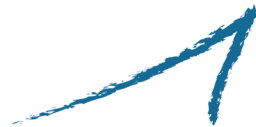


TOMPKINS COUNTY PUBLIC LIBRARY

Ithaca, New York

FINANCIAL REPORT

**For the Years Ended
December 31, 2023 and 2022**



insero&co

Certified Public Accountants | Business Advisors

TOMPKINS COUNTY PUBLIC LIBRARY

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Tompkins County Public Library
Ithaca, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit of the Tompkins County Public Library (the Library), a component unit of the County of Tompkins, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate discretely presented component unit of the Tompkins County Public Library, as of December 31, 2023 and 2022, and the respective changes in financial position, for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Tompkins County Public Library Foundation, Inc. (the Foundation), which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component unit as of December 31, 2023 and 2022, and the respective changes in financial position, thereof for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Foundation, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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 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.

Auditors' 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 auditors' 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 GAAS and *Government 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 GAAS and *Government 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 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 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; the budgetary comparison information; Schedules of Library’s Contributions - NYSLRS Pension Plan; Schedules of the Library’s Proportionate Share of Net Pension (Asset)/Liability - NYSLRS Pension Plan; Schedule of Changes in the Library’s Total OPEB Liability and Related Ratios; and notes to required supplementary information 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 GAAS, 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.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of the Library’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library’s internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
May 22, 2024

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

The following is a discussion and analysis of Tompkins County Public Library's (the Library) financial performance for the years ended December 31, 2023, 2022, and 2021. This section is a summary of the Library's financial activities based on currently known facts, decisions, or conditions. It is also based on both the Government-wide and Fund-based Financial Statements. The results of the current year are discussed in comparison with the two prior years, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the Library's financial statements, which immediately follow this section.

COMPONENT UNIT

The Library follows Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organization are Component Units;" Statement No. 61, "The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14, No. 34;" and GASB Statement No. 85, "Omnibus 2017," which provide guidance to determine whether certain organizations for which the Library is not financially accountable should be reported as component units based on the significance of their relationship with the Library. The decision to include potential component units in the Library's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on these criteria, the Library includes one separate legal entity in its report: the Tompkins County Public Library Foundation, Inc. Although legally separate, this organization is reported as a discretely presented component unit. If you need information about the separately issued financial statements, contact the Tompkins County Public Library Foundation, Inc. in Ithaca, New York.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: MD&A (this section), the basic financial statements, and supplementary information. The basic financial statements present different views of the Library.

- The Statement of Net Position and Statement of Activities columns shown in the financial statements provide both short-term and long-term information about the Library's overall financial status.
- The Governmental Fund type columns are fund financial statements with a short-term or current focus. They do not contain balances of capital assets or long-term liabilities and report only transactions involving these long-term assets and liabilities that occurred during the reporting period.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data, as well as budgetary comparison information for the General Fund.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Statement of Net Position and Statement of Activities

The Statement of Net Position and Statement of Activities in the basic financial statements report information about the Library as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Library's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

These statements in the basic financial statements report the Library's net position and how it has changed. Net position (the difference between the Library's assets, deferred outflows of resources, liabilities, and deferred inflows of resources) is one way to measure the Library's financial health or position. Over time, increases or decreases in the Library's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

Governmental Funds

The Governmental Funds are accounting devices the Library uses to keep track of specific sources of funding and spending. The Library's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out; and (2) the balances left at year end that are available for spending. Consequently, the Governmental Fund columns provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Because this information does not encompass the additional long-term focus of the Statement of Net Position and Statement of Activities, additional information in the notes to the financial statements explains the relationship (or differences) between them.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the Library's Governmental Activities.

Figure 1

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total Library</i>		
	<i>2023</i>	<i>2022</i>	<i>2021</i>
<i>Current Assets</i>	\$ 1,956,198	\$ 1,477,203	\$ 1,636,090
<i>Noncurrent Assets</i>	-	582,124	-
<i>Capital Assets, Net</i>	1,781,722	1,693,697	1,731,274
<i>Total Assets</i>	3,737,920	3,753,024	3,367,364
<i>Total Deferred Outflows of Resources</i>	1,713,393	2,312,356	3,043,352
<i>Current Liabilities</i>	219,325	143,370	106,487
<i>Noncurrent Liabilities</i>	5,463,844	5,281,406	5,050,471
<i>Total Liabilities</i>	5,683,169	5,424,776	5,156,958
<i>Total Deferred Inflows of Resources</i>	1,361,516	2,702,775	2,956,330
<i>Net Investment in Capital Assets</i>	1,781,722	1,693,697	1,731,274
<i>Unrestricted (Deficit)</i>	(3,375,094)	(3,755,868)	(3,433,846)
<i>Total Net Position (Deficit)</i>	\$ (1,593,372)	\$ (2,062,171)	\$(1,702,572)

Significant changes from the prior year are as follows:

- Noncurrent assets decreased largely due to the conversion of the New York State Local Retirement System (NYSLRS) net pension asset in 2022 to a net pension liability in 2023.
- Changes in total deferred inflows and outflows of resources relate to changes in actuarial assumptions for the NYSLRS pension plan, as well as the Library's other postemployment benefits plan, as well as differences between expected and actual earnings on the NYSLRS pension plan.
- Noncurrent liabilities increased largely due to the conversion of the NYSLRS net pension asset to a net pension liability.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

Our analysis in *Figure 2* considers the operations of the Library's activities.

Figure 2

Changes in Net Position	Governmental Activities and Total Library		
	2023	2022	2021
Revenue			
<i>State Sources</i>	\$ 41,363	\$ 31,330	\$ 53,406
<i>Federal Sources</i>	-	-	589,865
<i>Tompkins County</i>	4,048,954	3,618,972	3,298,191
<i>City of Ithaca</i>	35,189	17,893	14,650
<i>Town of Ithaca</i>	15,000	15,000	15,000
<i>CLD Grant</i>	96,748	96,748	116,101
<i>Friends of the Library</i>	352,809	230,000	215,000
<i>Library Foundation</i>	176,536	149,364	220,620
<i>Library Charges</i>	10,356	15,764	10,744
<i>Sale of Property and Compensation for Loss</i>	(4,495)	-	(726)
<i>Other Revenue</i>	108,828	33,029	22,004
Total Revenues	\$ 4,881,288	\$ 4,208,100	\$ 4,554,855
Expenses			
<i>Personnel Services</i>	\$ 3,352,829	\$ 3,485,256	\$ 1,940,037
<i>Insurance, Repairs, and Maintenance</i>	67,949	74,582	68,406
<i>Supplies and Materials, Periodicals, and Equipment</i>	62,474	68,660	52,584
<i>Telephone, Postage, and Printing</i>	61,952	65,691	41,888
<i>Finger Lakes Library System Services</i>	68,300	65,800	65,800
<i>Professional Dues and Fees</i>	303,991	315,492	208,875
<i>Depreciation</i>	445,042	460,262	376,526
<i>Other Expenses</i>	49,952	31,956	15,918
Total Expenses	\$ 4,412,489	\$ 4,567,699	\$ 2,770,034
CHANGE IN NET POSITION	\$ 468,799	\$ (359,599)	\$ 1,784,821

Significant changes from prior year are as follows:

- Total revenues increased by 16% in comparison to last year mainly due to additional budgeted appropriations from the County level to the Library.
- Total expenses decreased by 3.4% in comparison to last year mainly due to a decrease in the cost of health insurance for the Library.
- Other revenue increased sharply in comparison to last year due to an increase in the amount of interest the Library received during the year.

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As the Library completed the year ended December 31, 2023, the General Fund reported a combined fund balance of \$1,736,873. *Figure 3* shows the components of fund balance for the General Fund.

*Figure 3
Governmental Funds
Fund Balances for the Years Ended December 31,*

<i>General Fund Balance</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>
<i>Nonspendable</i>	\$ 113,321	\$ 48,009	\$ 129,218
<i>Committed</i>	126,000	-	-
<i>Assigned</i>	180,558	20,000	13,500
<i>Unassigned</i>	1,316,994	1,265,824	1,386,885
<i>Total General Fund Balance</i>	\$ 1,736,873	\$ 1,333,833	\$ 1,529,603

Unassigned fund balance was 29.3% of the operating expenditures budgeted for 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of Trustees and management of the Library may revise the Library budget for transfers between categories. The original budget was increased by \$271,607 during 2023, primarily in order to purchase additional equipment, supplies, and items for the collection.

The resources available for appropriation in the General Fund were \$5,523 more than budgeted. Expenditures were \$681,845 favorable when compared to budget.

CAPITAL ASSET ADMINISTRATION

Capital Assets

At December 31, 2023, the Library had invested in a broad range of capital assets totaling \$7,814,855, which is offset by accumulated depreciation of \$6,033,133. At December 31, 2022, total capital assets were \$9,584,722; offset by accumulated depreciation of \$7,891,025. *Figure 4* shows the changes in the Library's capital assets.

Figure 4

<i>Changes in Net Capital Assets, Net</i>	<i>Governmental Activities and Total Library</i>		
	<i>2023</i>	<i>2022</i>	<i>2021</i>
<i>Equipment</i>	\$ 375,629	\$ 307,541	\$ 338,887
<i>Collection</i>	842,379	785,276	758,292
<i>Leasehold Improvements</i>	563,714	600,880	634,095
<i>Total Capital Assets, Net</i>	\$ 1,781,722	\$ 1,693,697	\$ 1,731,274

TOMPKINS COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

FACTORS BEARING ON THE LIBRARY'S FUTURE

- The Library continues to assess baselines after the peak of Covid-19. Visits increased by over 35,000 from 2022 to 2023. The Library remains optimistic that community use will continue to increase, with the long-term goal of meeting – and then surpassing – pre-pandemic use statistics.
- Tompkins County provided approximately 80% of the Library's 2023 operational budget, including additional funding via two over-target requests: one to continue security support and one to help off-set inflation costs. Succession planning for key personnel over the next five years is essential and may require requests for additional personnel funding for positions such as an HR specialist and communications manager.
- RFID technology installation should be completed by the end of spring 2024, enabling more efficient circulation processes and allowing more time for patron interaction. Ongoing service charges should not have a significant impact on the budget.
- RFID implementation will be followed by collection shifting. There may be subsequent one-time spending projects to adjust or augment shelving and furnishings.
- Digital collection use may require reprioritized spending and demand may necessitate increased budget requests.
- Negotiations for the next Professional Staff Association and Support Staff Association contracts will begin in 2024 and current and future economic conditions may impact negotiations.

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Library's citizens, customers, investors, and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Business Office, Tompkins County Public Library, at 101 East Green Street, Ithaca, NY 14850.

TOMPKINS COUNTY PUBLIC LIBRARY

STATEMENTS OF NET POSITION AS OF DECEMBER 31,

	2023	2022
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 476,371	\$ 1,323,467
Investments - Short Term	1,004,019	-
Accounts Receivable	362,487	105,727
Prepaid Expenses	113,321	48,009
Total Current Assets	1,956,198	1,477,203
Noncurrent Assets		
Net Pension Asset - Proportionate Share	-	582,124
Capital Assets, Net of Accumulated Depreciation of \$7,891,025 in 2023 and \$7,891,025 in 2022	1,781,722	1,693,697
Total Noncurrent Assets	1,781,722	2,275,821
Total Assets	3,737,920	3,753,024
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	846,438	1,271,019
OPEB	866,955	1,041,337
Total Deferred Outflows of Resources	1,713,393	2,312,356
LIABILITIES		
Current Liabilities		
Accounts Payable	159,000	89,382
Accrued Liabilities	60,325	53,988
Total Current Liabilities	219,325	143,370
Noncurrent Liabilities		
Compensated Absences	180,002	190,919
Net Pension Liability - Proportionate Share	993,011	-
Other Postemployment Benefits Liability	4,290,831	5,090,487
Total Noncurrent Liabilities	5,463,844	5,281,406
Total Liabilities	5,683,169	5,424,776
DEFERRED INFLOWS OF RESOURCES		
Pensions	126,807	2,146,963
OPEB	1,234,709	555,812
Total Deferred Inflows of Resources	1,361,516	2,702,775
Net Position		
Net Investment in Capital Assets	1,781,722	1,693,697
Unrestricted	(3,375,094)	(3,755,868)
Total Net (Deficit)	\$ (1,593,372)	\$ (2,062,171)

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Expenses	Charges for Services	Operating Grants	Capital Grants		
FUNCTIONS/PROGRAMS					
Culture and Recreation	\$ 4,412,489	\$ 10,356	\$ 676,282	\$ 41,363	\$ (3,684,488)
Total Functions and Programs	<u>\$ 4,412,489</u>	<u>\$ 10,356</u>	<u>\$ 676,282</u>	<u>\$ 41,363</u>	<u>(3,684,488)</u>
GENERAL REVENUES					
County Appropriation				4,048,954	
Use of Money and Property				42,796	
Sale of Property and Compensation for Loss				(4,495)	
Gifts and Donations				2,400	
Miscellaneous				63,632	
Total General Revenues				<u>4,153,287</u>	
Change in Net Position					468,799
Total Net Position (Deficit) - Beginning of Year					<u>(2,062,171)</u>
Total Net Position (Deficit) - End of Year					<u>\$ (1,593,372)</u>

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Capital Grants	
FUNCTIONS/PROGRAMS					
Culture and Recreation	\$ 4,567,699	\$ 15,764	\$ 509,005	\$ 31,330	\$ (4,011,600)
Total Functions and Programs	<u>\$ 4,567,699</u>	<u>\$ 15,764</u>	<u>\$ 509,005</u>	<u>\$ 31,330</u>	<u>(4,011,600)</u>
GENERAL REVENUES					
County Appropriation				3,618,972	<u>3,618,972</u>
Use of Money and Property				5,402	<u>5,402</u>
Sale of Property and Compensation for Loss				-	<u>-</u>
Gifts and Donations				2,400	<u>2,400</u>
Miscellaneous				25,227	<u>25,227</u>
Total General Revenues				3,652,001	<u>3,652,001</u>
Change in Net Position					(359,599)
Total Net Position (Deficit) - Beginning of Year					<u>(1,702,572)</u>
Total Net Position (Deficit) - End of Year					<u>\$ (2,062,171)</u>

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

BALANCE SHEET - GOVERNMENTAL FUNDS AS OF DECEMBER 31,

	<u>2023</u>	<u>2022</u>
	<u>General Fund</u>	<u>General Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 476,371	\$ 1,323,467
Investments - Short Term	1,004,019	-
Accounts Receivable	362,487	105,727
Prepaid Expenses	113,321	48,009
Total Assets	<u>\$ 1,956,198</u>	<u>\$ 1,477,203</u>
LIABILITIES		
Accounts Payable	\$ 159,000	\$ 89,382
Accrued Liabilities	60,325	53,988
Total Liabilities	<u>219,325</u>	<u>143,370</u>
FUND BALANCES		
Nonspendable	113,321	48,009
Committed	126,000	-
Assigned	180,558	20,000
Unassigned	1,316,994	1,265,824
Total Fund Balances	<u>1,736,873</u>	<u>1,333,833</u>
Total Liabilities and Fund Balances	<u>\$ 1,956,198</u>	<u>\$ 1,477,203</u>

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2023

Fund Balances - Total Governmental Funds **\$ 1,736,873**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities, are not financial resources and, therefore, are not reported in the funds.

Total Historical Cost	\$ 7,814,855	
(Less): Accumulated Depreciation	<u>(6,033,133)</u>	1,781,722

The Library's proportionate share of the collective net pension (asset)/liability is not reported in the funds.

ERS Net Pension Liability - Proportionate Share	(993,011)
---	-----------

Deferred outflows of resources represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources, including other postemployment benefits and pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred Outflows of Resources - Pension	\$ 846,438	
Deferred Inflows of Resources - Pension	(126,807)	
Deferred Outflows of Resources - OPEB	866,955	
Deferred Inflows of Resources - OPEB	<u>(1,234,709)</u>	351,877

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Premiums on Obligations		
Compensated Absences	\$ (180,002)	
Other Postemployment Benefits Liability	<u>(4,290,831)</u>	<u>(4,470,833)</u>

Net (Deficit) of Governmental Activities **\$ (1,593,372)**

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC. (DISCRETELY PRESENTED COMPONENT UNIT)

STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 171,884	\$ 681,184
Employee Advance	-	12,275
Unconditional Promises to Give, Current Portion Net of Allowance for Unfulfilled Pledges of \$-0- and \$-0-, Respectively	-	20,000
Total Current Assets	<u>171,884</u>	<u>713,459</u>
Restricted Cash and Cash Equivalents	41,600	24,835
Fixed Assets, Net of Accumulated Depreciation	1,161	2,556
Long-Term Investments	<u>3,163,836</u>	<u>2,254,090</u>
Total Assets	<u>\$ 3,378,481</u>	<u>\$ 2,994,940</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 47,536	\$ 8,880
Total Current Liabilities	<u>47,536</u>	<u>8,880</u>
Total Liabilities	<u>47,536</u>	<u>8,880</u>
Net Assets		
Without Donor Restrictions	2,282,710	2,045,142
With Donor Restrictions	<u>1,048,235</u>	<u>940,918</u>
Total Net Assets	<u>3,330,945</u>	<u>2,986,060</u>
Total Liabilities and Net Assets	<u>\$ 3,378,481</u>	<u>\$ 2,994,940</u>

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEARS ENDED DECEMBER 31,

	2023	2022
	General Fund	General Fund
Revenue		
State Sources	\$ 41,363	\$ 31,330
Tompkins County	4,048,954	3,618,972
City of Ithaca	35,189	17,893
Town of Ithaca	15,000	15,000
Central Development Library Grant	96,748	96,748
Friends of TCPL	352,809	230,000
TCPL Foundation	176,536	149,364
Library Charges	10,356	15,764
Use of Money and Property	42,796	5,402
Other Revenue	63,632	25,227
Total Revenue	4,883,383	4,205,700
Expenditures		
Salaries	2,280,372	2,211,845
Fringe Benefits	499,203	432,540
Health Insurance	550,988	714,619
Books	176,249	185,419
Periodicals	5,868	6,411
AV/CD ROM Materials	188,061	165,692
Insurance	20,001	19,417
Repairs and Maintenance	47,948	55,165
Supplies and Materials	53,479	55,862
Telephone	13,809	17,895
Postage	6,169	3,809
Finger Lakes Library System Services	68,300	65,800
Professional Fees	301,016	312,027
Membership Dues	2,975	3,465
Equipment	173,979	75,561
Staff Development	39,580	16,247
Publicity and Printing	41,974	43,987
Miscellaneous	10,372	15,709
Total Expenditures	4,480,343	4,401,470
Excess of Revenue (Expenditures)	403,040	(195,770)
Fund Balance, Beginning of Year	1,333,833	1,529,603
Fund Balance, End of Year	\$ 1,736,873	\$ 1,333,833

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances - Total Governmental Funds **\$ 403,040**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	\$ 537,562	
Depreciation Expense	(445,042)	
Net Book Value of Disposed Assets	<u>(4,495)</u>	88,025

Changes in the Library's proportionate share of net pension obligations have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the Library's deferred outflows and deferred inflows of resources related to pensions do not affect current financial resources and are, also, not reported in the Governmental Funds.

ERS 20,440

Long-term liabilities, such as those associated with employee benefits, are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term liabilities are not reflected in the Governmental Funds.

Long-Term Compensated Absences	\$ 10,917	
Other Postemployment Benefits Liability, Net	<u>(53,623)</u>	<u>(42,706)</u>

Net Change in Net Position of Governmental Activities **\$ 468,799**

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC. (DISCRETELY PRESENTED COMPONENT UNIT)

STATEMENT OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

	2023		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUES			
Support			
Contributions	\$ 213,982	\$ 22,433	\$ 236,415
In-Kind Donations	7,325	-	7,325
Revenues			
Investment Income, Net	23,886	5,567	29,453
Realized Gain on Sale of Investments	4,824	2,375	7,199
Unrealized Gain (Loss) on Investments	279,197	154,594	433,791
Miscellaneous Income	-	-	-
Net Assets Released From Restrictions	77,652	(77,652)	-
Total Support and Revenues	606,866	107,317	714,183
EXPENSES			
Program Services	241,880	-	241,880
Management and General	86,693	-	86,693
Fundraising	40,725	-	40,725
Total Expenses	369,298	-	369,298
Change in Net Assets	237,568	107,317	344,885
Net Assets, January 1,	2,045,142	940,918	2,986,060
Net Assets, December 31,	\$ 2,282,710	\$ 1,048,235	\$ 3,330,945

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

TOMPKINS COUNTY PUBLIC LIBRARY FOUNDATION, INC. (DISCRETELY PRESENTED COMPONENT UNIT)

STATEMENT OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

	2022		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUES			
Support			
Contributions	\$ 265,725	\$ 33,794	\$ 299,519
In-Kind Donations	-	-	-
Revenues			
Investment Income, Net	5,713	3,824	9,537
Realized Gain on Sale of Investments	6,071	(2,765)	3,306
Unrealized Gain (Loss) on Investments	(357,596)	(236,169)	(593,765)
Marketing Income	2,337	-	2,337
Net Assets Released From Restrictions	105,476	(105,476)	-
Total Support and Revenues	27,726	(306,792)	(279,066)
EXPENSES			
Program Services	183,022	-	183,022
Management and General	105,352	-	105,352
Fundraising	68,428	-	68,428
Total Expenses	356,802	-	356,802
Change in Net Assets	(329,076)	(306,792)	(635,868)
Net Assets, January 1,	2,374,218	1,247,710	3,621,928
Net Assets, December 31,	\$ 2,045,142	\$ 940,918	\$ 2,986,060

See Notes to Basic Financial Statements

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies**

The basic financial statements of Tompkins County Public Library (the Library) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing U.S. GAAP for State and local governments through its pronouncements (Statements and Interpretations). The more significant of the Library's accounting policies are described below.

Reporting Entity

The Library is a component unit of Tompkins County (the County). The Library was established in 1968 by the County Board of Supervisors and granted a charter by the State Board of Regents as provided in Article 5 of the Education Law. The County Legislature appoints trustees, raises taxes for Library purposes, has title to real property used by the Library, and issues all Library indebtedness, which is supported by the full faith and credit of the County.

The Library was established to provide public access to various published mediums including books, periodicals, reference materials, and various audiovisual materials. The Library is a member of the Finger Lakes Library System, which provides a cooperative network of libraries through which library resources may be acquired and exchanged. The Library is chartered to serve the County and, as a Central Library, is partially funded by New York State to extend services to residents of Cayuga, Seneca, Cortland, and Tioga Counties.

Discretely Presented Component Units

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended:

- The primary government, which is the Library;
- Organization 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 basic financial statements to be misleading or incomplete.

The decision to include a potential component unit in the reporting entity is based on the criteria set forth in GASB Statement No. 14, as amended. Based on the applications of these criteria, the following is included as a discretely presented component unit:

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Discretely Presented Component Units - Continued

- The Tompkins County Library Foundation, Inc. (the Foundation) is a nonprofit corporation established for the benefit of the Library. Its separately issued financial statements may be obtained from the Foundation in Ithaca, New York. 3 of the 9 to 15 directors of the Board of Directors are nominated by the Library Board. The Foundation solicits, accepts, holds, invests, reinvests, and administers any gifts, grants, bequests, contributions, devices, benefits or trusts, endowments, and property of any kind without limitation of amount or value. Approximately three-quarters of the Foundation's assets are currently invested in endowment funds. The Foundation makes payments to the Library as pledges and other revenue are collected and after operating expenses of the Foundation are paid. The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Other Related Organizations

The Friends of the Tompkins County Public Library, Inc. is a nonprofit organization whose purpose is to raise funds in support of libraries in the Tompkins County area.

Basis of Presentation - Fund Accounting

The Library's basic financial statements include Governmental Funds prepared on the modified accrual basis of accounting (Balance Sheets and Statements of Revenues, Expenditures, and Changes in Fund Balance), and Governmental Activities prepared on the accrual basis of accounting (Statement of Net Position and Statement of Activities).

The Statement of Net Position and the Statement of Activities present summaries of activities for the Library. The focus of these statements is more on the sustainability of the Library as an entity and changes in the Library's net position from the current year's activities.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

The Library records transactions in the fund types described below.

Fund Categories

Governmental Fund Types are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities, are accounted for through the Governmental Fund. The measurement focus of the Governmental Fund is based upon determination of financial position and changes in financial position. The following is the Library's Governmental Fund Type:

- General Fund - Principal operating fund, which includes all operations not required to be recorded in other funds.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses.

The Statement of Net Position and the Statement of Activities 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. Nonexchange transactions in which the Library gives or receives value without directly receiving or giving equal value in exchange include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Governmental Fund financial 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 Fund to be available if the revenues are collected within six months 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 the Governmental Fund. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Equity Classifications - Governmental Fund Balance

The Library follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement No. 54 defines the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability, for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Balance - Continued

- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the Library's legally adopted reserves are reported here.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority, which is the Board of Trustees, prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, which is the Board of Trustees, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund.
- Unassigned - Represents the residual classification of the government's General Fund and could report a surplus or deficit.

The Library has not adopted any resolutions to commit fund balance. The Library's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Equity Classifications - Statement of Net Position

In the Statements of Net Position, equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets and net of accumulated depreciation, which is reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of "net investment in capital assets" or "restricted."

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Leases

The Library determines if an arrangement is or contains a lease at inception. The Library records assets and lease obligations for leases in which they are the lessee, which are initially based on the discounted future minimum lease payments over the term of the lease. The Library used the rate implicit in the lease agreements. In some cases, the implicit rate is not easily determinable, and the Library elects to use its incremental borrowing rate in calculating the present value of lease payments. The Library will recognize short term lease expense for these leases on a straight-line basis over the term of the lease.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position. The Library's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Amortization expense for leases is recognized based on the amortization schedules and is included in operational expenses. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

Vacation and Compensatory Absences

Library employees are granted vacation and earn compensatory absences in varying amounts. Four weeks of vacation time is earned by each full-time, permanent, and provisional employee. Benefits accrue upon commencement of employment. Upon termination, employees are compensated for unused vacation time based on employment agreements.

Postemployment Benefits

In addition to providing pension benefits, the Library provides postemployment health insurance coverage to retired employees in accordance with provisions governed by the County. Substantially all Library employees may become eligible for these benefits if they elect to continue coverage. The Library recognized its share of premiums for retirees as health insurance. The Library follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The Library's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with that statement. See Note 6 for additional information.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repair and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful life of the asset.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Capital Assets - Continued

The Library recognizes equipment purchases or acquisitions as follows:

Category	Minimum Cost	Useful Life
Shelving	\$ 500	10 Years
Library and Office Furniture	1,000	10 Years
Library Equipment-including Telephone, 3M, and Microfilm		
Reader Printers	500	5 Years
Computers-including Servers, Routers, and Laser Printers	700	5 Years
Collection	N/A	5 Years

Accessions and Deaccessions

The Library's accessions consist of photographs, paintings, drawings, sculptures, prints, and memorabilia. As permitted by U.S. GAAP and in conformity with the practice followed by many museums and libraries, collection items purchased and donated are not capitalized in the accompanying Statements of Net Position.

Gifts of collection items are not recognized as gift revenue in the accompanying Statements of Activities. During 2023 and 2022, there were no proceeds from deaccessions.

Revenue

The major source of funding for the Library is appropriations from the County government. The Library also receives contributions from the Foundation and the Friends of Tompkins County Public Library. County appropriations are a significant portion of the Library's support, representing 83% of total revenue (86% in 2022), with contributions from the Foundation and Friends of the Library representing 4% and 7%, respectively (4% and 5%, respectively, in 2022).

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is Library policy to apply restricted funds before unrestricted funds unless otherwise prohibited by legal requirements.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences and useful lives of long-lived assets.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Deferred Outflows and Inflows of Resources

In addition to assets, the Statements of Net Position 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 will not be recognized as an outflow of resources (expense/expenditure) until then. The Library reports deferred outflows related to pensions and other postemployment benefits in the Statements of Net Position. The types of deferred outflows related to pensions and other postemployment benefits are described in Note 5 and 6, respectively.

In addition to liabilities, the Statements of Net Position 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 will not be recognized as an inflow of resources (revenue) until that time. The Library reports deferred inflows related to pensions and other postemployment benefits which are further described in Note 5 and 6, respectively.

New Accounting Standard

The Library adopted and implemented the following current Statement of the GASB effective for the year ended December 31, 2023:

- GASB Statement No. 96, “Subscription-Based Information Technology Arrangements.” The Library has evaluated the pronouncement and determined there is no material impact on its financial statements.

Future Changes in Accounting Standards

- GASB has issued Statement No. 101, “Compensated Absences,” effective for the year ending December 31, 2024.

The Library will evaluate the impact this pronouncement may have on its financial statements and will implement as applicable and when material.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 2 **Cash and Investments**

Library investment policies are governed by state statutes. In addition, the Library follows its own written investment policy. The Library's monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral (security) is required for demand and time deposits, and certificates of deposit, that are not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State, its municipalities, and its school districts, as set forth in the investment policy.

The written investment policy requires repurchase agreements be purchased from banks located within the state and underlying securities be obligations of the federal government. Underlying securities must have a market value of at least the cost of the repurchase agreements.

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less.

Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned. While the Library does not have a specific policy for custodial credit risk, New York State statutes govern Library investment policies as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent but not in the Library's name.

The Library's aggregate bank balances of \$1,480,419 and \$1,323,462 for the years ended December 31, 2023 and 2022, respectively, are either insured or collateralized with securities held by the pledging financial institution in the Library's name.

The Foundation reported cash balances of \$213,484 and \$706,019, with uninsured cash balances in investment accounts of \$41,600 and \$24,835 that are reported as restricted cash, as of December 31, 2023 and 2022, respectively.

At December 31, 2023, the Library reported investments in certificates of deposit totaling \$1,004,019, with a maturity date of May 4, 2024.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 2 Cash and Investments - Continued

The Foundation also reported long-term investments of \$3,163,836 and \$2,254,090 as of December 31, 2023 and 2022, respectively, as follows:

2023			
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds and Securities	\$ 3,262,968	\$ 3,163,836	\$ (99,132)

2022			
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Mutual Funds and Securities	\$ 2,787,012	\$ 2,254,090	\$ (532,922)

Fair Value Measurements

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under generally accepted accounting principles are as follows:

- **Level 1** Valuations are based on quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.
- **Level 2** Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, directly, or indirectly.
- **Level 3** Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 2 **Cash and Investments - Continued**

Fair Value Measurements - Continued

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unconditional promises to give that will be paid in more than one year are measured in the aggregate using present value techniques that consider the promised cash flows.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2023 and 2022:

2023				
Assets	Level 1	Level 2	Level 3	Total
Fixed Income Funds	\$ 593,483	\$ -	\$ -	\$ 593,483
Domestic Equity Mutual Funds	1,659,117	-	-	1,659,117
Domestic Closed End Equity Mutual Funds	311,983	-	-	311,983
International Equity Mutual Funds	430,393	-	-	430,393
International Closed End Equity Mutual Funds	168,860	-	-	168,860
Total	\$ 3,163,836	\$ -	\$ -	\$ 3,163,836

2022				
Assets	Level 1	Level 2	Level 3	Total
Fixed Income Funds	\$ 454,331	\$ -	\$ -	\$ 454,331
Domestic Equity Mutual Funds	1,147,481	-	-	1,147,481
Domestic Closed End Equity Mutual Funds	223,169	-	-	223,169
International Equity Mutual Funds	311,505	-	-	311,505
International Closed End Equity Mutual Funds	117,604	-	-	117,604
Unconditional Promises to Give	-	-	20,000	20,000
Total	\$ 2,254,090	\$ -	\$ 20,000	\$ 2,274,090

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 3 Capital Assets

Capital assets consisted of the following at December 31,:

	2023			
	Balance at 12/31/2022	Additions	Retirements & Reclassifications	Balance at 12/31/2023
Historical Cost				
Leasehold Improvements	\$ 747,341	\$ -	\$ -	\$ 747,341
Equipment	2,347,674	170,852	(44,161)	2,474,365
Collection	6,489,707	366,710	(2,263,268)	4,593,149
Total Capital Assets	9,584,722	537,562	(2,307,429)	7,814,855
(Less) Accumulated Depreciation				
Leasehold Improvements	(146,461)	(37,166)	-	(183,627)
Equipment	(2,040,133)	(98,269)	39,666	(2,098,736)
Collection	(5,704,431)	(309,607)	2,263,268	(3,750,770)
Total Accumulated Depreciation	(7,891,025)	(445,042)	2,302,934	(6,033,133)
Total Capital Assets, Net	\$1,693,697	\$ 92,520	\$ (4,495)	\$ 1,781,722
	2022			
	Balance at 12/31/2021	Additions	Retirements & Reclassifications	Balance at 12/31/2022
Historical Cost				
Leasehold Improvements	\$ 743,389	\$ 3,952	\$ -	\$ 747,341
Equipment	2,286,882	65,222	(4,430)	2,347,674
Collection	6,325,975	353,511	(189,779)	6,489,707
Total Capital Assets	9,356,246	422,685	(194,209)	9,584,722
(Less) Accumulated Depreciation				
Leasehold Improvements	(109,294)	(37,167)	-	(146,461)
Equipment	(1,947,995)	(96,568)	4,430	(2,040,133)
Collection	(5,567,683)	(326,527)	189,779	(5,704,431)
Total Accumulated Depreciation	(7,624,972)	(460,262)	194,209	(7,891,025)
Total Capital Assets, Net	\$ 1,731,274	\$ (37,577)	\$ -	\$ 1,693,697

Depreciation expense amounted to \$445,042 and \$460,262 for the years ended December 31, 2023 and 2022, respectively.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 4 Compensated Absences

Compensated absences represent the value of the earned and unused portion of the liability for accrued vacation and compensatory time.

The following is a summary of changes in the Library's long-term obligation for compensated absence:

<u>Balance at</u> <u>December 31, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance at</u> <u>December 31, 2023</u>
<u>\$ 190,919</u>	<u>\$ -</u>	<u>\$ (10,917)</u>	<u>\$ 180,002</u>

<u>Balance at</u> <u>December 31, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance at</u> <u>December 31, 2022</u>
<u>\$ 170,468</u>	<u>\$ 20,451</u>	<u>\$ -</u>	<u>\$ 190,919</u>

Payment of compensated absences is dependent upon future factors and thus, timing of such payments cannot be determined. Additions and payments are therefore shown net.

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS)

Plan Descriptions and Benefits Provided - Employees' Retirement System (ERS)

The Library participates in the New York State and Local Employees' Retirement System (ERS). 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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The Library also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute 3.0 to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

Summary of Significant Accounting Policies

The System's financial statements from which the System's fiduciary net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual report.

Contributions

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required and were as follows:

	2023	2022	2021
ERS	\$ 266,000	\$ 192,035	\$ 292,776

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

At December 31, 2023 and 2022, the Library reported the following (asset)/liability for its proportionate share of the net pension (asset)/liability for the System. The net pension (asset)/liability was measured as of March 31, 2023 and 2022. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The Library's proportionate share of the net pension (asset)/liability was based on a projection of the Library's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from report provided to the Library by the ERS System.

	2023	2022
Actuarial Valuation Date	April 1, 2022	April 1, 2021
Net Pension (Asset)/Liability	\$ 21,444,032,790	\$ (8,174,585,678)
Library's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	993,011	(582,124)
Library's Share of the Net Pension (Asset)/Liability	0.004500%	0.007100%

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

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

For the years ended December 31, 2023 and 2022, the Library recognized pension expense of \$332,647 and \$82,353, respectively, for ERS in the financial statements. At December 31, 2023 and 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023	2022
Deferred Outflows of Resources		
Differences Between Expected and Actual Experience	\$ 105,763	\$ 44,085
Changes in Assumptions	482,270	971,501
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	58,905	111,407
Library's Contributions Subsequent to the Measurement Date	199,500	144,026
Total Deferred Outflows of Resources	\$ 846,438	\$ 1,271,019
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	\$ (27,887)	\$ 57,181
Changes of Assumptions	(5,330)	16,393
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	(5,834)	1,906,214
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	(87,756)	167,175
Total Deferred Inflows of Resources	\$ (126,807)	\$ 2,146,963

Library contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ended December 31, 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	Amount
2024	\$ 118,767
2025	(61,857)
2026	194,978
2027	268,243
Thereafter	-

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

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.

Significant actuarial assumptions used in the valuations were as follows:

	2023	2022
Measurement Date	March 31, 2023	March 31, 2022
Actuarial Valuation Date	April 1, 2022	April 1, 2021
Investment Rate of Return	5.9%	5.9%
Salary Increases	4.4%	4.4%
Cost of Living Adjustments	1.5%	1.4%
Inflation Rate	2.9%	2.7%

For 2023 and 2022, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2022 and 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

For ERS, the long-term 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 returns net of investment expense 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 each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	2023	2022
Measurement Date	March 31, 2023	March 31, 2022
Asset Type:		
Domestic Equities	4.3%	3.3%
International Equities	6.9%	5.9%
Real Estate	4.6%	5.0%
Private Equity/Alternative Investments	7.5%	6.5%
Opportunistic Portfolio	5.4%	4.1%
Real Assets/ARC Portfolio	5.8%	5.6%
Cash	0.0%	(1.0%)
Credit	5.4%	3.8%
Fixed Income	1.5%	0.0%

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% and 5.9% in 2023 and 2022, respectively. 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 contributions from employers will be made at statutorily required rates, actuarially. Based on 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.

Sensitivity of the Proportionate Share of the Net Pension (Asset)/Liability to the Discount Rate Assumption

The following presents the Library's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9%, 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 or higher than the current rate:

2023	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Library's Proportionate Share of the Net Pension (Asset)/Liability	\$ 2,399,682	\$ 993,011	\$ (182,426)

Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset)/liability of the employers as of the respective valuation dates were as follows:

	Dollars in Thousands 2023	Dollars in Thousands 2022
Measurement Date	March 31, 2023	March 31, 2022
Employers' Total Pension Liability	\$ 232,627,259	\$ 223,874,888
Plan Net Position	(211,183,223)	(232,049,473)
Employers' Net Pension (Asset)/Liability	\$ 21,444,036	\$ (8,174,585)
Ratio of Plan Net Position to the Employers' Total Pension Liability	90.8%	103.7%

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 5 Pension Obligations - New York State and Local Employees' Retirement System (ERS) - Continued

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year, which ends on March 31. Accrued retirement contributions as of December 31, 2023 and 2022 represent the projected employer contribution for the period of April 1, 2023 through December 31, 2023 and April 1, 2022 through December 31, 2022 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2023 and 2022 amounted to \$-0- and \$-0-.

Current and Prior Year Activity

The following is a summary of current and prior year activity:

	2023		
	Beginning Balance	Change	Ending Balance
Net Pension (Asset)/Liability	\$ (582,124)	\$ 1,575,135	\$ 993,011
Deferred Outflows of Resources	(1,271,019)	424,581	(846,438)
Deferred Inflows of Resources	2,146,963	(2,020,156)	126,807
Total	\$ 293,820	\$ (20,440)	\$ 273,380
	2022		
	Beginning Balance	Change	Ending Balance
Net Pension (Asset)/Liability	\$ 7,888	\$ (590,012)	\$ (582,124)
Deferred Outflows of Resources	(1,782,084)	511,065	(1,271,019)
Deferred Inflows of Resources	2,341,135	(194,172)	2,146,963
Total	\$ 566,939	\$ (273,119)	\$ 293,820

Note 6 Other Postemployment Benefits (OPEB)

General Information About the OPEB Plan

Plan Description

The Library provides medical, prescription drug, and life insurance benefits to retired employees, spouses, and their eligible dependents. The benefits provided to employees upon retirement are based on provisions in various contracts that the Library has in place with different classifications of employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements, as there are no assets legally segregated for the sole purpose of paying benefits under the plan.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 6 Other Postemployment Benefits (OPEB) - Continued

General Information About the OPEB Plan - Continued

Benefits Provided

The Library provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent of which contract each employee falls under. The specifics of each contract are on file at the Library offices and are available upon request.

Employees Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	17
Active Employees Not Fully Eligible for Benefits	40
Total	<u>57</u>

Total OPEB Liability

The Library’s total OPEB liability of \$4,290,831 was measured as of January 1, 2023 and was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2023	2022
Long-Term Bond Rate:	3.72%	2.06%
Discount Rate	3.72%	2.06%
Salary Scale	2.90%	2.90%
Rate of Inflation	2.50%	2.50%
Marital Assumption	70.00%	70.00%
Participation Rate	100.00%	100.00%
Healthcare Cost Trend Rates	6.0% to 3.94% for 2092	6.0% to 3.94% for 2092

The discount rate is based on Bond Buyer Weekly 20-Bond Go Index.

Mortality rates were based on Pub-2010 Mortality Table for Healthy Retirees: sex distinct, job category specific, headcount weighted, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Termination and retirement rates are based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service’s actuarial consultant in the report titled, “Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 75 Valuation.”

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 6 Other Postemployment Benefits (OPEB) - Continued

Actuarial Assumptions and Other Inputs - Continued

Healthcare Cost Trend Rates were based on the SOA Long-Run Medical Cost Trend Model. The SOA Long-Run Medical Cost Trend Model and its baseline projections are based on an econometric analysis of historical US medical expenditures and the judgments of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.

The actuarial assumptions used in the January 1, 2022 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

	Total OPEB Liability 2023	Total OPEB Liability 2022
Balance at January 1,	\$ 5,090,487	\$ 4,872,115
Changes for the Year		
Service Cost	292,775	268,018
Interest Cost	109,841	108,083
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	(16,783)
Changes in Assumptions or Other Inputs	(1,247,616)	6,253
Benefit Payments	45,344	(147,199)
	(799,656)	218,372
Balance at December 31,	\$ 4,290,831	\$ 5,090,487

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 or higher than the current discount rate:

	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
2023			
Total OPEB Liability	\$ 5,075,956	\$ 4,290,831	\$ 3,666,062

Changes of assumptions and other inputs reflect a change in the discount rate from 2.06% in 2022 to 3.72% in 2023.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 6 Other Postemployment Benefits (OPEB) - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend 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 healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate:

2023	1% Decrease (5.00% to 2.94%)	Trend Rate (6.00% to 3.94%)	1% Increase (7.00% to 4.94%)
Total OPEB Liability	\$ 3,400,413	\$ 4,290,831	\$ 5,438,573

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2023 and 2022, the Library recognized OPEB expense of \$303,425 and \$421,446 respectively.

At December 31, 2023 and 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 136,613	\$ 72,590
Changes in Assumptions or Other Inputs	630,816	1,162,119
Contributions Subsequent to Measurement Date	99,526	-
Total	\$ 866,955	\$ 1,234,709
2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 152,078	\$ 229,040
Changes in Assumptions or Other Inputs	809,091	326,772
Contributions Subsequent to Measurement Date	80,168	-
Total	\$ 1,041,337	\$ 555,812

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 6 Other Postemployment Benefits - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - Continued

Contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year	Amount
<u>Ending December 31,</u>	<u>Amount</u>
2024	\$ (50,367)
2025	(4,134)
2026	68,006
2027	(43,357)
2028	(135,153)
2029 and Thereafter	(302,275)

Current Year Activity

The following is a summary of current year activity:

<u>2023</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
OPEB Liability	\$ 5,090,487	\$ (799,656)	\$ 4,290,831
Deferred Outflows of Resources	(1,041,337)	174,382	(866,955)
Deferred Inflows of Resources	555,812	678,897	1,234,709
Total	\$ 4,604,962	\$ 53,623	\$ 4,658,585

<u>2022</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
OPEB Liability	\$ 4,872,115	\$ 218,372	\$ 5,090,487
Deferred Outflows of Resources	(1,261,268)	219,931	(1,041,337)
Deferred Inflows of Resources	615,195	(59,383)	555,812
Total	\$ 4,226,042	\$ 378,920	\$ 4,604,962

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 7 Committed Fund Balance

At December, 2023 and 2022, committed fund balance in the governmental funds was as follows:

	2023	2022
Committed		
HRA Reserve	\$ 126,000	\$ -
Total	\$ 126,000	\$ -

Note 8 Commitments and Contingencies

Risk Financing and Related Insurance

General Information

The Library is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Health Insurance

The Library participates in an employee health insurance plan, the Greater Tompkins County Municipal Health Insurance Consortium (Consortium). The Consortium was organized in 2010 as an Article 5-G General Municipal Law (GML) municipal corporation to provide health insurance benefits for its member municipalities. The term “Municipal Corporation,” as defined by §119-N of the GML, includes a county, city, town, or village. The Plan's general objectives are to formulate, develop, and administer, on behalf of the member participants, an adequate program of insurance in a cost effective manner. Municipalities joining the Plan must remain members for a minimum of three years; a participant may withdraw with written notice prior to October 3 of each Plan year. Municipalities applying for membership in the Plan may do so with two-thirds approval of the Board. Plan underwriting and rate setting policies have been established after consultation with third party administration. Plan members are subject to supplemental assessment in the event of deficiencies. Premium assessments are determined annually, and should assets of the Plan be exhausted, members would be responsible for the Plan's liabilities. Plan membership currently includes 43 municipalities. The Plan uses reinsurance agreements to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the primary liability of the Plan as direct insurer of the risks reinsured.

During the years ended December 31, 2023 and 2022, the Library incurred premiums or contribution expenditures totaling \$484,563 and \$638,295, respectively. Plan financial statements may be obtained from the Greater Tompkins County Municipal Health Insurance Consortium, at 125 East Court Street, Ithaca, New York, 14850.

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 9 **Donated Services**

The Library receives services from volunteers but does not value, record, or report the value for said services in the accompanying financial statements as they do not meet the reporting requirements.

Note 10 **Related Parties**

The Library received contributions of \$352,809 and \$230,000 from the Friends of the Tompkins County Public Library for the years ended December 31, 2023 and 2022, respectively.

Note 11 **Component Unit Transactions**

The Library received contributions of \$176,536 and \$149,364 from the Foundation for the years ended December 31, 2023 and 2022, respectively, which are reported in the financial statements. In addition, the Library received \$592 and \$776 in-kind contributions of materials for the years ended December 31, 2023 and 2022, respectively, which are not reflected in the financial statements of the Library.

The County contributed \$4,048,954 and \$3,618,972 to the Library for the years ended December 31, 2023 and 2022, respectively, which are reported in the financial statements. Additionally, for 2023 and 2022, the County provided debt service of \$34,169 and \$34,787, respectively, for serial bond payments on the building occupied by the Library, which are not reflected in the financial statements of the Library.

Note 12 **Deficit Unrestricted Net Position**

Unrestricted net position in the Government-wide Statement of Net Position shows a deficit balance of \$3,375,094 and \$3,755,868 for the years ended December 31, 2023 and 2022, respectively. These deficits stem from the required recording of other postemployment benefits expense and liability in the Government-wide statements. Currently, there is no mechanism for governments in New York State to fund this liability. Therefore, the liability and unrestricted net deficit are expected to continue for the immediate future.

TOMPKINS COUNTY PUBLIC LIBRARY

BUDGETARY COMPARISON SCHEDULES FOR THE GENERAL FUND FOR THE YEAR ENDED DECEMBER 31,

	2023			
	Original Budget	Modified Budget	Actual	Variance Fav.(Unfav.)
Revenue				
State Sources	\$ 31,330	\$ 41,330	\$ 41,363	\$ 33
Tompkins County	4,048,954	4,048,954	4,048,954	-
City of Ithaca	32,893	32,893	35,189	2,296
Town of Ithaca	15,000	15,000	15,000	-
Central Library Development Grant	96,748	96,748	96,748	-
Friends of TCPL	230,000	352,809	352,809	-
TCPL Foundation	170,358	176,536	176,536	-
Library Charges	13,500	12,000	10,356	(1,644)
Use of Money and Property	35,000	41,650	42,796	1,146
Other Revenue	8,845	59,940	63,632	3,692
Total Revenue	<u>4,682,628</u>	<u>4,877,860</u>	<u>4,883,383</u>	<u>5,523</u>
Expenditures				
Salaries	2,566,772	2,566,772	2,280,372	286,400
Fringe Benefits	508,974	526,414	499,203	27,211
Health Insurance	640,099	622,659	550,988	71,671
Books	155,130	238,935	176,249	62,686
Periodicals	6,300	6,964	5,868	1,096
AV/CD ROM Materials	164,092	216,144	188,061	28,083
Insurance	20,000	20,025	20,001	24
Repairs and Maintenance	49,410	51,935	47,948	3,987
Supplies and Materials	61,292	61,292	53,479	7,813
Telephone	19,195	19,195	13,809	5,386
Postage	7,000	7,000	6,169	831
Finger Lakes Library System Services	70,780	70,780	68,300	2,480
Professional Fees	326,648	346,548	301,016	45,532
Membership Dues	3,020	3,020	2,975	45
Equipment	200,289	247,970	173,979	73,991
Staff Development	19,489	62,989	39,580	23,409
Publicity and Printing	57,391	78,346	41,974	36,372
Miscellaneous	14,700	15,200	10,372	4,828
Total Expenditures	<u>4,890,581</u>	<u>5,162,188</u>	<u>4,480,343</u>	<u>681,845</u>
Excess of (Expenditures) Over Revenue	(207,953)	(284,328)	403,040	687,368
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Planned Fund Balance	-	-		-
Appropriated Fund Balance	<u>207,953</u>	<u>284,328</u>		-
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 687,368</u>
Fund Balance, January 1,			<u>1,333,833</u>	
Fund Balance, December 31,			<u>\$ 1,736,873</u>	

See Notes to the Required Supplementary Information

TOMPKINS COUNTY PUBLIC LIBRARY

BUDGETARY COMPARISON SCHEDULES FOR THE GENERAL FUND FOR THE YEAR ENDED DECEMBER 31,

	2022			
	Original Budget	Modified Budget	Actual	Variance Fav.(Unfav.)
Revenue				
State Sources	\$ 29,011	\$ 29,011	\$ 31,330	\$ 2,319
Tompkins County	3,618,972	3,618,972	3,618,972	-
City of Ithaca	17,000	17,000	17,893	893
Town of Ithaca	15,000	15,000	15,000	-
Central Library Development Grant	96,748	96,748	96,748	-
Friends of TCPL	230,000	230,000	230,000	-
TCPL Foundation	116,765	149,363	149,364	1
Library Charges	8,000	8,000	15,764	7,764
Use of Money and Property	1,500	1,500	5,402	3,902
Other Revenue	10,314	26,314	25,227	(1,087)
Total Revenue	4,143,310	4,191,908	4,205,700	13,792
Expenditures				
Salaries	2,091,262	2,218,250	2,211,845	6,405
Fringe Benefits	460,291	438,291	432,540	5,751
Health Insurance	765,647	715,647	714,619	1,028
Books	174,409	222,542	185,419	37,123
Periodicals	5,650	11,340	6,411	4,929
AV/CD ROM Materials	143,900	189,439	165,692	23,747
Insurance	19,418	19,418	19,417	1
Repairs and Maintenance	65,174	69,590	55,165	14,425
Supplies and Materials	46,200	77,385	55,862	21,523
Telephone	21,400	23,400	17,895	5,505
Postage	7,000	7,000	3,809	3,191
Finger Lakes Library System Services	65,800	65,800	65,800	-
Professional Fees	323,556	341,123	312,027	29,096
Membership Dues	3,140	3,465	3,465	-
Equipment	71,376	251,666	75,561	176,105
Staff Development	8,885	16,480	16,247	233
Publicity and Printing	54,547	76,524	43,987	32,537
Miscellaneous	19,700	20,020	15,709	4,311
Total Expenditures	4,347,355	4,767,380	4,401,470	365,910
Excess of (Expenditures) Over Revenue	(204,045)	(575,472)	(195,770)	379,702
Total Other Financing Sources and (Uses)	-	-	-	-
Planned Fund Balance	-			-
Appropriated Fund Balance	204,045	575,472		-
Net Change in Fund Balances	\$ -	\$ -		\$ 379,702
Fund Balance, January 1,			1,529,603	
Fund Balance, December 31,			\$ 1,333,833	

See Notes to the Required Supplementary Information

TOMPKINS COUNTY PUBLIC LIBRARY

SCHEDULE OF LIBRARY'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<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>	<u>2014</u>
Contractually Required Contribution	\$ 266,000	\$ 192,035	\$ 292,776	\$ 295,572	\$ 277,213	\$ 264,626	\$ 260,850	\$ 303,722	\$ 288,556	\$ 320,152
Contributions in Relation to the Contractually Required Contribution	(266,000)	(192,035)	(292,776)	(295,572)	(277,213)	(264,626)	(260,850)	(303,722)	(288,556)	(320,152)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Library's Covered Employee Payroll	2,091,255	1,842,809	1,998,018	2,113,882	1,956,175	1,869,784	1,852,253	1,798,141	1,685,339	1,489,640
Contributions as a Percentage of Covered Employee Payroll	12.7%	10.4%	14.7%	14.0%	14.2%	14.2%	14.1%	16.9%	17.1%	21.5%

See Notes to the Required Supplementary Information

TOMPKINS COUNTY PUBLIC LIBRARY

SCHEDULE OF THE LIBRARY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Library's Proportion of the Net Pension (Asset)/Liability	0.004500%	0.007100%	0.007900%	0.007200%	0.007100%	0.007164%	0.007026%	0.007281%	0.006200%
Library's Proportionate Share of the Net Pension (Asset)/Liability	\$ 993,011	\$ (582,124)	\$ 7,888	\$ 1,918,564	\$ 501,453	\$ 231,219	\$ 660,193	\$ 1,168,629	\$ 209,698
Library's Covered Employee Payroll During the Measurement Period	2,185,353	2,159,019	1,944,351	2,159,019	1,978,472	1,889,283	1,811,285	1,758,709	1,465,228
Library's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	45.44%	26.96%	0.41%	88.86%	25.35%	12.24%	36.45%	66.45%	14.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
The Following is a Summary of Changes of Assumptions:									
Inflation	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	4.40%	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%	3.80%	4.90%
Cost of Living Adjustments	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

*Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.*

See Notes to the Required Supplementary Information

TOMPKINS COUNTY PUBLIC LIBRARY

SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total OPEB Liability										
Service Cost	\$ 292,775	\$ 268,018	\$ 306,571	\$ 197,899	\$ 264,105	\$ 199,381	\$ *	\$ *	\$ *	\$ *
Interest Cost	109,841	108,083	152,769	178,468	161,117	183,798	*	*	*	*
Changes of Benefit Terms	-	-	(1,508,930)	-	-	-	*	*	*	*
Differences Between Expected and Actual Experience	-	(16,783)	-	-	-	(405,068)	*	*	*	*
Changes in Assumptions or Other Inputs	(1,247,616)	6,253	95,993	913,660	(598,967)	(152,064)	*	*	*	*
Benefit Payments	45,344	(147,199)	496,693	(160,420)	(76,215)	(79,371)	*	*	*	*
	(799,656)	218,372	(456,904)	1,129,607	(249,960)	(253,324)	*	*	*	*
Total OPEB Liability - Beginning of Year	5,090,487	4,872,115	5,329,019	4,199,412	4,449,372	4,702,696	*	*	*	*
Total OPEB Liability - End of Year	\$ 4,290,831	\$ 5,090,487	\$ 4,872,115	\$ 5,329,019	\$ 4,199,412	\$ 4,449,372	\$ 4,702,696	\$ *	\$ *	\$ *
Covered Employee Payroll	\$ 2,519,626	\$ 2,113,660	\$ 2,276,818	\$ 2,362,927	\$ 2,371,805	\$ 2,118,028	\$ *	\$ *	\$ *	\$ *
Liability as a Percentage of Covered Payroll	170%	241%	214%	226%	177%	210%	*	*	*	*
The Following is a Summary of Changes of Assumptions:										
Health Cost Trend Rates	6.0% to 3.94%	6.0% to 3.94%	6.5% to 3.94%	6.5% to 3.94%	7.0% to 3.94%	7.0% to 3.94%	*	*	*	*
Salary Increases	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	*	*	*	*
Inflation Rate	2.50%	2.50%	2.40%	2.40%	2.40%	2.40%	*	*	*	*
Discount Rate	3.72%	2.06%	2.12%	2.73%	4.10%	3.44%	*	*	*	*
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2019	MP-2019	MP-2018	MP-2018	*	*	*	*

* Information is unavailable and will be present as information becomes available.

See Notes to the Required Supplementary Information

TOMPKINS COUNTY PUBLIC LIBRARY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2023 AND 2022

Note 1 **Budget Basis of Accounting**

Budgets are adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or expenditure in U.S. GAAP-based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year-end, thereby ensuring appropriations are not exceeded.

Note 2 **Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis, as encumbrances are presented in a separate column and are not included in the actual results at December 31, 2023.

Note 3 **Schedules of the Library's Proportionate Share of the Net Pension (Asset)/Liability**

The Schedule of the Library's Proportionate Share of the Net Pension (Asset)/Liability, required supplementary information, will present ten years of information as it becomes available.

Note 4 **Schedules of Library's Contributions - NYSLRS Pension Plans and Schedules of the Library's Proportionate Share of the Net Pension (Asset)/Liability**

NYSLRS

Changes in Benefit Terms

The New York State Legislature lowered the vesting requirement for Tier 5 and Tier 6 from ten years to five years (Chapter 56 of the Laws of 2022), prior to the April 1, 2022 actuarial valuation

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
Tompkins County Public Library
Ithaca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of Tompkins County Public Library (the Library), a component unit of the County of Tompkins, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated May 22, 2024. Our report includes a reference to other auditors who audited the financial statements of Tompkins County Public Library Foundation, Inc. (the Foundation), as described in our report on the Library's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
May 22, 2024