	2,946
Books - Village - young adult	6,750	6,750	6,545	205
Reference/standing orders	40,000	40,000	40,269	(269)
Books - Station	25,000	25,000	22,405	2,595
Electronic resources & databases	125,000	125,000	122,105	2,895
Electronic devices	15,000	15,000	18,712	(3,712)
Book refunds	500	500	346	154
Processing	28,000	28,000	13,226	14,774
Periodicals	40,000	40,000	39,714	286
Games/microfilm/software	2,500	2,500	2,314	186
C.D.'s/Audio Books	10,000	10,000	7,778	2,222
D.V.D.'s/Videos	15,000	15,000	14,867	133
Downloadables	130,000	130,000	163,680	(33,680)
Programs - adult	50,000	50,000	52,644	(2,644)
Programs - children	25,000	25,000	20,217	4,783
Programs - young adult	10,000	10,000	4,369	5,631
Programs- Station	25,000	25,000	28,897	(3,897)
Programs - literacy/ESL	12,000	12,000	15,840	(3,840)
Programs - senior services	4,000	4,000	350	3,650
Programs - local history	1,500	1,500	703	797
Museum passes and attraction tickets (net receipts of \$13,259)	16,000	16,000	9,821	6,179
Public relations/newsletter	51,000	51,000	48,505	2,495
<b>Total Library Materials/Services</b>	<u>\$ 712,050</u>	<u>\$ 712,050</u>	<u>\$ 697,582</u>	<u>\$ 14,468</u>

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

**HUNTINGTON PUBLIC 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>
<b>Expenditures: (continued)</b>				
<b>Library Operations:</b>				
Library and general supplies	\$ 40,000	\$ 40,000	\$ 32,035	\$ 7,965
Telecommunications	80,000	80,000	73,195	6,805
General postage	8,000	8,000	6,243	1,757
Printing	4,000	4,000	2,965	1,035
Printing supplies	5,000	5,000	4,707	293
Integrated Library System (PALS)	32,000	32,000	28,324	3,676
Software/automation	45,000	45,000	39,107	5,893
Staff training	6,000	6,000	8,254	(2,254)
Travel and professional meetings	8,000	8,000	9,805	(1,805)
SCLS member services	75,000	75,000	71,252	3,748
Audit and accounting service	12,500	12,500	13,100	(600)
Legal service	38,000	38,000	20,570	17,430
Payroll service	40,000	40,000	33,195	6,805
Professional fees - other	45,000	45,000	27,148	17,852
Membership	7,000	7,000	5,668	1,332
Equipment maintenance and repair	30,000	30,000	18,401	11,599
Minor furniture & equipment	20,000	20,000	10,734	9,266
Annual budget vote	6,000	6,000	3,084	2,916
Fees and bond	5,200	5,200	5,004	196
Board meetings/travel/miscellaneous	1,000	1,000	4,606	(3,606)
<b>Total Library Operations</b>	<u>507,700</u>	<u>507,700</u>	<u>417,397</u>	<u>90,303</u>
<b>Building Operations:</b>				
Insurance	55,000	55,000	46,069	8,931
Gas/heat	22,000	22,000	26,514	(4,514)
Electric/power	115,000	115,000	109,158	5,842
Water	2,000	2,000	1,940	60
Maintenance repairs	30,000	30,000	27,170	2,830
Maintenance supplies	50,000	50,000	35,177	14,823
Maintenance services	70,000	70,000	73,869	(3,869)
<b>Total Building Operations</b>	<u>\$ 344,000</u>	<u>\$ 344,000</u>	<u>\$ 319,897</u>	<u>\$ 24,103</u>

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

**HUNTINGTON PUBLIC 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>
<b>Expenditures: (continued)</b>				
<b>Capital Outlay:</b>				
Furniture, fixtures and other equipment	\$ 70,000	\$ 70,000	\$ 65,980	\$ 4,020
Computers	45,000	45,000	36,132	8,868
Building improvement/Development Fund	125,000	125,000	34,825	90,175
Right to use assets	<u>0</u>	<u>0</u>	<u>13,172</u>	<u>(13,172)</u>
<b>Total Capital Outlay</b>	<u>240,000</u>	<u>240,000</u>	<u>150,109</u>	<u>89,891</u>
<b>Debt Service:</b>				
Principal - Lease			3,984	(3,984)
Interest - Lease			<u>156</u>	<u>(156)</u>
<b>Total Debt Service</b>	<u>0</u>	<u>0</u>	<u>4,140</u>	<u>(4,140)</u>
<b>Total Expenditures</b>	<u>9,091,694</u>	<u>9,091,694</u>	<u>7,832,747</u>	<u>1,258,947</u>
<b>Excess of Revenues Over Expenditures</b>	<u>0</u>	<u>0</u>	<u>1,397,797</u>	<u>1,397,797</u>
<b>Other Financing (Sources)Uses:</b>				
Lease proceeds			(13,172)	13,172
Transfer to Capital Fund			<u>800,000</u>	<u>(800,000)</u>
<b>Total Other Financing (Sources)Uses</b>	<u>0</u>	<u>0</u>	<u>786,828</u>	<u>(786,828)</u>
<b>Excess Of Revenues Over Expenditures And Other Financing Uses</b>	<u>0</u>	<u>0</u>	<u>610,969</u>	<u>610,969</u>
Budgetary fund balance- beginning of year	<u>3,401,854</u>	<u>3,401,854</u>	<u>3,401,854</u>	<u>3,401,854</u>
<b>Budgetary Fund Balance - End Of Year</b>	<u><u>\$ 3,401,854</u></u>	<u><u>\$ 3,401,854</u></u>	<u><u>\$ 4,012,823</u></u>	<u><u>\$ 4,012,823</u></u>

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

**HUNTINGTON PUBLIC 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)	0.01376%	0.01422%	0.01317%	0.01406%	0.01421%	0.01379%	0.01419%	0.01297%	0.01251%
Library's proportionate share of the net pension liability (asset)	\$ 2,949,953	\$ (1,162,794)	\$ 13,111	\$ 3,723,040	\$ 1,006,796	\$ 445,074	\$ 1,333,314	\$ 2,081,534	\$ 422,682
Library's covered-employee payroll	\$ 3,886,245	\$ 3,920,498	\$ 3,761,078	\$ 3,838,744	\$ 3,625,049	\$ 3,507,539	\$ 3,733,690	\$ 3,289,464	\$ 3,215,910
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	75.908%	(29.659%)	0.349%	96.986%	27.773%	12.689%	35.710%	63.279%	13.143%
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.



**HUNTINGTON PUBLIC LIBRARY  
SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS  
NYSLRS PENSION PLAN  
FOR THE 2023 FISCAL YEAR**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 456,085	\$ 636,365	\$ 554,871	\$ 563,678	\$ 543,907	\$ 536,535	\$ 577,092	\$ 616,686	\$ 426,123
Contributions in relation to the contractually required contribution	<u>456,085</u>	<u>636,365</u>	<u>554,871</u>	<u>563,678</u>	<u>543,907</u>	<u>536,535</u>	<u>577,092</u>	<u>616,686</u>	<u>426,123</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Library's covered-employee payroll	\$ 3,886,245	\$ 3,920,498	\$ 3,761,078	\$ 3,838,744	\$ 3,625,049	\$ 3,507,539	\$ 3,733,690	\$ 3,289,464	\$ 3,215,910
Contributions as a percentage of covered-employee payroll	11.74%	16.23%	14.75%	14.68%	15.00%	15.30%	15.46%	18.75%	13.25%

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

**HUNTINGTON PUBLIC LIBRARY**  
**SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB**  
**LIABILITY AND RELATED RATIOS**

	2023	2022	2021	2020	2019	2018
Service Cost	\$ 390,866	\$ 546,397	\$ 537,265	\$ 400,259	\$ 412,660	\$ 434,392
Interest	398,911	290,977	231,756	293,099	387,606	359,171
Changes of benefit terms	0	0	0	0	0	0
Differences between expected and actual experience	0	3,175,627	0	(2,970,287)	0	0
Changes in assumptions or other inputs	(169,900)	(3,088,230)	86,079	1,854,538	571,494	(424,156)
Benefit payments	(465,921)	(473,620)	(292,261)	(269,550)	(372,552)	(357,290)
Net Change in total OPEB liability	153,956	451,151	562,839	(691,941)	999,208	12,117
Total OPEB liability- beginning	11,108,761	10,657,610	10,094,771	10,786,712	9,787,504	9,775,387
Total OPEB liability- ending	<u>\$ 11,262,717</u>	<u>\$ 11,108,761</u>	<u>\$ 10,657,610</u>	<u>\$ 10,094,771</u>	<u>\$ 10,786,712</u>	<u>\$ 9,787,504</u>
Covered-employee payroll	\$ 2,857,256	\$ 2,787,567	\$ 2,942,306	\$ 2,842,808	\$ 2,989,208	\$ 2,916,300
Total OPEB liability as a % of covered-employee payroll	394.18%	398.51%	362.22%	355.10%	360.86%	335.61%
Notes to schedule:						
Changes of benefit terms: None						
Changes of assumptions:						
Discount rate	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%
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.