

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
JUNE 30, 2024
TABLE OF CONTENTS

<u>SCHEDULE NUMBER</u>		<u>PAGE</u>
	Independent Auditor's Report	1 – 2
	Management Discussion and Analysis	3 – 11
	<u>BASIC FINANCIAL STATEMENTS</u>	
1	Statement of Net Position	12
2	Statement of Activities	13
3	Balance Sheet – General Fund	14
4	Statement of Revenues, Expenditures and Change in Fund Balance – General Fund	15
5	Reconciliation of General Fund Balance Sheet to the Statement of Net Position	16
6	Reconciliation of General Fund - Revenues, Expenditures and Change in Fund Balance to the Statement of Activities	17
	Notes to Financial Statements	18 - 38
	<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
SS-1	Schedule of Revenues Compared to Budget - General Fund	39
SS-2	Schedule of Expenditures Compared to Budget - General Fund	40
SS-3	Schedule of the Local Government's Proportionate Share of the Net Pension Liability	41
SS-4	Schedule Local Government Contributions	42



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Port Jervis Free Library
Port Jervis, New York

Norman M. Sassi, CPA
Walter J. Jung, CPA

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Port Jervis Free Library, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Port Jervis Free 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 the Port Jervis Free Library, as of June 30, 2024, 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 the Port Jervis Free 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 the 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 the Port Jervis Free 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. 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 the Port Jervis Free 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port Jervis Free 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 and required supplemental information on pages 3–11 and 39–42 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.

Nugent & Haussler PC

Montgomery, New York
October 18, 2024

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK

Management Discussion and Analysis

Within this section of the Port Jervis Free Library's annual financial report, the Library's management provides narrative discussion and analysis of the financial activities of the Library for the year ended June 30, 2024. The Library's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. Additional information is available in the auditor's opinion letter which precedes management's discussion and analysis.

Financial Highlights

- The statement of net position shows that the Library ended the year with a net position of \$3,070,605.
- The statement of activities reports an increase in net position of \$228,763 during the year.

Independent Auditor's Report

The first item in this report is the independent auditor's report. This report tells the reader what the auditor audited and whether the Port Jervis Free Library has followed the accounting and financial reporting rules. For the year ending June 30, 2024, the auditor has given the Port Jervis Free Library what is commonly called "a clean opinion". This means that the Port Jervis Free Library is following the accounting rules and the following financial statements reflect the financial position and the financial activity for the year ended June 30, 2024. The auditor's report is signed by the independent auditor.

Overview of the Financial Statements

Management's discussion and analysis introduces the Library's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Port Jervis Free Library also includes in this report additional information to supplement the basic financial statements, such as required supplementary information. Comparative data is presented when available.

Government -Wide Financial Statements

The Library's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Library's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting.

The first of these is the Statement of Net Position. This is a government-wide statement of position presenting information that includes all of the Library's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library taken as a whole is improving or deteriorating. Evaluation of the overall health of the Library would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the Library's infrastructure, in addition to the financial information provided in this report.

The second statement is the Statement of Activities which reports how the Library's net position changed during the current fiscal year. All current revenues and expenditures are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Library's distinct activities or functions on revenues provided by the Library's taxpayers.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK

Management Discussion and Analysis
(Continued)

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Library uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Library's major funds.

The Library uses only one fund type:

The Governmental Fund financial statements encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the Governmental Fund balance sheet and operating statements provide a reconciliation to assist in understanding the differences between these two perspectives.

Notes to Financial Statements

The accompanying notes to financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Library's budget presentation. The general fund's budgetary comparison statement is included as "required supplementary information". Required supplementary information is information that the accounting rules strongly suggest be presented within the Library's financial report. The independent auditor does not formally audit this information, but reviews it in great detail to ensure its accuracy.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK

Management Discussion and Analysis
(Continued)

Financial Analysis of the Library as a Whole

The Library reported a positive increase in net position for the year ended June 30, 2024 in the amount of \$228,763. The Library's net position at the fiscal year ended June 30, 2024 is \$3,070,605. The following table provides a summary of the Library's net position:

Summary of Net Position

Figure A-1

Condensed Statement of Net Position	2024
Current Assets	\$ 1,621,351
Non-Current Assets	1,567,053
Deferred Outflows	134,907
Total Assets and Deferred Outflows	3,323,311
Current Liabilities	23,172
Non-Current Liabilities	157,594
Deferred Inflows	71,940
Total Liabilities and Deferred Inflow	252,706
Investment in Capital Assets, Net of Debt	1,567,053
Unrestricted	1,503,552
Total Net Position	\$ 3,070,605

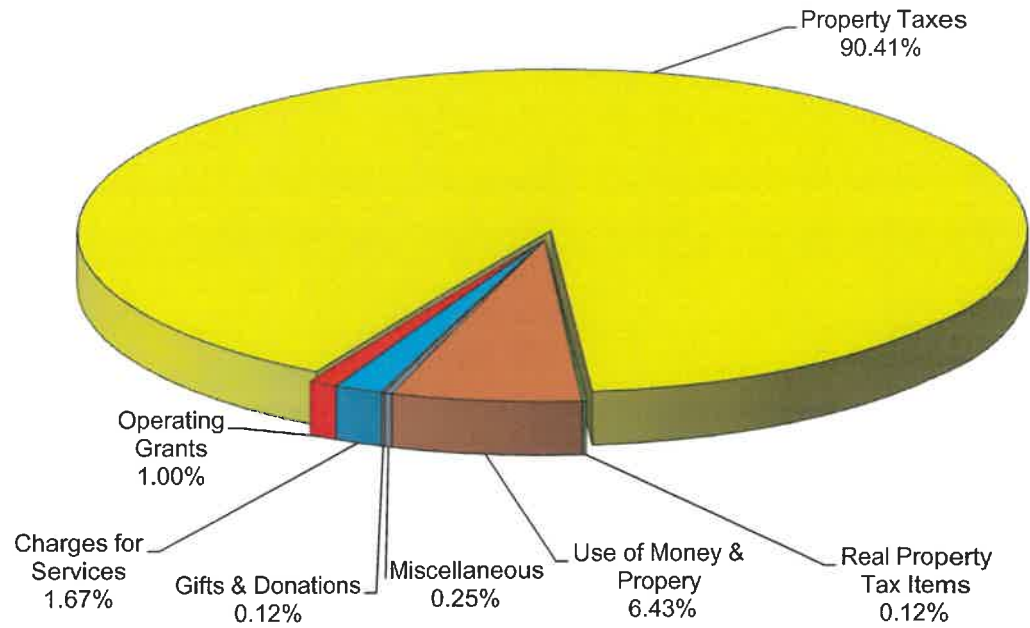
The following table and supporting graphs provide a summary of revenues, expenses and changes in net position for the year ended June 30, 2024:

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
STATEMENT OF ACTIVITIES
SUMMARY OF CHANGES IN NET POSITION

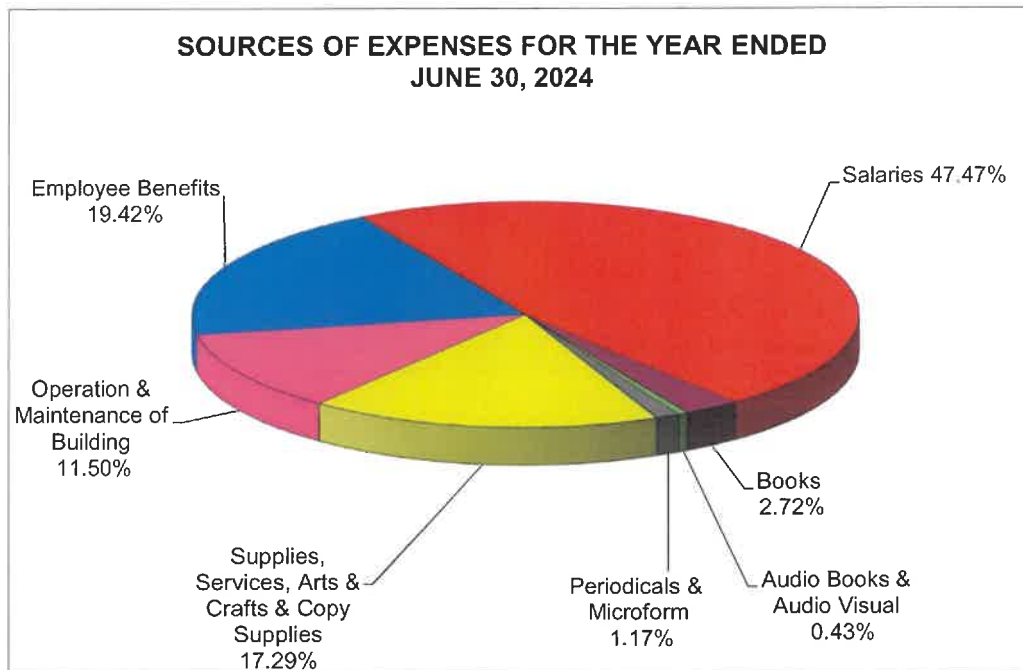
<u>REVENUES:</u>	<u>2024</u> <u>AMOUNT</u>	<u>%</u>
PROGRAM REVENUES		
Charges for Services	\$ 21,133	1.67%
Operating Grants	12,674	1.00%
GENERAL REVENUES:		
Real Property Taxes	1,142,840	90.41%
Real Property Tax Items	1,469	0.12%
Use of Money & Property	81,292	6.43%
Gifts & Donations	1,525	0.12%
Miscellaneous	3,133	0.25%
TOTAL REVENUES	<u>1,264,066</u>	<u>100.00%</u>
<u>EXPENSES:</u>		
Personnel - Salaries	491,424	47.47%
Books	28,184	2.72%
Audio Books & Audio Visual	4,492	0.43%
Periodicals & Microform	12,109	1.17%
Supplies, Services, Arts & Crafts & Copy Supplies	178,964	17.29%
Operation & Maintenance of Buildin	119,058	11.50%
Employee Benefits	201,072	19.42%
TOTAL EXPENSES	<u>1,035,303</u>	<u>100.00%</u>
CHANGE IN NET POSITION	<u>\$ 228,763</u>	

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK

SOURCES OF REVENUES FOR THE YEAR ENDED JUNE 30, 2024



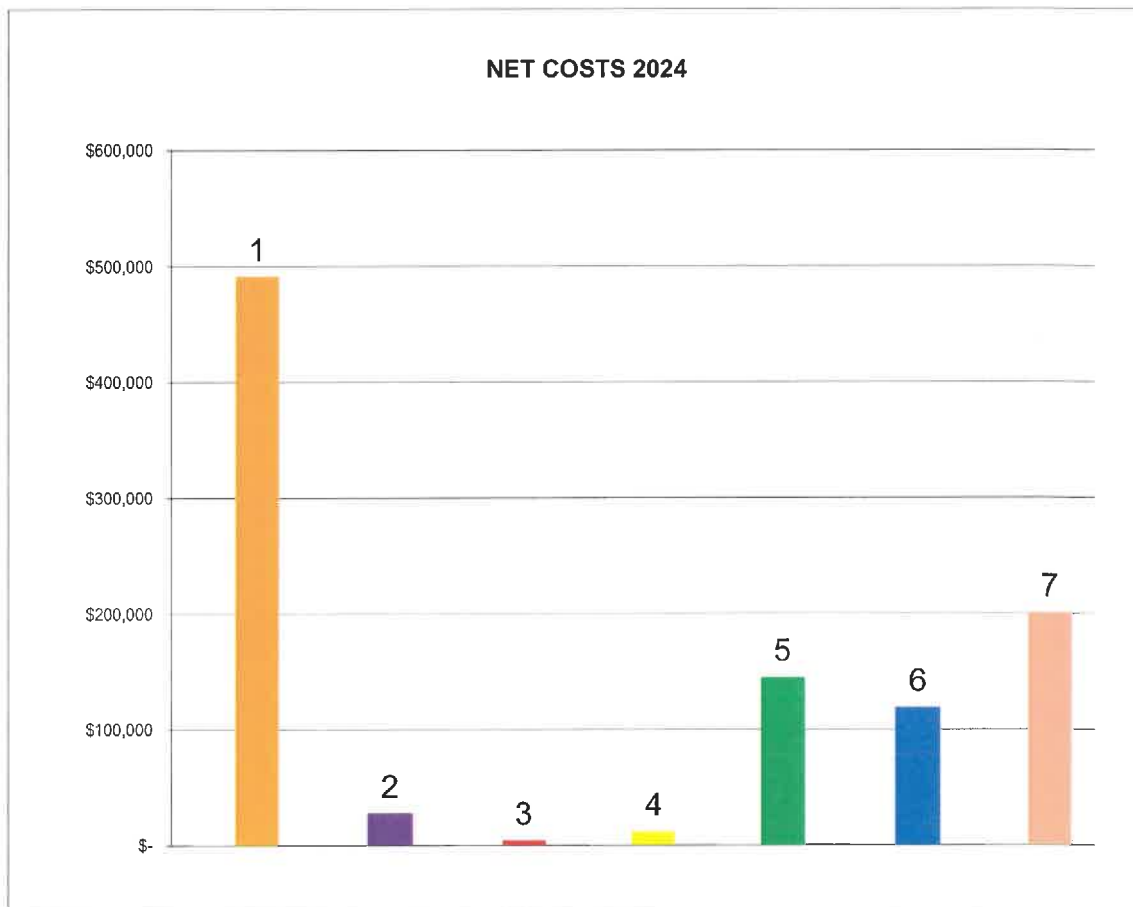
PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK



PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
STATEMENT OF ACTIVITIES
NET COSTS

THE FOLLOWING INFORMATION IS PROVIDED TO DISCLOSE THE NET COST OF
GOVERNMENTAL ACTIVITIES:

	TOTAL COST OF SERVICES 2024	NET COST OF SERVICES 2024
1 Personnel - Salaries	\$ 491,424	\$ 491,424
2 Books	28,184	28,184
3 Audio Books & Audio Visual	4,492	4,492
4 Periodicals & Microform	12,109	12,109
5 Supplies, Services, Arts & Crafts & Copy Supplie	178,964	145,157
6 Operation & Maintenance of Building	119,058	119,058
7 Employee Benefits	201,072	201,072
TOTAL	\$ 1,035,303	\$ 1,001,496



PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK

Management Discussion and Analysis
(Continued)

Financial Analysis of the Library's General Fund

The General Fund is the Port Jervis Free Library's operating fund and the source of day-to-day service. As discussed, the General Fund is reported with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The data presented in the financial statements is presented on the modified accrual basis. This means that capital assets purchased during the year are reported as expenditures and no depreciation on these capital assets is reported as an expenditure.

General Fund Budgetary Highlights

The voters of Port Jervis approved the Library's proposed budget in April 2023 in the amount of \$1,310,579. Results of the general fund illustrate actual revenue of \$1,264,066. Revenues received were less than budgeted amounts by \$46,513.

Current year expenditures were less than budgeted amounts by \$314,177. Actual results of the general fund realized net expenditures under revenues in the amount of \$277,157. The net expenditures under revenues increased the fund balance to \$1,598,179.

Factors that continue to affect the budget process are as follows:

- Increasing salaries and employee benefit costs.
- Building maintenance costs.

Management believes that the budget adopted for the 2024-2025 year is reasonably adaptable to any adverse changes that may arise based on the above factors.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK

Management Discussion and Analysis
(Continued)

Capital Asset and Debt Administration

Capital Assets

The Library's investment in capital assets, net of accumulated depreciation for governmental activities as of June 30, 2024 and 2023, was \$1,567,053 and \$1,605,547, respectively. The net decrease in the investment in capital assets was 2.40% (see schedule below). This decrease reflects depreciation expense of \$52,469 and capital additions of \$13,975. The following table provides a summary of capital asset activity.

Changes in Net Capital Assets	Governmental Activities		Total	Total
	2024	2023	Dollar Change	% Change
Land	\$ 212,020	\$ 212,020	\$ 0	0.00%
Buildings	1,066,774	1,094,231	(27,457)	-2.51%
Furniture and Equipment	(14,446)	(11,607)	(2,839)	24.46%
Land Improvements	302,705	310,903	(8,198)	-2.64%
Total	\$ 1,567,053	\$ 1,605,547	\$ (38,494)	-2.40%

Contacting the Library's Financial Management

This financial report is designed to provide a general overview of the Library's finances, comply with finance-related laws and regulations and demonstrate the Library's commitment to public accountability. If you have questions about this report, or would like to request additional information, contact the Library Director at the Library at 138 Pike St, Port Jervis, New York 12771.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

ASSETS

Unrestricted Cash	\$ 1,621,351
Non-Depreciable Capital Assets	212,020
Capital Assets, net	<u>1,355,033</u>
TOTAL ASSETS	<u>3,188,404</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	<u>134,907</u>
---------	----------------

LIABILITIES

Accounts Payable	9,938
Due to Employee Retirement System	13,234
Long-Term Liabilities:	
Due and Payable In More Than One Year:	
Net Pension Liability - Proportionate Share	123,462
Compensated Absences	<u>34,132</u>
TOTAL LIABILITIES	<u>180,766</u>

DEFERRED INFLOWS OF RESOURCES

Pension	<u>71,940</u>
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NET POSITION

Net Investment in Capital Assets	1,567,053
Unrestricted	<u>1,503,552</u>
TOTAL NET POSITION	<u>\$ 3,070,605</u>

See notes to financial statements

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		<u>PROGRAM REVENUES</u>		<u>NET(EXPENSE)</u>
		<u>CHARGES FOR</u>	<u>OPERATING</u>	<u>REVENUE</u>
	<u>EXPENSES</u>	<u>SERVICES</u>	<u>GRANTS</u>	<u>& CHANGES</u>
<u>FUNCTIONS/PROGRAMS</u>				<u>IN NET POSITION</u>
Personnel - Salaries	\$ (491,424)	\$ 0	\$ 0	\$ (491,424)
Books	(28,184)	0	0	(28,184)
Audio Books & Audio Visual	(4,492)	0	0	(4,492)
Periodicals & Microform	(12,109)	0	0	(12,109)
Supplies, Services, Arts & Crafts & Copy Supplies	(178,964)	21,133	12,674	(145,157)
Operation & Maintenance of Building	(119,058)	0	0	(119,058)
Employee Benefits	(201,072)	0	0	(201,072)
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ (1,035,303)</u>	<u>\$ 21,133</u>	<u>\$ 12,674</u>	<u>(1,001,496)</u>
<u>GENERAL REVENUES</u>				
Real Property Taxes				1,142,840
Real Property Tax Items				1,469
Use of Money & Property				81,292
Gifts & Donations				1,525
Miscellaneous				3,133
TOTAL GENERAL REVENUES				<u>1,230,259</u>
CHANGE IN NET POSITION				228,763
TOTAL NET POSITION - BEGINNING OF YEAR				2,841,841
TOTAL NET POSITION - END OF YEAR				<u>\$ 3,070,605</u>

See notes to financial statements

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
BALANCE SHEET - GENERAL FUND
JUNE 30, 2024

	GENERAL FUND
<u>ASSETS</u>	
Unrestricted Cash	\$ 1,621,351
Total Assets	<u>\$ 1,621,351</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 9,938
Due to Employee Retirement System	13,234
Total Liabilities	<u>23,172</u>
<u>FUND BALANCES</u>	
Unassigned	<u>1,598,179</u>
Total Fund Balances	<u>1,598,179</u>
Total Liabilities and Fund Balances	<u>\$ 1,621,351</u>

See notes to financial statements

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND
<u>REVENUES</u>	
Real Property Taxes	\$ 1,142,840
Real Property Tax Items	1,469
Charge for Services	21,133
Use of Money & Property	81,292
Gifts & Donations	1,525
Miscellaneous	3,133
State Sources	12,674
Total Revenues	<u>1,264,066</u>
<u>EXPENDITURES</u>	
Personnel - Salaries	498,355
Books	28,184
Audio Books and Audio Visual	4,492
Periodicals & Microform	12,109
Supplies, Services, Arts & Crafts & Copy Supplies	178,964
Operation & Maintenance of Building	80,564
Employee Benefits	184,241
Total Expenditures	<u>986,909</u>
Excess (Deficiency) of Revenues Over Expenditures	277,157
Fund Balances, Beginning of Year	<u>1,321,022</u>
Fund Balances, End of Year	<u>\$ 1,598,179</u>

See notes to financial statements

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
RECONCILIATION OF GENERAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

	GENERAL FUND	LONG TERM ASSETS, LIABILITIES	RECLASSIFICATIONS AND ELIMINATIONS	STATEMENT OF NET POSITION
<u>ASSETS</u>				
Unrestricted Cash	\$ 1,621,351	\$ 0	\$ 0	\$ 1,621,351
Capital Assets, Net	0	1,567,053	0	1,567,053
TOTAL ASSETS	1,621,351	1,567,053	0	3,188,404
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension	0	134,907	0	134,907
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,621,351	\$ 1,701,960	\$ 0	\$ 3,323,311
<u>LIABILITIES</u>				
Accounts Payable	\$ 9,938	\$ 0	\$ 0	\$ 9,938
Accrued Liabilities	13,234	0	0	13,234
Net Pension Liability - Proportionate Share	0	123,462	0	123,462
Compensated Absences Payable	0	34,132	0	34,132
TOTAL LIABILITIES	23,172	157,594	0	180,766
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension	0	71,940	0	71,940
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	23,172	229,534	0	252,706
<u>FUND BALANCES/NET POSITION</u>	1,598,179	1,472,426	0	3,070,605
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES/NET POSITION	\$ 1,621,351	\$ 1,701,960	\$ 0	\$ 3,323,311

See notes to financial statements

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
RECONCILIATION OF GENERAL FUND - REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	TOTAL GENERAL FUNDS	LONG TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG TERM DEBT TRANSACTIONS	RECLASSIFICATIONS AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
REVENUES						
Real Property Taxes	\$ 1,142,840	\$ 0	0	\$ 0	\$ 0	\$ 1,142,840
Real Property Tax Items	1,469	0	0	0	0	1,469
Charge for Services	21,133	0	0	0	0	21,133
Use of Money & Property	81,292	0	0	0	0	81,292
Gifts & Donations	1,525	0	0	0	0	1,525
Miscellaneous	3,133	0	0	0	0	3,133
State Sources	12,674	0	0	0	0	12,674
TOTAL REVENUES	1,264,066	0	0	0	0	1,264,066
EXPENDITURES						
Personnel - Salaries	498,355	(6,931)	0	0	0	491,424
Books	28,184	0	0	0	0	28,184
Audio Books and Audio Visual	4,492	0	0	0	0	4,492
Periodicals & Microform	12,109	0	0	0	0	12,109
Supplies, Services, Arts & Crafts & Copy Supplies	178,964	0	0	0	0	178,964
Operation & Maintenance of Building	80,564	0	38,494	0	0	119,058
Employee Benefits	184,241	16,831	0	0	0	201,072
TOTAL EXPENDITURES	986,909	9,900	38,494	0	0	1,035,303
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES	277,157	(9,900)	(38,494)	0	0	228,763
NET CHANGE FOR THE YEAR	\$ 277,157	\$ (9,900)	\$ (38,494)	\$ 0	\$ 0	\$ 228,763

See notes to financial statements

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES.

The Port Jervis Free Library (“the Library”) was first chartered by the State of New York as an association library in 1892. The Library is chartered to serve the residents of the Port Jervis City School District. The Library is part of the Ramapo Catskill Library System.

The financial statements of the Port Jervis Free Library (the “Library”) have been prepared in conformity with generally accepted accounting principles (GAAP) as they apply to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the Library are described below:

A. Reporting Entity

The reporting entity of the Library is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the Library. The Library is not a component unit of another reporting entity. The decision to include a potential component unit in the Library’s reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no potential component units included in the financial statements.

B. Basis of Presentation

1. Government-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the Library’s governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other exchange and non-exchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Library’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

B. Basis of Presentation (Continued)

2. Fund Financial Statements

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Library maintains one governmental fund, the General Fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Library is described below:

General Fund: This is the Library's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

C. Measurement Focus and Basis of Accounting

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Library gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Cash and Investments

The Library's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the Library's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Investments are stated at fair value.

E. Property Taxes

The Library Board of Trustees submits the voter approved budget to the Port Jervis City School District Board of Education prior to June 30 of the preceding year. The School District includes the Library's property tax levy in its warrant dated July 1. The School District then collects and remits to the Library its entire tax levy.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

F. Accounts Receivable

If applicable, Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method.

G. Prepaid Expenses

Prepaid items represent payments made by the Library for which benefits extend beyond year-end.

H. Due to/from Other Funds

Any amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities, and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

I. Capital Assets

Capital assets are reported at actual cost for acquisitions. Donated assets are reported at estimated fair market value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$1,000	Straight Line	40 years
Building Improvements	1,000	Straight Line	40 years
Furniture and Equipment	1,000	Straight Line	5–10 years

The Library' collection of books, periodicals, DVD's, CD's and other borrowable materials are considered to have a useful life of less than one year. The Library has chosen not to capitalize and depreciate its collection at this time.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

J. Budgetary Procedures and Budgetary Accounting

The Library administration prepares and approves a budget for the General fund for which a legal (appropriated) budget is adopted.

The voters approved the Library's proposed appropriation budget.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred.

Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

K. Unearned Revenue

Unearned revenues are reported when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Library before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Library has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Statute provides the authority for the Library to levy taxes to be used to finance expenditures within the first 120 days of the succeeding fiscal year. Consequently, such amounts are recognized as revenue in the subsequent fiscal year, rather than when measurable and available.

There were no unearned revenues on the books of the Library at June 30, 2024.

L. Compensated Absences

It is the Library's policy to allow accumulation of vacation and sick time beyond the fiscal year end and to recognize the costs as compensated absences. Eligible employees are entitled to earn vacation and sick leave. At June 30, 2024 the estimated liability for these benefits was determined to be \$34,132.

M. Interfund Transfers

The operations of the Library give rise to certain transactions between funds, including transfers of expenditures and transfers of revenues to provide services and construct assets.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

N. Equity Classifications

1. Government-wide Statements

In the government-wide statements there are three classes of net position:

Net Investment in capital assets - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted - reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted - reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the Library.

2. Funds Statements

In the governmental fund statements, there are five classifications of fund balance:

Nonspendable: Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted: Constraints have been imposed on the use of these amounts either (a) externally by creditors, grantors, contributors or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation.

Committed: Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board.

Assigned: Includes amounts that are constrained by the Library's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balance includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the General Fund that are intended to be used for a specific purpose. By reporting particular amounts that are not restricted or committed in the governmental funds other than the General Fund, the Library has assigned those amounts to the purposes of the respective funds.

Unassigned: Includes fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, negative unassigned fund balance is reported.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES. (Continued)

O. 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

P. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. This item is related to pensions reported in the Library-wide Statement of Net Position. This represents the effect of the net change in the Library's proportion of the collective net pension asset or liability and difference during the measurement period between the Library's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also, the Library contributions to the pension systems subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Library has one item that qualifies for reporting in this category. This item is related to pensions reported in the Library-wide Statement of Net Position. This represents the effect of the net change in the Library's proportion of the collective net pension liability and difference during the measurement periods between the Library's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS.

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities:

Total fund balances of the Library's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND
STATEMENTS AND GOVERNMENT-WIDE STATEMENTS. (Continued)

A. Total fund balances of governmental funds vs. net position of governmental activities: (Continued)

1. The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Library as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives. The balances at June 30, 2024 are as follows:

Original Cost of Capital Assets	\$ 2,065,785
Less: Accumulated Depreciation	<u>498,732</u>
Capital Assets, Net	<u>\$ 1,567,053</u>

2. Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Compensated Absences	<u>\$ 34,132</u>
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3. In the Statement of Net Position, a liability is recognized for the Library's proportionate share of the net pension liability attributable to each defined benefit pension plan in which the Library participates. A net pension liability is measured as the proportionate share of the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service (proportionate share of total pension liability), net of the proportionate share of that pension plan's fiduciary net position. If a pension plan's fiduciary net position exceeds its total pension liability, the Library's proportionate share of the pension plan's net pension asset is recognized. Also, deferred outflows and inflows of resources related to pensions primarily result from contributions subsequent to the measurement date, as well as changes in the components of the net pension liability or asset. However, none of these amounts are included on the Balance Sheet as they are only recognized to the extent the pension liability is normally expected to be liquidated with expendable available financial resources. These balances at June 30, 2024 were as follows:

Deferred Outflows of Resources – Pension	\$ 134,907
Net Pension Liability, Proportionate Share (ERS)	(123,462)
Deferred Inflows of Resources – Pension	<u>(71,940)</u>
	<u>\$ (60,495)</u>

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent these differences as follows:

- Long-term revenue differences arise because Governmental Funds report revenues only when they are considered “available”, whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because Governmental Funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.
- Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- Pension plan transaction differences occur as a result of changes in the Library’s proportion of the collective net pension asset/liability and differences between the Library’s contributions and its proportionate share of the total contributions to the pension systems.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS. (Continued)

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities: (Continued)

Explanation of Differences between Governmental Funds Operating Statement
and the Statement of Activities

Total Revenue and other Funding Sources:

Total revenues and other sources governmental funds (Statement 4)	\$ 1,264,066
Differences	<u>0</u>
Total Revenue of Governmental Activities (Statement 2)	<u><u>\$ 1,264,066</u></u>

Total Expenditures/Expenses:

Total expenditures reported in governmental funds (Statement 4)	\$ 986,909
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In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The liability for compensated absences decreased by \$6,931 during the year.

(6,931)

When purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of 13,975 is less than depreciation of \$52,469 in the current year.

38,494

(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenue or expenditures in the governmental funds(ERS of \$16,831).

16,831

Total Expenses and Government Activities (Statement 2)	<u><u>\$ 1,035,303</u></u>
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PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3. CASH.

New York State statutes govern the Library's investment policies, as discussed previously in these Notes. Deposits are valued at cost, or cost plus interest, and are categorized as either:

- A Insured or collateralized with securities held by the Library or by its agent in the Library's name, or
- B. Collateralized with securities held by the pledging financial institution's trust department or agency in the Library's name, or
- C. Uncollateralized.

Library deposits held in financial institutions at year end were \$1,641,661 and recorded in the library's books were \$1,621,351. These amounts are categorized as follows into the above classifications:

		Bank	Book
A.	\$	1,641,661	\$ 1,621,351
B.	\$	0	\$ 0
C.	\$	0	\$ 0

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4. CAPITAL ASSETS.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals and Reclass- ifications</u>	<u>Ending Balance</u>
Capital Assets that are not Depreciated:				
Land	\$ 212,020	\$ 0	\$ 0	\$ 212,020
Total Non-Depreciable Historical Cost	<u>212,020</u>	<u>0</u>	<u>0</u>	<u>212,020</u>
Capital Assets that are being Depreciated:				
Buildings	1,342,337	2,550	0	1,344,887
Furniture and Equipment	83,986	11,425	0	95,411
Land Improvements	<u>413,467</u>	<u>0</u>	<u>0</u>	<u>413,467</u>
Total Depreciable Historical Cost	<u>1,839,790</u>	<u>13,975</u>	<u>0</u>	<u>1,853,765</u>
Less Accumulated Depreciation:				
Buildings	248,106	30,007	0	278,113
Furniture and Equipment	95,593	14,264	0	109,857
Land Improvements	<u>102,564</u>	<u>8,198</u>	<u>0</u>	<u>110,762</u>
Total Accumulated Depreciation	<u>446,263</u>	<u>52,469</u>	<u>0</u>	<u>498,732</u>
Total Historical Cost, Net	<u>\$ 1,605,547</u>	<u>\$ (38,494)</u>	<u>\$ 0</u>	<u>\$ 1,567,053</u>

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5. LONG-TERM LIABILITIES.

Long-term liability balances and activity for the year are summarized below:

	Beginning Balance	Issued	Redeemed	Ending Balance
<u>Governmental Activities</u>				
Net Pension Liability - Proportionate Share	\$ 162,340	\$ 0	\$ 38,878	\$ 123,462
Compensated Absences	41,063	0	6,759	34,304
 Total Long-Term Liabilities	 \$ 203,403	 \$ 0	 \$ 45,637	 \$ 157,766

Activity for compensated absences is shown at net due the impracticability of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Position.

NOTE 6. PENSION PLANS

Plan Description

The Library participates in the New York State and Local Employees' Retirement System (ERS). ERS and the New York State and Local Police and Fire Retirement System (PFRS) are collectively referred to as New York State and Local Retirement System (the ERS System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the ERS System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the ERS System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Library also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website at www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6. PENSION PLANS (Continued)

The ERS 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% 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% 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% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% 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 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% 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% 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% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10% of the average of the previous two years.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6. PENSION PLANS (Continued)

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have 10 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 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67% 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% 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% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

Ordinary Disability Benefits

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

Accidental Disability Benefits

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

Ordinary Death Benefits

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

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6. PENSION PLANS (Continued)

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for 10 years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

Funding Policy

The Systems are noncontributory, except for employees who joined the Systems after July 27, 1976 and prior to January 1, 2010, who contribute 3% of their salary for the first ten years of membership. For employees who joined after January 1, 2010, employees in NYSERS contribute 3% of their salary throughout their active membership. For NYSERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSERS fiscal year ending March 31. The Library's contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

2024	\$ 44,872
2023	\$ 39,069
2022	\$ 56,071

Library contributions made to the Systems were equal to 100% of the contributions required for each year .

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Library reported the following asset/(liability) for its proportionate share of the net pension liability/(asset) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. Library's proportion of the net pension asset/(liability) was based on a projection of the Library's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS Systems in reports provided to the Library.

	<u>ERS</u>
Actuarial Valuation Date	3/31/2024
Net Pension Asset/(Liability)	\$ (123,462)
Library's Portion of the Plan's Total Net Pension Asset/(Liability)	0.0008385%

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6. PENSION PLANS (Continued)

For the year ended June 30, 2024, the Library has recognized pension expense of \$64,171 for ERS. At June 30, 2024 the Library has reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources
	<u>ERS</u>
Differences between expected and actual experience	\$ 39,767
Changes of Assumptions	46,678
Net difference between projected and actual earnings on pension plan investments	0
Changes in proportion and difference between the Library's contributions and proportionate share of contributions	35,228
Library's contributions subsequent to the measurement date	0
Total	<u>\$ 121,673</u>
	Deferred Inflows or Resources
	<u>ERS</u>
Differences between expected and actual experience	\$ 3,366
Changes of Assumptions	0
Net difference between projected and actual earnings on pension plan investments	60,310
Changes in proportion and difference between the Library's contributions and proportionate share of contributions	8,264
Library's contributions subsequent to the measurement date	0
Total	<u>\$ 71,940</u>

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6. PENSION PLANS (Continued)

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:

Year Ended:	<u>ERS</u>
2025	\$ 14,743
2026	(32,847)
2027	(40,963)
2028	9,335
2029	0

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>
Inflation Rate	2.9%
Projected Salary Increases	4.40%
Projected Cost of Living Adjustments	1.5%
Investment Rate of Return	5.9% compounded annually, net of investment expenses
Decrement	Actuarial experience study for the period April 1, 2015 to March 31, 2020
Mortality Improvement	Society of Actuaries Scale MP-2021

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6. PENSION PLANS (Continued)

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	ERS	
	March 31, 2023	
	Target	Long-term
	Allocation	expected real
		rate of return
<u>Asset Class:</u>		
Domestic Equity	32%	4.00%
International Equity	15%	6.65%
Private Equity	10%	7.25%
Real Estate	9%	4.60%
Opportunistic Portfolio	3%	5.25%
Credit	4%	5.40%
Real Assets	3%	5.79%
Fixed Income	23%	1.50%
Cash	1%	0.25%
Total	100%	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS. 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. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6. PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS, as well as what the Library's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9% for ERS) or 1-percentage-point higher (6.9% for ERS) than the current rate:

ERS	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (388,176)	\$ (123,462)	\$ 97,630

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective measurement's dates were as follows:

	(Dollars in Thousands)
Measurement Date	ERS March 31, 2023
Employers' total pension asset/(liability)	\$ (240,696,851)
Plan net position	225,972,801
Employer's net pension asset/(liability)	<u>\$ (14,724,050)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	93.88%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2024 represent the projected employer contributions for the period of April 1, 2024 through June 30, 2024 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2024 amounted to \$13,234.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7. RISK MANAGEMENT.

General Information

The Port Jervis Free Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. Losses exceeding specified limits are covered by commercial insurance purchased from independent third parties.

NOTE 8. LITIGATION.

Management is not aware of any litigation pending against The Port Jervis Free Library at June 30, 2024.

NOTE 9. CONTINGENT LIABILITIES.

The Library has received grants, which are subject to audit by agencies of the State and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the Library's administration believes disallowances, if any, will be immaterial.

NOTE 10. SUBSEQUENT EVENTS

Subsequent events were evaluated through October 18, 2024, which is the date the financial statements were available to be issued. As of this date, there are no subsequent events to report.

PORT JERVIS FREEL LIBRARY
PORT JERVIS, NEW YORK
SCHEDULE OF REVENUES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

REVENUES	ORIGINAL BUDGET	REVISED BUDGET	CURRENT YEAR REVENUES	OVER (UNDER) AMENDED BUDGET
Local Sources				
Real Property Taxes	\$ 1,143,257	\$ 1,143,257	1,142,840	\$ (417)
Real Property Tax Items	1,500	1,500	1,469	(31)
Charges for Services	26,688	26,688	21,133	(5,555)
Use of Money & Property	120,834	120,834	81,292	(39,542)
Gifts and Donations	300	300	1,525	1,225
Miscellaneous	0	0	3,133	3,133
State Sources	18,000	18,000	12,674	(5,326)
Total Revenues	\$ 1,310,579	\$ 1,310,579	\$ 1,264,066	\$ (46,513)

See paragraph on supplemental schedules included in auditors report

PORT JERVIS FREEL LIBRARY
PORT JERVIS, NEW YORK
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

<u>EXPENDITURES</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>CURRENT YEAR EXPENDITURES</u>	<u>UNENCUMBERED BALANCE</u>
Personnel - Salaries	\$ 572,325	\$ 577,625	\$ 498,355	\$ 79,270
Library Supplies				
Books	33,000	33,000	28,184	4,816
Audio Books and Audio Visual	60,650	60,650	4,492	56,158
Periodicals & Microform	8,000	12,200	12,109	91
Supplies, Services, Arts & Crafts & Copy Supplies	199,900	215,920	178,964	36,956
Miscellaneous - Office Supplies, Special Services, Telephone, etc.	18,427	18,427	9,493	8,934
Operational Maintenance of Building	131,327	134,277	80,564	53,713
Employee Benefits	286,950	258,480	184,241	74,239
Total Expenditures	\$ 1,310,579	\$ 1,310,579	\$ 996,402	\$ 314,177

See paragraph on supplemental schedules included in auditors report

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2024

		NYSERS Pension Plan					
		Last 10 Fiscal Years*					
		3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019
Library's proportion of the net pension asset/(liability)		0.0008907%	0.0008907%	0.0008907%	0.0008490%	0.0010166%	0.0010218%
Library's proportionate share of the net pension asset/(liability)		\$ (123,462)	\$ (162,340)	\$ 72,811	\$ (837)	\$ (269,190)	\$ (72,400)
Library's covered-employee payroll		\$ 369,282	\$ 348,289	\$ 341,457	\$ 324,270	\$ 324,355	N/A
Library's proportionate share of the net pension asset/(liability)							
as a percentage of its covered-employee payroll		-33.43%	-46.61%	21.32%	-0.26%	-82.99%	N/A
Plan fiduciary net position as a percentage of the total pension liability		93.88%	90.78%	103.65%	99.95%	86.39%	96.27%

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this was implemented for the year ended June 30, 2019, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.

PORT JERVIS FREE LIBRARY
PORT JERVIS, NEW YORK
SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2024

	NYSPERS Pension Plan Last 10 Fiscal Years*					
	3/31/2024	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019
Contractually required contribution	\$ 44,872	\$ 39,069	\$ 56,071	\$ 47,455	\$ 54,170	\$ 58,748
Contributions in relation to the contractually required contribution	44,872	39,069	56,071	47,455	54,170	58,748
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Employee Payroll	\$ 369,282	\$ 348,289	\$ 341,457	\$ 324,270	\$ 324,355	N/A
Contributions as a percentage of its covered-employee payroll	12.15%	11.22%	16.42%	14.63%	16.70%	N/A

* GASB 68 requires that the past 10 years of information be presented. Due to the fact that this was implemented for the year ended June 30, 2019, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

See paragraph on supplementary schedules included in auditor's report.