



OLEAN PUBLIC LIBRARY

REPORT ON FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2024 AND 2023

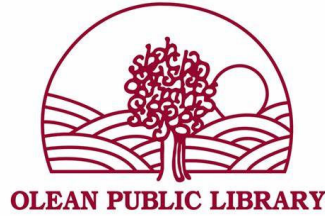


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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Olean Public Library
Olean, New York

Opinion

We have audited the accompanying financial statements of the governmental activities and major funds of the ***Olean Public Library*** as of and for the years ended December 31, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the ***Olean Public Library*** as of December 31, 2024 and 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ***Olean Public Library***, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ***Olean Public Library's*** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ***Olean Public Library's*** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ***Olean Public Library's*** ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-7, budgetary comparison information on page 20, schedule of Library's proportionate share of the net pension liability on page 21, and schedule of Library's contributions on page 22 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Bysiek CPA, PLLC

**BYSIEK CPA, PLLC
FEBRUARY 19, 2025
OLEAN, NY**

OLEAN PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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I. Discussion and Analysis

The following is a discussion and analysis of the **Olean Public Library** financial performance for the years ended December 31, 2024 and 2023. This section is a summary of the Library's financial activities based on currently known facts, decisions, or conditions. It is based on the financial statements. The results of the current year in comparison with the prior year are discussed in the following paragraphs. This section is only an introduction and should be read in conjunction with the Library's financial statements, which follow this section.

II. Financial Highlights

The following items are the financial highlights experienced by the **Olean Public Library** during the years ended December 31, 2024 and 2023:

- Overall net position of the Library decreased approximately \$115,000 during the year ended December 31, 2024 and decreased approximately \$103,000 during the year ended December 31, 2023.
- The Library's total support and revenue was approximately \$1,301,000 during 2024 as compared to approximately \$1,250,000 during 2023. This increase is primarily the result of an increase in investment income.
- The Library's total expenses and other uses were approximately \$1,416,000 and \$1,353,000 for the years ended December 31, 2024 and 2023, respectively. This increase is primarily the result of one-time adjustments to New York State Paid Family Leave and disability insurance and an increase in State pension costs.
- The Library had capital additions in the amount of \$54,000 during 2024 and \$73,000 during 2023. In the current year, additions were primarily related to the fees associated with the capital expansion project.

III. Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.

III. Overview of the Financial Statements (continued)

A. Reporting the Library as a Whole (Government-wide Financial Statements):

The government-wide statements report information about the entity as a whole using accounting methods similar to those used by private-sector companies.

1. Statement of Net Position

The Statement of Net Position (page 8) shows the "assets" (what is owned), "liabilities" (what is owed) and the "net position" (the resources that would remain if all obligations were settled) of the Library. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are designated for certain purposes or reserved for emergencies and cash flow purposes.

2. Statement of Activities

The Statement of Activities (page 9) shows the amounts of program-specific and general Library revenue used to support the Library's various functions.

The two government-wide statements report the Library's net position and how they have changed. Net position – the difference between the Library's assets and liabilities – 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. To assess the Library's overall health, you need to consider additional non-financial factors.

B. Reporting the Library's Fund Financial Statements

The remaining financial statements are fund financials that focus on individual parts of the Library, reporting the Library's operations in more detail than the government-wide financial statements. The fund financial statements tell how the Library's program services and support functions were financed in the short term as well as what remains for future spending.

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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IV. Financial Analysis of the Library as a Whole

Net Position

The Library's total net position was approximately \$2,413,000 and \$2,528,000 as of December 31, 2024 and 2023, respectively.

Revenue

The Library's total revenue and other sources were approximately \$1,301,000 and \$1,250,000 during the years ended December 31, 2024 and 2023, respectively.

Figure A-3 presents the major sources of revenue of the Library. The most significant sources of revenue in the Library are more thoroughly discussed as follows:

- Real property tax revenue which represents over 80% of the Library's total revenue, increased to approximately \$1,101,000 during the year ended December 31, 2024 from \$1,062,000 due to an increase in the tax levy.
- The Library's state and local aid decreased approximately \$8,000 during the current fiscal year primarily due to unspent grant receipts available for carryover to next year.
- During the current year, library charges, refunds and other fees decreased approximately \$7,000.

IV. Financial Analysis of the Library as a Whole
(continued)

Expenses

The total cost of all programs and services of the Library during the years ended December 31, 2024 and 2023 was approximately \$1,416,000 and \$1,353,000, respectively.

The Library's expenses are more thoroughly discussed as follows:

- The Library's salaries and benefits were approximately \$1,011,000 during the year ended December 31, 2024 as compared with \$918,000 during the year ended December 31, 2023. This increase is primarily the result of one-time adjustments to New York State Paid Family Leave and disability insurance and an increase in State pension costs.

	Government-Wide	Fund
Scope	Entire Library	The current activities of the Library
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and change in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter, no capital assets, or long-term liabilities included
Type of inflow/outflow	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

OLEAN PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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IV. Financial Analysis of the Library as a Whole
(continued)

Expenses (continued)

- Library material costs (including books, periodicals, electronic resources, etc.) were approximately \$153,000 during the year ended December 31, 2024 as compared with \$146,000 during the year ended December 31, 2023. This change was mainly due to an increase in purchases of books.
- Operation and maintenance of building costs totaled approximately \$140,000 during the year ended December 31, 2024 as compared with \$153,000 during the year ended December 31, 2023. This change was attributable to a decrease in capital expenditures.
- All other costs of the Library were approximately \$116,000 during the year ended December 31, 2024 as compared with \$138,000 during the year ended December 31, 2023. This change was primarily the result of a decrease in professional fees.

Figure A-1 – Statement of Net Position

Olean Public Library Statement of Net Position			
	Total Government-wide		
	2024	2023	% Change
Assets			
Current and other assets	\$ 2,767,762	\$ 2,793,037	-1%
Capital and other assets, net	1,171,672	1,174,414	0%
Total assets	3,939,434	3,967,451	-1%
Deferred outflows of resources			
Deferred outflows related to pension	371,022	359,939	3%
Total deferred outflows of resources and assets	\$ 4,310,456	\$ 4,327,390	0%
Liabilities			
Current liabilities	\$ 342,844	\$ 281,767	22%
Long-term liabilities	270,319	377,125	-28%
Total liabilities	613,163	658,892	-7%
Deferred inflows of resources			
Deferred inflows related to real property tax	1,124,663	1,098,796	2%
Deferred inflows related to pension	159,490	41,601	283%
Total deferred inflows of resources	1,284,153	1,140,397	13%
Net position			
Net investment in capital assets	1,171,672	1,174,414	0%
Restricted	31,925	31,925	0%
Committed	382,976	379,270	1%
Assigned	208,110	203,423	2%
Unrestricted	618,457	739,069	-16%
Total net position	2,413,140	2,528,101	-5%
Total liabilities, deferred inflows of resources, and net position	\$ 4,310,456	\$ 4,327,390	0%

Figure A-2 – Statement of Activities

Olean Public Library Statement of Activities			
	Total Government-wide		
	2024	2023	% Change
Revenue			
Real property tax	\$ 1,100,739	\$ 1,062,478	4%
State and Local aid	69,659	66,297	3%
State and Local aid - capital construction	11,371	21,465	-47%
Contributions and gifts	51,604	43,601	18%
Library charges, refunds and other fees	15,123	23,230	-29%
Investment income	52,534	32,772	60%
Total revenue	1,301,030	1,249,843	4%
Expenses			
Salaries and benefits	1,011,401	918,446	10%
Library materials	153,064	145,726	5%
Operation and maintenance of building	142,715	151,139	-8%
Miscellaneous expenses	108,812	137,720	-16%
Total expenses	1,415,992	1,353,031	-2%
Change in net position	\$ (114,962)	\$ (103,188)	

Figure A-3 – Sources of Revenue

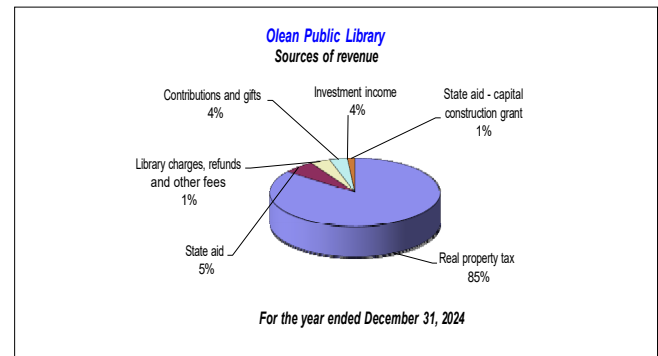
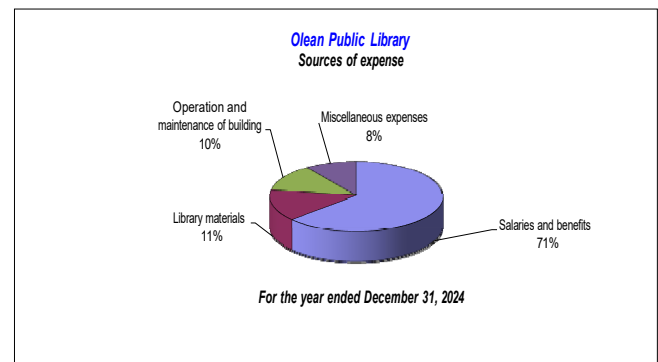


Figure A-4 – Expenses



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MANAGEMENT'S DISCUSSION AND ANALYSIS
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V. Financial Analysis of the Library's Major Funds

It is important to note that variances between years for the governmental fund financial statements (Balance Sheets and Statement of Revenue, Expenditures and Changes in Fund Equity) are not the same as variances between years for the government-wide financial statements (Statement of Net Position and Statement of Activities). The Library's governmental fund is presented on the current financial resources measurement focus and the modified accrual basis of accounting, while the statement of net position is presented on the full accrual method of accounting. Therefore, the governmental fund does not include long-term debt liabilities and capital assets purchased by the fund. The governmental fund will include the current payments for capital assets and the current payments for long-term liabilities. Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

General Fund

- The Library's general fund expenditures and other uses exceeded its revenue and other sources by approximately \$75,000.
- The Library's general fund unassigned fund balance equaled approximately \$715,000 as of December 31, 2024.
- The Library had restricted fund balance during the year ended December 31, 2024 totaling approximately \$32,000.
- The Library had committed/ board designated fund balance during the year ended December 31, 2024 of \$383,000.
- The Library's total assets decreased approximately \$7,000 as of December 31, 2024 related to a decrease in cash. The Library's liabilities increased approximately \$79,000, primarily from an increase in amounts unearned capital construction aide.
- Total revenue in the Library's general fund increased approximately \$57,000 which was primarily related to increases in investment income and real property taxes.
- Total expenditures in the Library's general fund increased approximately \$77,000 primarily as a result of increases in employee benefit costs.

Capital Projects Fund

- The Library had expenditures and other uses in the amount of approximately \$54,000 in capital projects during the year ended December 31, 2024, which was related to architect and advisory fees associated with a capital expansion project.
- The Library had revenues totaling approximately \$11,000, which was related to government aid received toward a capital expansion project.

VI. General Fund Budgetary Highlights

The Library's General Fund budget (expenses) for the 2024 year was authorized by the Board in the amount of \$1,441,000. Actual expenditures were approximately \$81,000 below the budget while actual revenues were approximately \$64,000 above the budget. A schedule showing the budget amounts compared to the Library's actual financial activity for the General Fund is provided in this report as a required supplementary schedule (page 20).

VII. Capital Asset and Debt Administration

Capital Assets

As depicted in Figure A-5, as of December 31, 2024, the Library had invested approximately \$1,172,000 in a broad range of capital assets, including improvements and furniture and equipment. Capital additions during the years ended December 31, 2024 and 2023 totaled approximately \$54,000 and \$73,000, respectively.

Long-term Debt

As of December 31, 2024, the Library reported a net pension liability of \$270,319. At December 31, 2023, the Library reported a net pension liability of \$377,125 from NYS Employees' Retirement System. This change was related to an actuarial update.

Figure A-5 – Capital Assets

<i>Olean Public Library</i>			
<i>Capital Assets</i>			
	2024	2023	Change
Land	\$ 50,532	\$ 50,532	0%
Building	1,605,745	1,552,213	3%
Furniture, fixtures, and equipment	67,296	67,296	0%
Accumulated depreciation	(551,901)	(495,627)	11%
Capital Assets – net	\$ 1,171,672	\$ 1,174,414	0%

VIII. Factors Bearing on the Library's Future

The Library is financially sound and proud of its continued community support. The Library must maintain careful financial planning and prudent fiscal management in order to preserve its financial stability in the future.

OLEAN PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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IX. Contacting the Library's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the finances of the Library and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

Attention: Ms. Michelle La Voie, Director
Olean Public Library
134 North Second Street
Olean, New York 14760

STATEMENTS OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEETS

As of December 31, 2024

	General Fund	Capital Projects Fund	Total	(Note 11) Adjustments	Statement of Net Position
Current assets					
Cash and cash equivalents	\$ 2,447,095	\$ 320,439	\$ 2,767,534	\$ --	\$ 2,767,534
Due from other funds	26,713	--	26,713	(26,713)	--
Accounts receivable	228	--	228	--	228
Prepaid expenses	--	--	--	--	--
Total current assets	2,474,036	320,439	2,794,475	(26,713)	2,767,762
Property and equipment					
Land	--	--	--	50,532	50,532
Building	--	--	--	1,605,745	1,605,745
Furniture, fixtures and equipment	--	--	--	67,296	67,296
Total cost	--	--	--	1,723,573	1,723,573
Less: accumulated depreciation	--	--	--	(551,901)	(551,901)
Net property and equipment	--	--	--	1,171,672	1,171,672
Other assets					
Net pension asset-Employees' Retirement System	--	--	--	--	--
Total assets	2,474,036	320,439	2,794,475	1,144,959	3,939,434
Deferred outflows of resources					
Deferred outflows related to pension	--	--	--	371,022	371,022
Total assets and deferred outflows of resources	\$ 2,474,036	\$ 320,439	\$ 2,794,475	\$ 1,515,981	\$ 4,310,456
Liabilities and Fund Balance/Net Position					
Current liabilities					
Unearned revenue - grants	\$ 15,463	\$ 9,381	\$ 24,844	\$ --	\$ 24,844
Unearned revenue - capital construction aid	--	289,884	289,884	--	289,884
Accounts payable	8,422	--	8,422	--	8,422
Due to other funds	--	26,713	26,713	(26,713)	--
Accrued liabilities	19,694	--	19,694	--	19,694
Total current liabilities	43,579	325,978	369,557	(26,713)	342,844
Long-term liabilities					
Net pension liability-Employees' Retirement System	--	--	--	270,319	270,319
Total liabilities	43,579	325,978	369,557	243,606	613,163
Deferred inflows of resources					
Deferred inflows related to real property tax	1,124,663	--	1,124,663	--	1,124,663
Deferred inflows related to pension	--	--	--	159,490	159,490
Total deferred inflows of resources	1,124,663	--	1,124,663	159,490	1,284,153
Fund Balance/Net Position					
Nonspendable	--	--	--	--	--
Net investment in capital assets	--	--	--	1,171,672	1,171,672
Restricted	--	31,925	31,925	--	31,925
Committed/Board designated	382,976	--	382,976	--	382,976
Assigned	208,110	--	208,110	--	208,110
Unassigned/unrestricted	714,708	(37,464)	677,244	(58,787)	618,457
Total fund balance/net position	1,305,794	(5,539)	1,300,255	1,112,885	2,413,140
Total liabilities, deferred inflows of resources and fund balance/net position	\$ 2,474,036	\$ 320,439	\$ 2,794,475	\$ 1,515,981	\$ 4,310,456

See accompanying independent auditor's report and notes to financial statements

As of December 31, 2023

	General Fund	Capital Projects Fund	Total	(Note 11) Adjustments	Statement of Net Position
Current assets					
Cash and cash equivalents	\$ 2,503,389	\$ 289,648	\$ 2,793,037	\$ --	\$ 2,793,037
Due from other funds	8,649	--	8,649	(8,649)	--
Accounts receivable	--	--	--	--	--
Prepaid expenses	--	--	--	--	--
Total current assets	2,512,038	289,648	2,801,686	(8,649)	2,793,037
Property and equipment					
Land	--	--	--	50,532	50,532
Building	--	--	--	1,552,213	1,552,213
Furniture, fixtures and equipment	--	--	--	67,296	67,296
Total cost	--	--	--	1,670,041	1,670,041
Less: accumulated depreciation	--	--	--	(495,627)	(495,627)
Net property and equipment	--	--	--	1,174,414	1,174,414
Other assets					
Net pension asset-Employees' Retirement System	--	--	--	--	--
Total assets	2,512,038	289,648	2,801,686	1,165,765	3,967,451
Deferred outflows of resources					
Deferred outflows related to pension	--	--	--	359,939	359,939
Total assets and deferred outflows of resources	\$ 2,512,038	\$ 289,648	\$ 2,801,686	\$ 1,525,704	\$ 4,327,390
Liabilities and Fund Balance/Net Position					
Current liabilities					
Unearned revenue - grants	\$ 13,223	\$ 9,581	\$ 22,804	\$ --	\$ 22,804
Unearned revenue - capital construction aid	--	239,493	239,493	--	239,493
Accounts payable	6,290	--	6,290	--	6,290
Due to other funds	--	8,649	8,649	(8,649)	--
Accrued liabilities	13,180	--	13,180	--	13,180
Total current liabilities	32,693	257,723	290,416	(8,649)	281,767
Long-term liabilities					
Net pension liability-Employees' Retirement System	--	--	--	377,125	377,125
Total liabilities	32,693	257,723	290,416	368,476	658,892
Deferred inflows of resources					
Deferred inflows related to real property tax	1,098,796	--	1,098,796	--	1,098,796
Deferred inflows related to pension	--	--	--	41,601	41,601
Total deferred inflows of resources	1,098,796	--	1,098,796	41,601	1,140,397
Fund Balance/Net Position					
Nonspendable	--	--	--	--	--
Net investment in capital assets	--	--	--	1,174,414	1,174,414
Restricted	--	31,925	31,925	--	31,925
Committed/Board designated	379,270	--	379,270	--	379,270
Assigned	203,423	--	203,423	--	203,423
Unassigned/unrestricted	797,856	--	797,856	(58,787)	739,069
Total fund balance/net position	1,380,549	31,925	1,412,474	1,115,627	2,528,101
Total liabilities, deferred inflows of resources and fund balance/net position	\$ 2,512,038	\$ 289,648	\$ 2,801,686	\$ 1,525,704	\$ 4,327,390

See accompanying independent auditor's report and notes to financial statements

STATEMENTS OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2024

	General Fund	Capital Projects Fund	Total	(Note 11) Adjustments	Statement of Activities
Expenditures/expenses					
Salaries and employee benefits	\$ 1,011,401	\$ --	\$ 1,011,401	\$ --	\$ 1,011,401
Library materials	153,064	--	153,064	--	153,064
Operation and maintenance of building	86,441	53,532	139,973	2,742	142,715
Other expenses	108,812	--	108,812	--	108,812
Interfund expense	--	--	--	--	--
	<u>1,359,718</u>	<u>53,532</u>	<u>1,413,250</u>	<u>2,742</u>	<u>1,415,992</u>
Program revenue					
Contributions and gifts	51,604	--	51,604	--	51,604
State and Local aid	--	11,371	11,371	--	11,371
Library charges, refunds and other fees	15,123	--	15,123	--	15,123
Total program revenue	<u>66,727</u>	<u>11,371</u>	<u>78,098</u>	<u>--</u>	<u>78,098</u>
Net program expenses	<u>(1,292,991)</u>	<u>(42,161)</u>	<u>(1,335,152)</u>	<u>(2,742)</u>	<u>(1,337,894)</u>
General revenue					
Real property tax	1,100,739	--	1,100,739	--	1,100,739
State and Local aid	69,659	--	69,659	--	69,659
Investment income	47,837	4,697	52,534	--	52,534
Interfund revenue	--	--	--	--	--
Total general revenue	<u>1,218,235</u>	<u>4,697</u>	<u>1,222,932</u>	<u>--</u>	<u>1,222,932</u>
Change in fund equity/net position	(74,756)	(37,464)	(112,220)	(2,742)	(114,962)
Fund equity/net position, beginning of year	<u>1,380,549</u>	<u>31,925</u>	<u>1,412,474</u>	<u>1,115,627</u>	<u>2,528,101</u>
Fund equity/net position, end of year	<u>\$ 1,305,794</u>	<u>\$ (5,539)</u>	<u>\$ 1,300,255</u>	<u>\$ 1,112,885</u>	<u>\$ 2,413,140</u>

Year Ended December 31, 2023

	General Fund	Capital Projects Fund	Total	(Note 11) Adjustments	Statement of Activities
Expenditures/expenses					
Salaries and employee benefits	\$ 918,446	\$ --	\$ 918,446	\$ --	\$ 918,446
Library materials	145,726	--	145,726	--	145,726
Operation and maintenance of building	80,478	72,564	153,042	(1,903)	151,139
Other expenses	137,720	--	137,720	--	137,720
Interfund expense	83,024	--	83,024	(83,024)	--
	<u>1,365,394</u>	<u>72,564</u>	<u>1,437,958</u>	<u>(84,927)</u>	<u>1,353,031</u>
Program revenue					
Contributions and gifts	43,601	--	43,601	--	43,601
State and Local aid	--	21,465	21,465	--	21,465
Library charges, refunds and other fees	23,230	--	23,230	--	23,230
Total program revenue	<u>66,831</u>	<u>21,465</u>	<u>88,296</u>	<u>--</u>	<u>88,296</u>
Net program expenses	<u>(1,298,563)</u>	<u>(51,099)</u>	<u>(1,349,662)</u>	<u>84,927</u>	<u>(1,264,735)</u>
General revenue					
Real property tax	1,062,478	--	1,062,478	--	1,062,478
State and Local aid	66,297	--	66,297	--	66,297
Investment income	32,772	--	32,772	--	32,772
Interfund revenue	--	83,024	83,024	(83,024)	--
Total general revenue	<u>1,161,547</u>	<u>83,024</u>	<u>1,244,571</u>	<u>(83,024)</u>	<u>1,161,547</u>
Change in fund equity/net position	(137,016)	31,925	(105,091)	1,903	(103,188)
Fund equity/net position, beginning of year	<u>1,517,565</u>	<u>--</u>	<u>1,517,565</u>	<u>1,113,724</u>	<u>2,631,289</u>
Fund equity/net position, end of year	<u>\$ 1,380,549</u>	<u>\$ 31,925</u>	<u>\$ 1,412,474</u>	<u>\$ 1,115,627</u>	<u>\$ 2,528,101</u>

NOTE 1 - NATURE OF ACTIVITIES

The *Olean Public Library* (the Library) was incorporated in Olean, New York under New York State non-profit law and is chartered by the New York State Board of Regions as a free library. Its purpose is the education of area residents primarily through the circulation of books and periodicals and writing and reading programs. The Library's support comes primarily from a real property tax levy received through the Olean City School District and Library aid received from the State of New York.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the *Olean Public Library* have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

The accompanying financial statements present the activities of the Library. The Library is not a component unit of another reporting entity.

B. Basis of Presentation

1. Government-wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the Library's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize double counting of internal transactions. Governmental activities generally are financed through taxes, state and Federal grants, operating grants, capital grants, and other exchange and non-exchange transactions.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

2. Fund Financial Statements

The fund statements provide information about the Library's funds. The emphasis of fund financial statements is on major governmental funds.

The Library reports the following major governmental funds:

General - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

Capital Projects - is used to account for financial resources used for acquisition, construction, or major repair of capital facilities.

C. Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period.

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

Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

For financial statement purposes, all highly liquid investments of three months or less are considered as cash equivalents. New York State law governs the Library's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

E. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts have been provided since it is believed that such allowance would not be material.

F. Property and Equipment

The Library has adopted the practice of capitalizing all purchases of land, building and equipment that exceed \$5,000. Minor renewals or replacements and maintenance and repairs are charged to expense. Donated items of equipment are valued at their fair market value at the time of donation. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets (10-40 years for building and improvements; 5-20 years for furniture, fixtures and equipment). Depreciation expense totaled \$56,274 and \$70,661 for the years ended December 31, 2024 and 2023, respectively.

G. Deferred Inflows and Outflows of Resources

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Deferred Inflows and Outflows of Resources (continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Library has two items that qualify for reporting in this category. The first item is related to pension reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Library's proportion of the collective net pension liability and difference during the measurement periods between the Library's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item is related to taxes collected in the current year for subsequent year operations and is reported in both the Government-wide Statement of Net Position and the General Fund Balance Sheet as unavailable revenue - taxes.

H. Unearned Revenue

Unearned revenue is reported on the Library's combined balance sheet and statement of net position. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Library has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

I. Fund Equity

1. Governmental Funds

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be reported within one of the fund balance categories listed below:

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Equity (continued)

1. Governmental Funds (continued)

A. Nonspendable

Fund balance associated with assets that are inherently nonspendable in the current period because of their form or because they must be maintained intact, including inventories, prepaids, long-term notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). The Library did not have any nonspendable fund balance as of December 31, 2024 and 2023.

B. Restricted

Fund balance amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation. Restricted fund balance totaled \$31,925 as of both December 31, 2024 and 2023 and is to be used for the purchase of technology.

C. Committed

Fund balance amounts that can be used only for specific purposes determined by a formal action of the Library's Board of Trustees, which is the Library's highest level of decision-making authority. The Library had \$382,976 and \$379,270 of committed fund balance as of December 31, 2024 and 2023, respectively. \$350,000 of this balance is committed towards future capital projects.

D. Assigned

Fund balance intended to be used by the Library for specific purposes but does not meet the criteria to be restricted or committed. The Library had \$208,110 and \$203,423 of assigned fund balance as of December 31, 2024 and 2023, respectively.

E. Unassigned

The residual classification of the general fund and includes all spendable amounts not contained in the other classifications.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Equity (continued)

2. Government-wide Financial Statements

A. Net Investment in Capital Assets

This designation of net position is used to accumulate the capital asset balance in the statement of net position less accumulated depreciation and outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

B. Restricted

This category represents amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation.

C. Committed/ Board Designated

This category represents fund balance amounts that can be used only for specific purposes determined by a formal action of the Library's Board of Trustees, which is the Library's highest level of decision-making authority.

D. Assigned

This category represents fund balance intended to be used by the Library for specific purposes but does not meet the criteria to be restricted or committed.

E. Unrestricted

This category represents net position of the Library not restricted for any other purpose.

3. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation and related debt of accounts payable used in the acquisition or construction of capital. The Library's policy whether to apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available is to apply restricted resources first.

4. Order of Fund Balance Spending Policy

When more than one classification of fund balance of the Library are eligible to be utilized for an expenditure of the Library, the order in which the fund balance classifications will be utilized will be as follows:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Fund Equity (continued)

4. Order of Fund Balance Spending Policy (continued)

- a. Restricted fund balance for which amounts can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation;
- b. Committed fund balance for which action has been taken by the Board of Trustees, a designated Library official, or by the voters of the Library, specifically designating funds to the expenditure;
- c. Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- d. Assigned fund balance within funds other than the General Fund of the Library to which the expenditure relates;
- e. Unassigned fund balance.

J. Budgetary Procedures and Budgetary Accounting

1. Budget Policies

The budget policies are as follows:

- a) The Library prepares a proposed budget for approval by the Board for the General Fund.
- b) The proposed appropriations budget is approved by the Board of Trustees. In the event of a property tax increase, the tax levy requires voter approval. The budget is available for review by the public.
- c) Appropriations are adopted at the program level.
- d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions.

2. Budget Basis for Accounting

Budgets are adopted annually on a basis consistent with the fund financial statements and the full accrual basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Property Taxes

1. Calendar

Real property taxes are levied annually by the Olean City School District no later than September 1. Taxes are collected by the Olean School District, who in turn remits receipts collected for the Library in November of the previous year.

2. Enforcement

The entire tax levy is remitted to the Library. Uncollected real property taxes are subsequently enforced by Cattaraugus County, in which the Library is located.

3. Recognition

Taxes received by the Library in November of each year are recorded as deferred inflows of resources in the year received in the Statement of Net Position and Governmental Funds Balance Sheets and recognized as revenue in the subsequent year in the Statement of Activities and Governmental Funds Revenue, Expenditures and Changes in Fund Balance.

L. Income Tax Status

The **Olean Public Library** is a political subdivision of New York State and is thereby exempt from income taxes under Internal Revenue Code Section 501(c)(3) and is not considered a private foundation within the meaning of Section 509(a) of the Code. Tax years that remain open for examination by taxing authorities include those for the previous three years.

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

N. Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

O. Subsequent Events

Library management has evaluated events and transactions through the date of this report.

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**NOTE 3 - EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN GOVERNMENTAL FUND STATEMENTS
AND GOVERNMENT-WIDE STATEMENTS**

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

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

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

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

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

1. Long-term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital

items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

**NOTE 3 - EXPLANATION OF CERTAIN DIFFERENCES
BETWEEN GOVERNMENTAL FUND STATEMENTS
AND GOVERNMENT-WIDE STATEMENTS
(CONTINUED)**

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

3. Pension Differences

Pension differences as a result of changes in the Library's proportion of the collective net pension liability and differences between the Library's contributions and its proportionate share of the total contributions to the pension system.

NOTE 4 - CASH AND INVESTMENTS

New York State Education law required that the Library's excess funds are to be invested in a commercial bank or trust company located in, and authorized to do business in, New York State or in obligations fully guaranteed by the Federal government. Furthermore, funds invested in banks in excess of \$250,000 (FDIC insurance limit) must be collateralized by a pledge of obligations held by a third party.

As of December 31, 2024, the Library had the following deposits:

	2024	2023
United States Treasury notes	\$ - -	\$ - -
Cash, cash equivalents and certificate of deposits held by FDIC Insurance	250,000	250,000
Collateralization with securities held by the pledging financial institution's trust department or agent in the Library's name	2,602,111	2,181,852
	<u>\$ 2,852,111</u>	<u>\$ 2,431,852</u>

NOTE 5 – INTERFUND TRANSACTIONS

Interfund balances and transactions as of and during the year ended December 31 are as follows:

	2023	
	Interfund Receivable	Interfund Payable
General Fund	\$ - -	\$ 8,649
Capital Projects Fund	8,649	- -
	<u>\$ 8,649</u>	<u>\$ 8,649</u>
	2024	
	Interfund Payable	Interfund Receivable
General Fund	\$ - -	\$ 26,713
Capital Projects Fund	26,713	- -
	<u>\$ 26,713</u>	<u>\$ 26,713</u>

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NOTE 5 – INTERFUND TRANSACTIONS (CONTINUED)

During the years ended December 31, 2024 and 2023, the Library transferred \$0 and \$83,024, respectively from the general fund to the capital projects fund to pay for a portion of the capital project (note 12).

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment balances and activity for the year ended December 31, 2024 were as follows:

	Beginning Balance 12/31/23	Net Additions (Disposals)	Ending Balance 12/31/24
Governmental activities:			
Capital assets that are not depreciate:			
Land	\$ 50,532	\$ --	\$ 50,532
Capital assets that are depreciated:			
Buildings	1,552,213	53,532	1,605,745
Furniture, fixtures, and equipment	67,296	--	67,296
Total historical cost	1,670,041	53,532	1,723,573
Less accumulated Depreciation:	495,627	56,274	551,901
Total net book value	\$ 1,174,414		\$ 1,171,672

NOTE 7 – UNEARNED REVENUE

Unearned revenue represents grant funds received during the current and prior years that were unexpended at year-end. A summary of these unspent funds is as follows at December 31, 2024 and 2023:

Grant Program	2024	2023
Manley Memorial Trust	\$ 9,381	\$ 9,581
O'Connell Family Fund of the Erie Community Foundation	8,475	9,188
Henry Grant	4,678	--
WNY Foundation – Social Justice & Equity	2,309	4,035
	<u>\$ 24,844</u>	<u>\$ 22,804</u>

NOTE 8 – DEFERRED INFLOWS RELATED TO PROPERTY TAX

Deferred inflows related to property tax represents tax allocations received from the Olean City School District that are designated to cover subsequent year programs. As of December 31, 2024, the Library had received \$1,124,663 from the school district to be used for 2024 expenditures. The 2024 allocation received in 2023 totaled \$1,098,796.

NOTE 9 – BOOK PLAN ("IN-KIND" REVENUES AND EXPENDITURES)

The Library participates in a Chautauqua-Cattaraugus Library System program known as the Book Plan. This plan provides that member libraries may receive books and related materials from funds administered by the System and in amounts as determined by the Library System Board of Trustees. The total Book Plan Fund allocated to and used by the Olean Public Library was \$10,000 in 2024 and \$10,000 in 2023.

NOTE 10 - DEFINED BENEFIT PENSION PLAN

A. Plan Description and Benefits Provided

Substantially all Library employees participate in the New York State and Local Retirement System (NYSLRS), a multiple-employer public employee retirement system. The system was established by the State of New York and is governed by independent trustees to provide pension benefits for employees employed by a public employer within the State of New York.

NYSLRS provides retirement, death and disability benefits to its members. Generally benefits are calculated based on salary, service and, in some cases, age. Benefit formulas are subdivided into tiers depending on date of membership. Benefits vest after ten years of credited service. More complete benefit information is contained in the Annual Report of NYSLRS, which may be obtained by writing to the New York State and Local Retirement System, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

The benefits provided to members of the NYSLRS are established under the Retirement and Social Security Law and may be amended only by the Legislature.

B. Contributions

The System is noncontributory except for employees who joined the System after July 27, 1976 who contribute 3% of their salary. For the New York State and Local Employees' Retirement System, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Library is required to contribute at an actuarially determined rate. The required contributions for the current year and three preceding years were:

2024	\$ 88,496
2023	65,097
2022	50,532
2021	64,773

The Library contributions made to the System was equal to 100% of the contributions required for each year.

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NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2024 and 2023, the Library reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2024 and 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation.

The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Library.

Actuarial valuation date	ERS	
	3/31/24	3/31/23
Net pension (asset) liability	\$ 270,319	\$ 377,125
Library's portion of the Plan's total net pension liability	.0018359%	.0017587%

For the years ended December 31, 2024 and 2023, the Library recognized pension expense of \$88,496 and \$65,097, respectively.

At December 31, 2024 and 2023 the Library's reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2024	2023	2024	2023
Differences between expected and actual experience	\$ 87,070	\$ 40,167	\$ 7,371	10,591
Changes of assumptions	102,202	183,156	--	2,024
Net difference between projected and actual earnings on pension plan investments	--	--	132,049	2,216
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	15,896	14,245	20,070	33,480
Library's contributions subsequent to the measurement date	88,496	65,097	--	--
Totals	\$ 293,664	\$ 302,665	\$ 159,490	\$ 463,125

Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024.

Other amounts reported as deferred outflows and inflows of resources related to pensions, including contributions subsequent to the measurement date, will be recognized in pension expense as follows:

	ERS
Year ending:	
2025	\$ (56,856)
2026	52,657
2027	78,884
2028	(29,008)
2028	--
Thereafter	--

D. Actuarial Assumptions

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

	ERS	
	2024	2023
Measurement date	3/31/24	3/31/23
Actuarial valuation date	4/1/23	4/1/22
Interest rate	5.9%	5.9%
Salary scale	4.4% average	4.4% average
Decrement tables	4/1/15 – 3/31/20 System's Experience	4/1/15 – 3/31/20 System's Experience
Inflation rate	2.9%	2.9%

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NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Actuarial Assumptions (continued)

Annuitant mortality rates are based on April 1, 2015 – March 31, 2024 System's experience with adjustments for mortality improvements based on MP-2023. The actuarial assumption used in the April 1, 2024 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2024.

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:

Measurement date	ERS 3/31/24	Expected Rate of Return	ERS 3/31/23	Expected Rate of Return
Asset Type:				
Domestic equity	32%	4.00%	32%	4.30%
International equity	15%	6.65%	15%	6.85%
Private Equity	10%	7.25%	10%	7.50%
Real Estate	9%	4.60%	9%	4.60%
Opportunistic/ Absolute return strategies	3%	5.25%	3%	5.38%
Opportunistic portfolio	- -%	- -%	- -%	- -%
Credit	4%	5.40%	4%	5.43%
Real assets	3%	5.79%	3%	5.84%
Bonds and Mortgages	- -%	- -%	- -%	- -%
Fixed Income	23%	1.50%	23%	1.50%
Cash and short-term	1%	0.25%	1%	0.00%
Inflation-indexed bond funds	- -%	- -%	- -%	- -%
Total:	<u>100%</u>		<u>100%</u>	

E. Discount Rate

The discount rate used to calculate the total pension liability was 5.9% and 5.9% for the plan years ended March 31, 2024 and 2023, 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 that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 5.9% and 5.9% in 2024 and 2023, as well as what the Library's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

ERS		1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability (asset)	2024	\$ 849,910	\$ 270,319	\$ (213,760)
ERS		1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability (asset)	2023	\$ 911,350	\$ 377,125	\$ (69,282)

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NOTE 10 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

G. Pension Plan Fiduciary Net Position

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

Measurement date	ERS (in thousands)			
	3/31/24	3/31/23		
Employers' total pension liability	\$ 286,834,568	\$ 232,627,259		
Plan Net Position	\$ 267,367,696	\$ 211,183,223		
Employers' net pension liability	\$ 19,466,872	\$ 21,444,036		
Ratio of plan net position to be Employers' total pension liability	93.21%	90.78%		

NOTE 11 – RECONCILIATION OF GOVERNMENTAL FUND AND GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following represents a reconciliation of governmental fund financial statements to the government-wide financial statements. These items are represented in the adjustment columns on the statement of net position/fund equity and the statements of activities/statements of revenue, expenditures, and changes in fund equity.

	2024	2023
Total fund balance – governmental funds	\$ 1,300,255	\$ 1,412,474
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets consist of the following at year end:		
Cost of the assets	1,723,573	1,670,041
Accumulated depreciation	(551,901)	(495,627)
Net capital assets	1,171,672	1,174,414
Revenue available and measurable in the capital projects fund that is considered unearned in the statement of net position.	--	--
Net deferred inflows/outflows of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, pension expense is based on required contributions.	211,532	318,338
Long-term assets are not financial resources and long-term liabilities are not due and payable in the current period. Therefore, they are not reported as assets and liabilities in the funds. Long-term assets (liabilities) at year-end consist of the following:		
Net pension asset (liability) – ERS	(270,319)	(377,125)
Total net position – governmental activities	\$ 2,413,140	\$ 2,528,101
Total net change in fund balance – governmental funds	\$ (112,220)	\$ (105,091)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Activity for the current fiscal year ended was as follows:		
Capital outlays	53,532	72,564
Depreciation expense	(56,274)	(70,661)
Net capital additions	(2,742)	1,903
Library's proportionate share of actuarial calculated pension expense and net amortization of deferred amounts are recorded in the statement of activities, whereas in the governmental funds, pension expense is based on the Library's required contribution to pension plan.	--	--
Change in net position – governmental activities	\$ (114,962)	\$ (103,188)

In addition to items outlined above, interfund transactions were eliminated in the government-wide financial statements.

OLEAN PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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NOTE 12 – CAPITAL CONSTRUCTION GRANT

During the prior year, the Library commenced work on a capital expansion project. As of December 31, 2024, project expenditures amounted to \$117,385. The Library received advances from State and local sources totaling \$61,762 and \$32,836 during the years ended December 31, 2024 and 2023, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

OLEAN PUBLIC LIBRARY

SCHEDULES OF REVENUES AND EXPENSES - BUDGET VS. ACTUAL

Year ended December 31, 2024

	Adopted Budget	Final Budget	Actual	Favorable (Unfavorable)
Support and revenue				
Real property tax	\$ 1,099,978	\$ 1,099,978	\$ 1,100,739	\$ 761
State and Local aid	66,410	66,410	69,659	3,249
State aid - capital construction grant	--	--	11,371	11,371
Contributions and gifts	31,000	31,000	51,604	20,604
Library charges, refunds and other fees	15,100	15,100	15,123	23
Investment income	25,000	25,000	52,534	27,534
Appropriated fund balance	203,423	203,423	--	(203,423)
Total support and revenue	1,440,911	1,440,911	1,301,030	(139,881)
Expenses				
Salaries and wages	830,874	830,874	787,276	43,598
Employee benefits and payroll taxes *	230,423	230,423	224,125	6,298
	1,061,297	1,061,297	1,011,401	49,896
Library materials:				
Books	76,000	76,000	74,534	1,466
Periodicals	14,500	14,500	13,127	1,373
Recordings	500	500	--	500
Audio and video tapes	15,000	15,000	13,411	1,589
Electronic resources	50,000	50,000	48,365	1,635
Computer software	2,000	2,000	1,345	655
Bookbinding	4,000	4,000	2,282	1,718
	162,000	162,000	153,064	8,936
Operation and maintenance of building:				
Fuel, utilities and supplies	34,365	34,365	27,710	6,655
Insurance	23,000	23,000	16,681	6,319
Capital improvements	--	--	--	--
Other operations and maintenance	43,500	43,500	42,050	1,450
	100,865	100,865	86,441	14,424
Other expenses:				
Telephone	3,000	3,000	2,556	444
Office and library supplies	31,350	31,350	28,966	2,384
Computer supplies	5,500	5,500	4,919	581
Postage and freight	4,500	4,500	2,658	1,842
Art gallery and exhibits	799	799	699	100
Publicity and printing	5,500	5,500	3,656	1,844
Staff training and conferences	10,100	10,100	1,410	8,690
Rental, repair and maintenance	7,000	7,000	5,220	1,780
Professional fees	35,000	35,000	29,481	5,519
Other miscellaneous expense	3,000	3,000	1,840	1,160
Other technology purchases	11,000	11,000	9,484	1,516
Grant expenses	--	--	17,923	(17,923)
	116,749	116,749	108,812	7,937
Total expenses	1,440,911	1,440,911	1,359,718	81,193
Excess (deficiency) of revenue over expenses (before depreciation)	\$ --	\$ --	(58,688)	\$ (58,688)
Depreciation			56,274	
Excess (deficiency) of revenue over expenses			\$ (114,962)	

* Included in employee benefits and payroll taxes are estimated payments to the Employee Retirement System for the adopted and final budget, whereas, the actual column includes actuarial calculated pension expense.

See accompanying independent auditor's report

Year ended December 31, 2023

	Adopted Budget	Final Budget	Actual	Favorable (Unfavorable)
Support and revenue				
Real property tax	\$ 1,061,092	\$ 1,061,092	\$ 1,062,478	\$ 1,386
State and Local aid	61,728	61,728	66,297	4,569
State aid - capital construction grant	--	--	21,465	21,465
Contributions and gifts	27,500	27,500	43,601	16,101
Library charges, refunds and other fees	24,946	24,946	23,230	(1,716)
Investment income	4,000	4,000	32,772	28,772
Appropriated fund balance	--	--	--	--
Total support and revenue	1,179,266	1,179,266	1,249,843	70,577
Expenses				
Salaries and wages	819,624	819,624	731,259	88,365
Employee benefits and payroll taxes *	200,101	200,101	187,187	12,914
	1,019,725	1,019,725	918,446	101,279
Library materials:				
Books	75,000	75,000	58,830	16,170
Periodicals	14,000	14,000	13,603	397
Recordings	500	500	185	315
Audio and video tapes	18,000	18,000	17,590	410
Electronic resources	53,977	53,977	52,830	1,147
Computer software	1,500	1,500	212	1,288
Bookbinding	3,000	3,000	2,476	524
	165,977	165,977	145,726	20,251
Operation and maintenance of building:				
Fuel and utilities	38,000	38,000	26,770	11,230
Insurance	26,000	26,000	18,794	7,206
Capital improvements	3,334	3,334	1,338	1,996
Other operations and maintenance	36,500	36,500	33,576	2,924
	103,834	103,834	80,478	23,356
Other expenses:				
Telephone	3,000	3,000	2,428	572
Office and library supplies	26,000	26,000	23,721	2,279
Computer supplies	10,000	10,000	5,984	4,016
Postage and freight	6,000	6,000	4,360	1,640
Art gallery and exhibits	500	500	268	232
Publicity and printing	13,500	13,500	6,481	7,019
Staff training and conferences	7,000	7,000	736	6,264
Rental, repair and maintenance	10,000	10,000	5,849	4,151
Professional fees	43,000	43,000	42,758	242
Other miscellaneous expense	3,000	3,000	1,452	1,548
Other technology purchases	11,500	11,500	11,256	244
Grant expenses	--	--	32,427	(32,427)
	133,500	133,500	137,720	(4,220)
Total expenses	1,423,036	1,423,036	1,282,370	140,666
Excess (deficiency) of revenue over expenses (before depreciation)	<u>\$ (243,770)</u>	<u>\$ (243,770)</u>	<u>(32,527)</u>	<u>\$ 211,243</u>
Depreciation			70,661	
Excess (deficiency) of revenue over expenses			<u>\$ (103,188)</u>	

* Included in employee benefits and payroll taxes are estimated payments to the Employee Retirement System for the adopted and final budget, whereas, the actual column includes actuarial calculated pension expense.

See accompanying independent auditor's report

For the Years Ended December 31, 2016 through 2024

New York State and Local Retirement System - Net Pension Liability

<i>As of the measurement date of March 31,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016
Library's proportion of the net pension liability	0.0018359%	0.0017587%	0.0015454%	0.0014639%	0.0017986%	0.0017637%	0.0017782%	0.0017538%	0.0016931%
Library's proportionate share of the net pension liability	\$ 270,319	\$ 377,125	\$ (126,330)	\$ 1,458	\$ 476,284	\$ 124,961	\$ 57,392	\$ 164,788	\$ 271,741
Library's covered-employee payroll	\$ 779,282	\$ 624,544	\$ 512,538	\$ 420,036	\$ 406,922	\$ 447,652	\$ 440,456	\$ 502,568	\$ 498,253
Library's proportionate share of the net pension liability as a percentage of its covered employee payroll	34.69%	60.38%	-24.65%	0.35%	117.05%	27.91%	13.03%	32.79%	54.54%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

See accompanying independent auditor's report

For the Years Ended December 31, 2016 through 2023

New York State and Local Retirement System - Net Pension Liability

<i>As of the measurement date of March 31,</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 65,096	\$ 50,532	\$ 64,773	\$ 56,369	\$ 61,989	\$ 62,307	\$ 78,947	\$ 79,152	\$ 78,551
Contributions in relation to the contractually required contribution	\$ (65,096)	\$ (50,532)	\$ (64,773)	\$ (56,369)	\$ (61,989)	\$ (62,307)	\$ (78,947)	\$ (79,152)	\$ (78,551)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Library's covered-employee payroll	\$ 779,282	\$ 624,544	\$ 512,538	\$ 420,036	\$ 406,922	\$ 447,652	\$ 440,456	\$ 502,568	\$ 498,253
Contributions as a percentage of Library's covered-employee payroll	8.35%	8.09%	12.64%	13.42%	15.23%	13.92%	17.92%	15.75%	15.77%