

**THE TRUSTEES OF THE FREE PUBLIC LIBRARY  
OF PRINCETON, NEW JERSEY  
Financial Statements  
December 31, 2024 and 2023  
With Independent Auditor's Reports**

**Prepared by:  
Gerard Stankiewicz, CPA, RMA  
of the Firm:  
Samuel Klein and Company, LLP  
Certified Public Accountants  
36 West Main Street, Suite 303  
Freehold, New Jersey 07728**

<b>Independent Auditor’s Report</b>	1-3
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	4-5
<b>Financial Statements</b>	
Governmental Fund Statement of Net Position - Regulatory Basis	6
Statements of Governmental Fund Revenues, Expenditures and Changes in Net Position	7
Notes to Financial Statements	8-31
<b>Supplementary Information</b>	
Schedule of Library’s Contributions - PERS	32
Schedule of Library’s Proportionate Share of the Net Pension Liability - PERS	33
Schedule of Library’s Proportionate Share of the Net OPEB Liability - State Health Benefits Local Government Retired Employees Plan (SHBP)	34
Schedule of Library’s OPEB Contributions - State Health Benefits Local Government Retired Employees Plan (SHBP)	35
Schedule of Revenues Compared to Budget	36
Schedule of Expenditures Compared to Budget	37
Combining Governmental Fund Balance Sheet Schedule	38
Schedule of Revenue, Expenditures and Change of Fund Balance	39
Analysis of Payroll Cash	40
Analysis of Restricted Cash	41
Schedule of Capital Projects - Improvement Authorizations	42
Schedule of Capital Distributions from Municipality	43
Roster of Officials	44
Schedule of Findings and Recommendations	45
Schedule of Prior Year Findings and Recommendations	46

**INTRODUCTORY SECTION**

**SAMUEL KLEIN AND COMPANY, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11<sup>TH</sup> FLOOR  
NEWARK, N.J. 07102-4543  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

**INDEPENDENT AUDITOR'S REPORT**

To the Trustees of  
The Free Public Library of Princeton, New Jersey:

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying governmental fund state of assets, liabilities and reserves and statement of net position - regulatory basis of The Trustees of the Free Public Library of Princeton, New Jersey (the "Library"), as of and for the years ended December 31, 2024 and 2023, the related statements of governmental fund revenues, expenditures and changes in net position and statements of activities - regulatory basis for the years then ended, and the related notes to financial statements.

The financial statements of the Library, as of December 31, 2023, were audited by other auditors whose report dated July 2, 2024, expressed an unmodified opinion with respect to the Regulatory Basis of Accounting, however, an Adverse Option based on Accounting Principles is generally accepted in the United States.

**Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis governmental fund and statements of net position of the Library as of December 31, 2024 and 2023, the regulatory basis statements of revenues, expenditures and changes in fund balances and the statements of activities and the results of its operations and the changes in fund balances/net position for the years then ended in conformity with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), as described in Note 1.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library, as of December 31, 2024 and 2023, or the changes in fund balances/net position for the years then ended.

**Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1 of the financial statements, the financial statements are prepared by the Library on the basis of accounting practices prescribed by the Division's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America to meet the financial reporting provisions of the Division. The effects on the financial statements of the variances between these regulatory accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and budget laws. Management is also responsible 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.

### **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 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.

**Other Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Library's basic financial statements. The accompanying supplementary schedules and information included in the table of contents of this report are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying other supplementary information included in the table of contents of this report is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2025 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 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.



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey  
September 15, 2025

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

To The Trustees of  
The Free Public Library of Princeton, New Jersey:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 Trustees of the Free Public Library of Princeton, New Jersey (the "Library") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated September 15, 2025, on which we expressed an adverse opinion. Our report disclosed that, as described in Note 1 to the financial statements, the Library prepares its financial statements in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing 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 over financial reporting.

*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 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 audits 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 of 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 audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and *Government Auditing Standards*.

### **Purpose of the 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 auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey  
September 15, 2025

**FINANCIAL STATEMENTS**



**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Statements of Governmental Fund Revenues, Expenditures and Changes in Net Position**  
**December 31, 2024 and 2023**

---

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
Operating fund		
Operating revenues		
Municipal library levy and other contributions	\$ 4,738,184	\$ 4,512,555
State library aid	16,889	19,188
General fund revenue	<u>1,257,514</u>	<u>1,055,902</u>
	<u>6,012,587</u>	<u>5,587,645</u>
Special revenues		
Friends and Foundation contribution	274,710	104,050
Grant revenues	25,890	54,227
Designated gifts	<u>132,504</u>	<u>139,647</u>
	<u>433,104</u>	<u>297,924</u>
Total operating fund	<u>\$ 6,445,691</u>	<u>\$ 5,885,569</u>
Capital fund		
Interest income	-	484
Other revenues	<u>614,084</u>	<u>689,872</u>
Total capital fund	<u>614,084</u>	<u>690,356</u>
Total revenues	<u>\$ 7,059,775</u>	<u>\$ 6,575,925</u>
<b>Expenditures</b>		
Operating fund		
Budget appropriations - operating	6,295,579	5,977,653
Capital fund		
Budget appropriations - capital outlay	<u>616,826</u>	<u>689,872</u>
Total expenditures	<u>\$ 6,912,405</u>	<u>\$ 6,667,525</u>
<b>Excess in revenues over expenditures</b>	<b>\$ 147,370</b>	<b>\$ (91,600)</b>
Other (debits)/credits to income		
Prior year encumbrances cancelled	20	18,881
Adjustment for capital assets acquired/Retired, net	<u>211,428</u>	<u>248,206</u>
	358,818	175,487
<b>Fund balances</b>		
Beginning of year	<u>20,370,917</u>	<u>20,195,430</u>
End of year	<u>\$ 20,729,735</u>	<u>\$ 20,370,917</u>

The Notes to Financial Statements are an integral part of these statements.

**NOTES TO FINANCIAL STATEMENTS**

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ORGANIZATION**

**Organization**

The Free Public Library of Princeton (the "Library") was established as a municipal library by referendum and incorporated in 1909 (N.J.S.A. 40:54-1 et seq.). The Joint Free Public Library of Princeton Library and Princeton Township was established by referendum and incorporated in 1961 (N.J.S.A. 40:54-29.3 et seq.). The voters of Princeton Library and Princeton Township approved a ballot measure on November 8, 2011, to consolidate their two local governments (N.J.S.A. 40:43-66.59). The merger took effect on January 1, 2013, and the Board of Trustees incorporated on January 1, 2013 as The Trustees of the Free Public Library of Princeton, New Jersey according to the provisions of Chapter 54 of the Laws of the State of New Jersey (Title 40) to exercise the powers and duties granted to it under said statute. The Library is exempt from both federal and state taxes.

There is hereby established and continued a board of trustees of the Princeton Public Library consisting of nine members, one of whom shall be the mayor and one of whom shall be the superintendent of schools. At least four of the regular members shall be residents of Princeton. Of the seven regular appointments initially made, one shall be appointed for one year, one for two years, one for three years, one for four years and three for five years. The mayor shall make such appointments upon the consent of the council. They mayor and the superintendent of schools may, respectively, appoint an alternate to act in their stead with authority to attend all meetings of the board and, in their absence, to vote on all questions before the board.

**Financial Reporting Entity**

An ongoing financial responsibility exists between The Trustees of the Free Public Library of Princeton, New Jersey and Princeton. The Library's continued existence depends on continued funding from the Municipal Library Tax Levy and additional Municipal contributions (See Note 17)

**Basis of Accounting**

The financial statements of The Library have been prepared on a modified accrual basis and in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which differ in some respects from generally accepted accounting principles in the United States of America applicable to government units. Some of these differences may be material. Under this method of accounting, The Library accounts for its financial transactions through the following funds and policies:

**Operations Fund** - Accounts for all revenues and expenditures applicable to the general operations of The Library and comprises the following funds:

*Municipal Fund* - represents contributions from the Municipal Library Levy Tax, additional contributions from the Municipality and State Aid passed to The Library from Princeton.

*General Fund* - represents revenues generated by the Library.

**Special Revenue Funds** - accounts for proceeds of specific revenue sources that are restricted to expenditure for a specific purpose.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

**Capital Projects Fund** - accounts for financial resources to be used for the acquisition or construction of major capital facilities and other Library capital expenditures. Revenues associated with capital projects are recorded when expenditures are incurred.

**Trust and Agency Funds** - accounts for assets held by The Library in a trustee capacity or as an agent for individuals and other government agencies.

**Revenues** - recorded when received in cash except for certain amounts which may be due from Municipal Library Levy Tax, additional contributions from the Municipality, the State of New Jersey or other grantor agencies.

**Expenditures** - recorded when an amount is encumbered for goods or services through the issuance of a purchase order. Outstanding encumbrances at December 31 are shown as reserve for encumbrances in the financial statements.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities except for amounts which have been cancelled by the Board of Trustees. Appropriation reserves are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Accounting principles generally accepted in the United States of America ("GAAP") do not provide for the reservation of unexpended budget appropriations.

**Encumbrances** - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year-end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

**Insurance** - Insurance costs for all funds are recorded as expenditures at the time of payment. Insurance costs chargeable to future periods are not carried as prepayments.

**Capital Assets** - recorded in a capital asset accounting and reporting system maintained by The Library for fixed assets. All capital assets owned as of December 31, 1985 are to be valued at cost, estimated historical cost or any other reasonable basis. For all general fixed assets acquired beginning January 1, 1986, the required basis for valuation is actual cost. No depreciation has been provided on fixed assets on The Library's records. Construction in progress is reported in the period expenditures are incurred.

**Inventories of Supplies** - The costs of inventories of supplies are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the balance sheet and statement of net position.

**Pension Liability and Reporting** - New Jersey municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability or related deferred outflows or inflows of resources on their balance sheets or related plan pension expense. However, in accordance with N.J.A.C. 5:30-6.1(c)(2), the Library disclosed its proportionate share of the State of New Jersey net pension liability in the notes to the

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

financial statements, as well as its related pension expense and other disclosures in accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions, An Amendment of GASB No. 27* (see Note 5).

**OPEB Liability and Reporting** - New Jersey municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net other postemployment benefit (“OPEB”) liability or related deferred outflows or inflows of resources on their balance sheets or related plan OPEB expense. However, in accordance with

N.J.A.C. 5:30-6.1(c)(2), The Library disclosed its proportionate share of the State of New Jersey net pension liability in the notes to the financial statements, as well as its related pension expense and other disclosures in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (see Note 5).

**Use of Estimates** - The preparation of financial statements in conformity with the accounting practices prescribed by the Division requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Budget**

An annual budget is adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements are those adopted by The Library Board of Trustees.

**2. CONTRIBUTED SERVICES**

No amounts have been reflected in the financial statements for donated services because the criteria for recognition under the basis of accounting described elsewhere in these financial statements have not been satisfied. The Library pays for most services requiring specific expertise. However, a number of volunteers have donated significant amounts of their time to The Library’s programs. The estimated value of donated services for the years ended December 31, 2024 and 2023 was approximately \$119,191 and \$92,904, respectively.

**3. DEPOSITS**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (“FDIC”), or by any other agency of the United States that insures deposits or the State of New Jersey Cash Management Fund. New Jersey statutes require public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; or if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of fund investments is generally not required.

The cash on deposit is deposited in public depositories which are fully insured up to \$250,000 per institution by the FDIC and in excess of \$250,000 are fully collateralized by the bank through the Government Unit Deposit Protection Act ("GUDPA"), N.J.S.A. 17:9-41, et seq. The State of New Jersey Cash Management Plan account is neither covered by the FDIC nor protected by GUDPA but is considered an acceptable investment by the State of New Jersey. Cash as determined by The Library's Board of Trustees consists of all bank accounts, including certificates of deposit.

At December 31, 2024 and 2023, the carrying amounts of the Library's deposits were \$1,542,360 and \$1,534,845, respectively, and the bank balances were \$1,458,207 and \$1,666,402, respectively.

The cash deposits held at financial institutions as of December 31, 2024 can be categorized according to three levels of risk as described below:

Category 1	Deposits which are covered by FDIC, or collateralized by securities held by the Library or its agent, in the Library's name	\$1,476,153
Category 2	Deposits which are collateralized with securities held by the pledging financial institution's trust department, or agent in the Library's name	\$ None
Category 3	Deposits which are not collateralized or insured	\$66,207

**Investments**

New Jersey statutes establish the following securities as eligible for the investment of Library funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than 12 months from the date of purchase.
- (c) Bonds or other obligations of the Library or bonds or other obligations of school districts of which The Library is a part or within which the school district is located.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

- (d) Bonds or other obligations, having a maturity date of not more than 12 months from the date of purchase, which are approved by the New Jersey Department of Treasury, Division of Investments.
- (e) Qualified mutual funds with portfolios limited to (i) bonds or other obligations of, or guaranteed by, the United States of America; and (ii) repurchase agreements fully collateralized by such obligations. These investments must be transacted only through national or state banks located within New Jersey.

During the year, The Library had \$None of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by The Library.

Unrestricted and restricted cash on deposit consisted of the following at December 31:

	<u><b>2024</b></u>
Bank money market account	\$ 211,723
Other bank accounts - Interest Bearing	1,262,029
Citi Fund Services-New Jersey State cash management account	66,207
Gift and debit card fund	<u>2,401</u>
	<u><u>\$ 1,542,360</u></u>

**4. CAPITAL ASSETS**

The current year changes in capital assets are summarized as follows:

	<b>Balance</b>			<b>Balance</b>
	<b>January 1,</b>			<b>December 31,</b>
	<b>2024</b>	<b>Increase</b>	<b>Decrease</b>	<b>2024</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Land	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Building and improvements	13,645,978	21,366	61,023	13,606,321
Machinery and equipment	<u>4,236,390</u>	<u>350,299</u>	<u>99,214</u>	<u>4,487,475</u>
Total capital assets	<u>\$ 19,382,368</u>	<u>\$ 371,665</u>	<u>\$ 160,237</u>	<u>\$ 19,593,796</u>

Depreciation is not recorded in Capital Assets since it is not required under the OCBOA basis of accounting (See Note 1). If depreciation were required, the adjustment could significantly alter the net position invested in Capital Assets.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

**5. PENSION PLAN**

Employees of The Library that are eligible, participate in the State of New Jersey, Public Employees' Retirement System ("PERS"). PERS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about PERS, please refer to the Division's Annual Comprehensive Financial Report ("ACFR"), which can be found at [www.state.nj.us/treasury/pensions/financialr-reports.shtml](http://www.state.nj.us/treasury/pensions/financialr-reports.shtml).

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<b>Tier</b>	<b>Definition</b>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Employer and Employee Contributions*

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State of New Jersey (the "State"). The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

The local employer’s contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Description of System

Substantially all of the Library’s full-time employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS).

Public Employees' Retirement System

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division’s Annual Comprehensive Financial Report (ACFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after twenty-five (25) years of service or under the disability provisions of PERS.

The Library’s contributions to the plan for the past three (3) years are as follows:

	PERS		
	2024	2023	2022
Covered Payroll	\$ 2,447,075	\$ 2,370,289	\$ 2,334,834
Actuarial Employer Contribution	435,920	396,832	371,523
Percent of Covered Payroll	17.81 %	18.39 %	17 %
Employee's Share	183,571	177,772	175,113
Percent of Covered Payroll	7.50 %	7.50 %	7.50 %

Pension (PERS) Accrual

The Library is required to report on its financial statements on an “Other Comprehensive Basis of Accounting” (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If The Library were required to reflect the obligation under

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligation would be needed in the amount of \$4,402,373 since the obligation relates to the period December 31, 2024 and prior. The accrual (under GAAP) would affect the fund balance at year end.

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2024 and June 30, 2023 Independent Auditor's Report dated June 11, 2025 and May 24, 2024, respectively.

The Library's reported liability of \$3,947,234 and \$4,724,248.00 for its proportionate share of the net pension liability at December 31, 2024 and December 31, 2023 respectively. The net pension liability was measured as of June 30, 2024 and June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2024 and July 1, 2023, which were roll forward. The Library's proportion of the net pension liability was based on a projection of The Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, (Measurement Date)	
	<u>2024</u>	<u>2023</u>
Local Group Share	\$ 13,702,423,985	\$ 14,606,489,066
Library Proportionate Percentage	0.0290493168 %	0.0326161698 %
Difference - Decrease	(0.0035668530) %	

For the year ended December 31, 2024, The Library's recognizable pension benefit was \$475,522. At December 31, 2024, The Library reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 4,904	\$ 44,910
Net difference between expected and actual experience	79,070	10,509
Net difference between projected and actual investment earnings on pension plan investment	-	183,022
Changes in proportion	176,808	477,430
Accounts Payable	<u>395,280</u>	<u>-</u>
Total	<u>\$ 656,062</u>	<u>\$ 715,871</u>

The \$395,280 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for The Library year ending December 31, 2024, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability in the Library 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 based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2025	(493,750)
2026	382,049
2027	(219,801)
2028	(126,889)
2029	3,302

Additional Information

Collective local Group employers' balances are as follows:

	<u>[Measurement Date]</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$ 1,079,580,780	\$ 1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective net pension liability	13,702,423,985	14,606,489,066
Collective net pension expense/(benefit)	372,160,096	(79,181,803)
Library's proportion (of Local Group)	0.0290493168 %	0.0326161698 %

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 6.55% [ <i>Based on years of service</i> ]
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	28.00 %	8.63 %
Non-U.S. Developed Markets Equity	12.75	8.85
International Small Cap Equity	1.25	8.85
Emerging Market Equities	5.50	10.66
Private Equity	13.00	12.40
Real Assets	8.00	10.95
Real Estate	3.00	8.20
High Yield	4.50	6.74
Private Credit	8.00	8.90
Investment Grade Credit	7.00	5.37
Cash Equivalents	2.00	3.57
U.S. Treasuries	4.00	3.57
Risk Mitigation Strategies	3.00	7.10
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State of employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments was applied to projected benefit payments after that date in determining the total pension liability.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2024, and June 30, 2023, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

		<u>June 30, 2024 [Measurement Date]</u>		
		At Current		
		1% Decrease	Discount Rate	1% Increase
		<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Library's proportionate share of the pension liability	\$	5,244,904	\$ 3,947,234	\$ 2,842,924
		<u>June 30, 2023 [Measurement Date]</u>		
		At Current		
		1% Decrease	Discount Rate	1% Increase
		<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Library's proportionate share of the pension liability	\$	6,149,966	\$ 4,724,248	\$ 3,510,774

Special Funding Situation – PERS

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 133, P.L.2001 and Chapter 133, P.L.2001. The June 30, 2024 State special funding situation net position liability amount of \$114.4 million is the accumulated determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L.2001 is due to the Sate paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2024, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$53.7 million, for the fiscal year ending June 30, 2024, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2024. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Under N.J.S.A.43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L.2001 and Chapter 133, PL.L.2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The Library has the following attributed to it related to the Special Funding Situation:

<u>December 31,</u>	<u># of Employees</u>	<u>Percent of Total State Liability</u>	<u>Employer's Pension Expense and Related Revenues</u>	
			<u>State Total</u>	<u>Library Share</u>
2024	1	0.029183527 %	\$ 43,606,492	\$ 12,726
2023	1	0.032740037	45,000,471	14,733
2022	1	0.031594150	31,626,530	9,992

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**6. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

Plan Description – NJSHBP

As of the date of this report the State of New Jersey Department of Treasury, Division of Pension and Benefits has not yet released the GASB#75 Other Post-Employment Benefits Allocation by Employer Report, which would have been as of June 30, 2024. The State of New Jersey Local Finance Board has permitted that the data need not be included for those local government entities that do not report the financial statement under the GASB/GAAP method. In the past the data was included merely for disclosure (*informational purposes*) in the Notes to Financial Statements. The lack of data does not District the fund balances of the various funds as presented in the report under the regulation (OCBOA) basis.

The NJSHBP as of July 1, 2022 had statewide for the local employee groups of 65,613 active and 34,771 retired for a total of 100,384 members. The Library at December 31, 2024 had fifty two (52) active and ten (10) retired employees for a total participation of sixty two (62).

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

Funding Policy – The contribution requirements of plan members are established and may be amended by the state legislature. Participating local government units are contractually required to contribute at a rate assessed each year by the NJSHBP. The NJSHB Commission sets the employer contribution rate based on the annual required contribution of the employers (ARC) as established in an annual rate recommendation report.

The NJSHBP issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and the actuarial valuation. Those reports may be obtained by writing to the State of New Jersey Department of Treasury, Division of Pension and Benefits, 50 West State Street, Trenton, NJ 08625-0299 or on the State of New Jersey website.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The NJSHB Commission sets the employer contribution rate based on the annual required contribution (ARC) of the employers as established in an annual rate recommendation report.

Contributions to pay for the health premiums of participating retirees in the NJSHBP are billed to the Library on a monthly basis. The number of employees covered and approximate cost for the past three years were as follows:

<u>Fiscal Year</u>	<u>Number of Employees</u>	<u>Employer's Cost</u>
2024	10	\$ 80,890
2023	10	71,254
2022	10	57,088

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, refer to the State of New Jersey, Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The information presented was abstracted from the State of New Jersey State Health Benefits Local Government Retired Employees Plan for June 30, 2024 and June 30, 2023 measurement date from the Independent Auditor's Reports dated August 21, 2024 and July 31, 2023.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission, Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: (1) retired on a disability pension; or (2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or (3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or (4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

GASB Statement No. 75 requires participating employers in the plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

The portion of the OPEB Liability that was associated with The Library recognized is as follows:

June 30, <i>[Measurement Date]</i>	
2023	2022
\$ 8,554,178.00	\$ 8,207,386.00

The proportion of the PERS Net OPEB Liability associated with The Library's liability is as follows:

June 30, <i>[Measurement Date]</i>	
2023	2022
0.0570030 %	0.0508210 %

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

Total Nonemployer OPEB Liability

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.75%
Salary increases *:	
Public Employees' Retirement System (PERS)	2.75% to 6.55%*
*Based on Years of Service	
Mortality:	Pub-2010 General classification headcount weighted mortality with fully
PERS	generational mortality improvement projections from the central year using Scale MP-2020

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PERS experience studies prepared July 1, 2018 to June 30, 2021, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine (9) years. For post-65 medical benefits, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For PPO, the trend is increasing to 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after eleven (11) years. For HMO, the trend is increasing to 17.44% in fiscal year 2026 and decreases to 4.50% after seven (7) years. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven (7) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2023 and June 30, 2022 was 3.65% and 3.54%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2023 [ <i>Measurement Date</i> ]		
At 1% Decrease 2.65%	At Discount Rate 3.65%	At 1% Increase 4.65%
\$ 9,908,465	\$ 8,554,178	\$ 7,464,863
June 30, 2022 [ <i>Measurement Date</i> ]		
At 1% Decrease 2.54%	At Discount Rate 3.54%	At 1% Increase 4.54%
\$ 9,514,013	\$ 8,207,386	\$ 7,156,083

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following represents the total nonemployer OPEB liability as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Healthcare Cost June 30, 2023 [ <i>Measurement Date</i> ]		
1% Decrease	Trend Rate	1% Increase
\$ 9,908,465	\$ 8,554,178	\$ 7,464,803
June 30, 2022 [ <i>Measurement Date</i> ]		
1% Decrease	Trend Rate	1% Increase
\$ 6,962,573	\$ 8,207,386	\$ 9,801,641

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 – June 30, 2023.

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

For the year ended June 30, 2023, The Library recognized OPEB benefit of \$219,814 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2023 under GASB 75 prior to any reduction due to the fiscal year 2023 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Net Difference between Expected and Actual		
Earnings on OPEB Plan Investments	\$ 2,161	-
Difference between Expected and Actual Expenses	423,828	\$ 1,521,300
Changes in Assumptions	1,095,310	2,801,023
Changes in Proportion	<u>1,313,684</u>	<u>1,867,167</u>
Sub-total	<u>\$ 2,834,983</u>	<u>\$ 6,189,490</u>

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Measurement Period Ending June 30,

2024	(719,168)
2025	(589,044)
2026	(378,663)
2027	(149,378)
2028	(301,526)
Total Thereafter	(323,141)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued "Local Employees" financial report.

Additional Information

Collective balances of the Local Retirement Group are as follows:

	<u>June 30, [Measurement Date]</u>	
	<u>2023</u>	<u>2022</u>
Deferred outflows of resources	\$ 9,133,524,491	\$ 7,897,070,518
Deferred inflows of resources	14,817,220,551	13,408,600,309
Net OPEB liability	15,006,539,477	16,149,595,478
Total OPEB Expense / (Benefit)	463,888,525	150,955,720
Library proportionate percentage	0.057003 %	0.050821 %

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

Shown below are details regarding the Total OPEB Liability for the measurement period:

	<u>[Measurement Date]</u>	
	<u>2023</u>	<u>2022</u>
	<u>Total OPEB Liability</u>	
Balance as of June 30,	\$ 16,090,925,144	\$ 18,050,052,887
Changes Recognized for the Fiscal Year:		
Service Cost	\$ 597,135,801	\$ 796,654,029
Interest on the Total OPEB Liability	581,375,849	401,372,615
Changes of Benefit Terms	23,039,435	402,474,416
Difference between Expected and Actual Experience	(2,123,324,632)	572,046,963
Changes of Assumptions	255,103,873	(3,599,550,175)
Gross Benefit Payments	(597,493,300)	(585,291,951)
Contributions from the Employee	62,414,616	53,166,360
	<hr/>	<hr/>
Net Changes	(1,201,748,358)	\$ (1,959,127,743)
Balance as of June 30	<u>\$ 14,889,176,786</u>	<u>\$ 16,090,925,144</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023. The component of the Net OPEB Liability is as follows:

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

	<i>Measurement Date</i>	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Total OPEB Liability	\$ 14,889,576,786	\$ 16,090,925,144
Plan Fiduciary Net Position	<u>(116,952,691)</u>	<u>58,670,334</u>
Net OPEB Liability	<u>\$ 15,006,529,477</u>	<u>\$ 16,032,254,810</u>
Net Position		
as a Percentage of OPEB Liability	-0.79%	-0.36%
OPEB Expense	(463,888,575)	150,955,720
Special Funding Situation	3,489,093,208	3,361,552,823
Nonspecial Funding Situation	<u>11,517,446,289</u>	<u>12,729,372,321</u>
	<u>\$ 15,006,539,497</u>	<u>\$ 16,090,925,144</u>

The Library is required to report on its financial statements on an “Other Comprehensive Basis of Accounting” (OCBOA) Regulatory Basis, which does not require an accrual for certain of its obligations inclusive of pension. If the Library were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligation due would be needed in the amount of \$5,199,671 since the obligation relates to the period December 31, 2023 and prior. The accrual (under GAAP) would affect the fund balance at year end.

**7. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

The Defined Contribution Retirement Program (“DCRP”) was established on July 1, 2007, for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103 P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. DCRP provides eligible members, with a minimum annual salary of \$5,000, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial.

The retirement program is a pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. Eligible individuals include employees enrolled in PERS on or after July 1, 2007 who earn salary in excess of established “maximum compensation” limits.

Enrolled members contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial which administers the DCRP for the Division of Pensions and Benefits. The Library is required to contribute 3% of the member’s base salary at the time the member’s contribution is submitted to Prudential Financial. The total DCRP covered payroll was \$457,892 and \$457,892, respectively. Covered payroll refers to all compensation paid by The Library to active employees covered by the Plan. Employee contributions to DCRP for the years ended December 31, 2024 and 2023 were \$3,837 and \$25,184, respectively. The Library’s required contribution to DCRP for the years ended December 31, 2024 and 2023 was \$2,093 and \$13,737, respectively.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

**8. DEFERRED COMPENSATION**

The Library offers its eligible employees the opportunity to contribute pretax contributions, through salary reductions, to a 403(b)(7) custodial account or a tax-sheltered annuity. The plan is administered by The Library and participation is voluntary. Contributions to these plans are not matched by The Library.

**9. COMPENSATED ABSENCES**

Vacation

Library employees are entitled to paid vacation leave each year. A maximum of one week of unused vacation pay may be accumulated and carried forward to the subsequent year. Approval is granted for additional time on an individual basis. The liability for compensated absences as of December 31, 2024 and 2023 is \$40,246 and \$43,124 for vacation time, respectively.

Sick Pay

Library employees are entitled to accrue sick pay. The Library does not accrue on its financial statements the liability for unused sick pay. The amount outstanding based on the number of hours accrued at the hourly rate for all employees is \$560,718. The amount due is the gross liability and the likelihood of it becoming due and owing is remote since there are statutory limits regarding unused sick time. The amount could vary year to year based on utilization, termination and/or retirements.

**10. EMPLOYEE DEVELOPMENT**

The Library holds a dedicated trust fund to support the skills development, education and compensation of current active employees. The Reserve for employee development was \$66,209 and \$62,894 as of December 31, 2024 and 2023, respectively, in the Governmental Net Position Sheets and Statements of Net Position - Regulatory Basis.

**11. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS**

The Library is the beneficiary of a trust held by an outside trustee. The value of the trust is based on The Library's share of the fair value of the underlying securities held by the trustee. Periodic distributions of income have been received by The Library and have been recorded as contributions in the amount of \$Not Available and \$3,823 for the years ended December 31, 2024 and 2023, respectively, and Not Available and \$79,874, respectively, and, based on the regulatory basis of accounting, is not recorded in the financial statements of The Library.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

**12. RELATED PARTY TRANSACTIONS**

The Trustees of the Free Public Library of Princeton, New Jersey is a government entity authorized pursuant to N.J.S.A. 40A:54-1. The Library receives substantial support from a Municipal Library Levy Tax and the Municipality of Princeton, New Jersey.

The Library board appoints the board of the Friends and Foundation of the Princeton Public Library, Inc. (the "Foundation"). The Library also provides the Friends and Foundation with management and fundraising services including accounting, supervisory and administrative services. The value of these services was estimated by management to be \$136,660 and \$118,187 for the years ended December 31, 2024 and 2023, respectively, of which \$67,023 and \$54,214 was reimbursed back to The Library, respectively.

The Foundation provides for an annual distribution from its endowment to The Library. Included within this distribution are amounts which are accumulated within the endowment restricted for specific purposes and a general unrestricted distribution. The Foundation made distributions to The Library of unrestricted funds amounting to \$464,905 and \$442,445 for the years ended December 31, 2024 and 2023, respectively. The Foundation made distributions to The Library of restricted funds amounting to \$240,337 and \$235,261 for the years ended December 31, 2024 and 2023, respectively.

The Foundation acts as a custodian to pass certain gifts and grants designated to The Library annual appeal and other causes. Gifts and grants which were passed through the Foundation to The Library amounted to approximately \$106,408 and \$112,241 for the years ended December 31, 2024 and 2023, respectively. The Foundation also authorizes a donation to The Library based on book sales made. Total distributions were \$267,800 and \$104,000 for the years ended December 31, 2024 and 2023, respectively.

**13. CONCENTRATIONS**

For the years ended December 31, 2024 and 2023, approximately 73% and 76%, respectively, of revenue is municipal support.

**14. RENTAL ACTIVITY**

The Library rents a portion of its building under a lease agreement, which expired February 28, 2025 and has been renewed for one additional, one-year term, expiring February 28, 2026. The lease calls for monthly payments which represent a percentage of the revenue generated by the lessee's sales or a minimum flat rate. Expected amounts to be received in future periods are as follows: 2025 - \$16,000 and 2026 - \$2,667.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

**15. COPY MACHINE LEASE**

The Library entered into a copy machine lease on October 25, 2021 for a term of 66 months at a rate of \$592 per month. The lease expires on September 25, 2026. The remaining annual payments are as follows

2025	\$7,104
2026	\$5,328

**16. OTHER COMMITMENTS AND CONTINGENCIES**

The Library is subject to legal proceedings and claims which arise in the ordinary course of business and has insurance coverage to cover such claims up to a specific limit. Management does not believe that the outcome of any outstanding matters or claims will have a material adverse effect on the financial position or operating results.

**17. MUNICIPAL LIBRARY TAX LEVY**

N.J.S.A 40A:54-8 requires that the municipality governed by this status shall annually raise an amount through a separate tax levy equive to one-third of a mil on every dollar of assessable property within such municipality based on the equalized valuation of such property as certified by the Director of the Division of Taxation in the Department of the Treasurer for the proper maintenance of a public library. As part of the 2024 Municipal Library Tax, the Borough of Princeton raised \$3,364,855 for the "Maintenance of Public Library". This amount met or exceeded the required funding under the provisions of N.J.S.A. 40A: 54-8 as limited by N.J.S.A. 40A:54-8.1.

Three (3) Year Trend of Funding and Tax Rate

	Applicable Equalized Valuation	Library Tax	Library Tax Assessed Valuation per \$100	Additional Municipal Appropriation
2024	\$ 10,086,302,159	\$ 3,364,855	\$ 0.047	\$ 1,373,329
2023	9,341,543,866	3,116,634	0.044	1,395,921
2022	8,902,154,329	2,970,163	0.041	1,542,392

**18. RISK MANAGEMENT**

For the year ending December 31, 2024, the Fund provided the following types of coverages: Auto, General Liability, Workmen's Compensation, Property, Public Officials Liability, Boiler and Public Official Surety/Dishonesty coverage.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Notes to Financial Statements**  
**Year Ended December 31, 2024 and 2023**

---

**19. SUBSEQUENT EVENTS**

The Library has evaluated subsequent events occurring after the balance sheet and statement of net position date through September 15, 2025, which is the date the financial statements were available to be issued. Based on this evaluation, The Library had no subsequent events which required adjustment to or disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**

**The Trustees of the Free Public Library of Princeton, New Jersey  
Schedule of the Library's Contributions - PERS  
Public Employees' Retirement System  
Year Ended December 31, 2024**

The Library's contractually and statutorily required employer contributions for each of the past nine (9) years \* are as follows

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	\$ 395,280	\$ 435,925	\$ 396,832	\$ 371,523	\$ 333,193	\$ 330,655	\$ 337,830	\$ 300,562	\$ 274,934
Contributions in relation to the contractually required contribution	<u>(395,280)</u>	<u>(435,925)</u>	<u>(396,832)</u>	<u>(371,523)</u>	<u>(333,193)</u>	<u>(330,655)</u>	<u>(337,830)</u>	<u>(300,562)</u>	<u>(274,934)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library's covered-employee payroll	\$ 2,447,075	\$ 2,370,289	\$ 2,334,834	\$ 2,281,490	\$ 2,350,115	\$ 2,191,556	\$ 2,300,753	\$ 2,348,781	\$ 2,205,121
Contributions as a percentage of covered-employee payroll	16.15%	18.39%	17.00%	16.28%	14.18%	15.09%	14.68%	12.80%	12.47%

\*This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten (10)-year trend is compiled, governments should present information for those years in which information is available.

**The Trustees of the Free Public Library of Princeton, New Jersey  
Schedule of Library's Proportionate Share of the Net Pension Liability - PERS  
Public Employees' Retirement System  
Year Ended December 31, 2024**

The Library's proportion (Amount and percentage) of the collective net pension liability and the Library's proportionate share of the collective net position liability as a percentage of covered payroll as of the measurement date (June 30) for the previous nine (9) years\* is as follows:

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Library's proportion of the net pension liability (asset) (PERS Local Group)	0.029049%	0.032343%	0.031204%	0.031389%	0.030220%	0.033488%	0.033636%	0.031412%	0.030504%
Library's proportionate share of the net pension liability (PERS Local Group)	\$ 3,947,234	\$ 4,724,248	\$ 4,749,019	\$ 3,758,164	\$ 4,966,856	\$ 6,075,920	\$ 6,621,780	\$ 7,312,145	\$ 9,034,271
Library's covered-employee payroll	\$ 2,447,075	\$ 2,370,289	\$ 2,334,834	\$ 2,281,490	\$ 2,350,115	\$ 2,191,556	\$ 2,300,753	\$ 2,348,781	\$ 2,205,121
Library's proportionate share of the net pension liability as a percentage of its covered payroll	161.30%	199.31%	203.40%	164.72%	211.35%	288.24%	287.81%	311.32%	409.70%

\*This schedule is presented to illustrate the requirement to show information for nine (9) years. However, until a full ten (10)-year trend is compiled, governments should present information for those years in which information is available.

**Notes to Required Supplementary Information**

**Benefit Changes**  
None

**Changes of Assumptions**

The discount rate changed as follows as of June 30:

7.00%	7.00%	7.00%	7.00%	7.00%	6.28%	5.66%	5.00%	3.98%
-------	-------	-------	-------	-------	-------	-------	-------	-------

**The Trustees of the Free Public Library of Princeton, New Jersey  
Schedule of the Library's Proportionate Share of the Net OPEB Liability -  
State Health Benefits Local Government Retired Employees Plan (SHBP)  
Year Ended December 31, 2024**

	2024	2023	2022	2021	2020	2019
Library's proportion (percentage) of the collective net OPEB liability	Not Available	0.057003%	0.050821%	0.049266%	0.054703%	0.047393%
Library's proportionate share (amount) of the collective net OPEB liability	Not Available	\$ 8,554,178	\$ 8,207,386	\$ 8,867,772	\$ 9,817,336	\$ 6,419,889
Library's covered-employee payroll	\$ 2,447,075	\$ 2,370,289	\$ 2,334,834	\$ 2,281,490	\$ 2,350,115	\$ 2,191,556
Library's proportionate share (amount) of the collective net OPEB liability as a percentage of its covered-employee payroll	N/A	360.89%	351.52%	388.68%	417.74%	292.94%
Plan fiduciary net position as a percentage of the total collective OPEB liability	N/A	0.79%	0.87%	0.28%	0.91%	1.98%

Note: This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten (10)-year trend is compiled, this presentation will only include information for those years for which information is available.

**Notes to Required Supplementary Information**

**Benefit Changes**  
None

**Changes of Assumptions**

The discount rate changed as follows as of June 30:

N/A	3.65%	3.54%	2.16%	2.21%	3.50%
-----	-------	-------	-------	-------	-------

The Trustees of the Free Public Library of Princeton, New Jersey  
Schedule of the Library's OPEB Contributions -  
State Health Benefits Local Government Retired Employees Plan (SHBP)  
Year Ended December 31, 2024

	2024	2023	2022	2021	2020	2019
Library's required contribution	\$ 80,890	\$ 71,254	\$ 57,088	\$ 46,444	41,805	\$ 45,800
Library's contributions in relation to required contribution	(80,890)	(71,254)	(57,088)	(46,444)	(41,805)	(45,800)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library's covered-employee payroll	\$ 2,447,075	\$ 2,370,289	\$ 2,334,834	\$ 2,281,490	\$ 2,350,115	\$ 2,191,556
Contributions as a percentage of covered-employee payroll	3.31%	3.01%	2.45%	2.04%	1.78%	2.09%

**The Trustees of the Free Public Library of Princeton, New Jersey  
Schedule of Revenues Compared to Budget**

**Year Ended December 31, 2024**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Revised</u>		
<b>Operating Budget</b>				
Current revenues				
Municipal library tax levy	\$ 3,364,885	\$ 3,364,885	\$ 3,364,885	\$ -
Municipal additional appropriation	1,373,299	1,373,299	1,373,299	-
State library aid	<u>16,889</u>	<u>16,889</u>	<u>16,889</u>	<u>-</u>
General fund revenue				
Fines/fees	137,900	137,900	152,939	15,039
Interest earned	50	50	23	(27)
Saleable/taxable items	7,000	7,000	8,861	1,861
Meeting room charge	45,000	45,000	42,629	(2,371)
Endowment - unrestricted	375,000	455,093	455,093	-
Donations - unrestricted	463,846	463,846	463,846	-
Donations - restricted	114,000	114,000	115,000	1,000
Café income	15,600	15,600	17,441	1,841
Other	<u>1,000</u>	<u>1,000</u>	<u>1,682</u>	<u>682</u>
Total General fund revenue	<u>1,159,396</u>	<u>1,239,489</u>	<u>1,257,514</u>	<u>18,025</u>
Total operating revenues	<u>5,914,469</u>	<u>5,994,562</u>	<u>6,012,587</u>	<u>18,025</u>
Special revenues				
Friends and Foundation Contribution	267,800	267,800	274,710	6,910
Endowment - restricted	<u>127,640</u>	<u>127,640</u>	<u>158,394</u>	<u>30,754</u>
Total special revenues	<u>395,440</u>	<u>395,440</u>	<u>433,104</u>	<u>37,664</u>
Total operating revenues	<u>\$ 6,309,909</u>	<u>\$ 6,390,002</u>	<u>\$ 6,445,691</u>	<u>\$ 55,689</u>
	<u>Carryover at</u>	<u>Approved</u>	<u>Total Budget</u>	<u>Actual</u>
	<u>December 31, 2023</u>	<u>Budget</u>	<u>Available</u>	<u>2024</u>
		<u>2024</u>	<u>2024</u>	
<b>Capital Budget</b>				
Current revenues				
Municipal revenue	\$ 379,925	\$ 585,557	\$ 965,482	\$ 526,102
Library capital revenue	<u>445,041</u>	<u>91,025</u>	<u>536,066</u>	<u>90,724</u>
	<u>\$ 824,966</u>	<u>\$ 676,582</u>	<u>\$ 1,501,548</u>	<u>\$ 616,826</u>

The Trustees of the Free Public Library of Princeton, New Jersey  
Schedule of Expenditures Compared to Budget  
Year Ended December 31, 2024

	Budget		Paid or Charged	Reserved	Cancelled
	Original	Revised			
<b>Operating Fund</b>					
Municipal Fund					
Salaries and benefits					
Salaries	\$ 3,146,654	\$ 3,146,654	\$ 3,145,254	\$ 1,400	\$ -
Payroll taxes and disability	257,168	257,168	250,458	6,710	
Pension	452,000	452,000	449,176	2,824	
Health benefits	713,132	713,132	713,132	-	
	<u>4,568,954</u>	<u>4,568,954</u>	<u>4,558,020</u>	<u>10,934</u>	<u>-</u>
Other expenses					
Building and grounds	161,119	161,119	146,627	14,492	-
Total municipal fund	<u>4,730,073</u>	<u>4,730,073</u>	<u>4,704,647</u>	<u>25,426</u>	<u>-</u>
<b>General Fund</b>					
Salaries and benefits	35,475	35,475	35,475	-	-
Library materials	169,839	169,839	168,838	1,001	-
Administrative expenses	81,495	81,495	71,487	10,008	-
General operating	226,117	226,117	214,349	11,768	-
Building and grounds	413,889	413,889	410,389	3,500	-
Equipment and furniture	39,024	39,024	36,255	2,769	-
Technology	202,267	202,267	200,267	2,000	-
	<u>1,132,631</u>	<u>1,132,631</u>	<u>1,101,585</u>	<u>31,046</u>	<u>-</u>
Total general fund	<u>1,168,106</u>	<u>1,168,106</u>	<u>1,137,060</u>	<u>31,046</u>	<u>-</u>
Total operating fund	<u>5,898,179</u>	<u>5,898,179</u>	<u>5,841,707</u>	<u>56,472</u>	<u>-</u>
<b>Special Revenue Funds</b>					
Friend & Foundation Contribution					
Other expenses					
Library materials	267,800	267,800	267,637	163	-
Other special revenue funds					
Salaries and benefits					
Salaries		83,194	69,645	13,549	-
Payroll taxes and disability		6,089	5,849	240	-
Pension		5,305	5,305	-	-
Health benefits		4,500	3,000	1,500	-
	<u>-</u>	<u>99,088</u>	<u>83,799</u>	<u>15,289</u>	<u>-</u>
Other expenses					
Library materials		53,935	32,965	20,970	-
Administrative expenses		3,156	89	3,067	-
General operating		103,571	52,482	51,089	-
Technology		35,271	16,900	18,371	-
Total other expenses	<u>-</u>	<u>195,933</u>	<u>102,436</u>	<u>93,497</u>	<u>-</u>
Total special revenue funds	<u>267,800</u>	<u>562,821</u>	<u>453,872</u>	<u>108,949</u>	<u>-</u>
Total operating and special revenue funds	<u>\$ 6,165,979</u>	<u>\$ 6,461,000</u>	<u>\$ 6,295,579</u>	<u>\$ 165,421</u>	<u>\$ -</u>
<b>Capital Budget</b>					
Capital expenditures		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
Municipal expenditures *		\$ 965,482	\$ 526,102	\$ (439,480)	
Library capital expenditures *		536,066	90,724	(445,342)	
		<u>\$ 1,501,548</u>	<u>\$ 616,826</u>	<u>\$ (884,722)</u>	

\* Capital budget includes current year budget plus prior year improvement authorizations.

**Operating Summary:**

Operating Budget:		
Appropriations	\$ 6,165,979	\$ 6,461,000
Reserve	6,309,909	6,390,002
Net Position Utilized/(Provided)	<u>\$ 143,930</u>	<u>\$ (70,998)</u>

The Trustees of the Free Public Library of Princeton, New Jersey  
 Combining Governmental Fund Balance Sheets  
 Year Ended December 31, 2024

Trust and Agency	Restricted Funds			Operating Funds			Capital Funds			Memo Only - Total		
	Employee Development	Friends	Grant/ Designated Gifts	Subtotal Restricted Funds	General	Municipal	Subtotal Operations	Library Funded Capital	Municipal Funded Capital		Subtotal Capital	General Fixed Assets
<b>Assets</b>												
Cash	\$ 66,207	\$ 27,076	\$ 115,866	\$ 142,942	\$ 749,602	\$ 206,650	\$ 956,252	\$ 132,242	\$ 160,564	\$ 292,806	\$ 19,593,796	\$ 1,458,207
Due from municipalities-capital	-	-	-	-	-	-	-	-	401,387	401,387	-	401,387
Other receivables	-	-	-	-	376	567	943	-	-	-	-	943
Capital assets, Net	-	-	-	-	-	-	-	-	-	-	-	19,593,796
<b>Total assets</b>	<b>\$ 66,207</b>	<b>\$ 27,076</b>	<b>\$ 115,866</b>	<b>\$ 142,942</b>	<b>\$ 749,978</b>	<b>\$ 207,217</b>	<b>\$ 957,195</b>	<b>\$ 132,242</b>	<b>\$ 561,951</b>	<b>\$ 694,193</b>	<b>\$ 19,593,796</b>	<b>\$ 21,454,333</b>
<b>Liabilities and Reserves</b>												
Reserve for encumbrances	-	\$ 7,124	-	\$ 7,124	\$ 21,793	\$ 14,414	\$ 36,207	-	-	-	-	\$ 43,331
Reserve for capital encumbrances	-	-	-	-	-	-	-	\$ 5,973	\$ 61,816	\$ 67,789	-	67,789
Security deposit	-	-	-	-	1,300	-	1,300	-	-	-	-	1,300
Improvement authorizations	-	-	-	-	-	-	-	126,269	399,834	526,103	-	526,103
Unearned revenue	-	-	-	-	-	19,868	19,868	-	-	-	-	19,868
Reserve for employee development	66,207	-	-	-	-	-	-	-	-	-	-	66,207
<b>Fund Balances</b>	<b>66,207</b>	<b>7,124</b>	<b>-</b>	<b>7,124</b>	<b>23,093</b>	<b>34,282</b>	<b>57,375</b>	<b>132,242</b>	<b>461,650</b>	<b>593,892</b>	<b>-</b>	<b>724,598</b>
Investment in capital assets	-	\$ 19,952	-	\$ 19,952	\$ 726,885	\$ 172,935	\$ 899,820	-	\$ 100,301	\$ 100,301	\$ 19,593,796	\$ 19,593,796
Unreserved	-	-	-	-	-	-	-	-	-	-	-	919,772
Reserved for capital trust	-	-	-	-	-	-	-	-	-	-	-	100,301
Reserved for grant and dedicated gift expenditures	-	19,952	\$ 115,866	115,866	726,885	172,935	899,820	-	100,301	100,301	-	115,866
<b>Total liabilities and reserves and fund balances</b>	<b>\$ 66,207</b>	<b>\$ 27,076</b>	<b>\$ 115,866</b>	<b>\$ 142,942</b>	<b>\$ 749,978</b>	<b>\$ 207,217</b>	<b>\$ 957,195</b>	<b>\$ 132,242</b>	<b>\$ 561,951</b>	<b>\$ 694,193</b>	<b>\$ 19,593,796</b>	<b>\$ 21,454,333</b>

See Independent Auditors' Report.

**The Trustees of the Free Public Library of Princeton, New Jersey  
Schedule of Revenue, Expenditures and Change of Fund Balance  
Year Ended December 31, 2024**

	<u>Municipal Fund</u>	<u>General Fund</u>	<u>F&amp;F Contribution Fund</u>	<u>Restricted Endowment Grants/Gifts</u>	<u>Operating Total</u>	<u>Capital Fund</u>	<u>General Fixed Assets</u>	<u>Total</u>
<b>Revenue</b>								
Municipal library tax levy	\$ 3,364,885				\$ 3,364,885			\$ 3,364,885
Municipal additional appropriation	1,373,299	-	-	-	1,373,299	-	-	1,373,299
State library aid	16,889	-	-	-	16,889	-	-	16,889
Fines/fees	-	\$ 152,939	-	-	152,939	-	-	152,939
Interest	804	23	\$ 96	-	923	-	-	923
Saleable/taxable items	-	8,861	-	-	8,861	-	-	8,861
Meeting room charge	-	42,629	-	-	42,629	-	-	42,629
Endowment contribution	-	455,093	-	-	455,093	-	-	455,093
Donations - unrestricted	-	463,846	-	-	463,846	-	-	463,846
Café income	-	17,441	-	-	17,441	-	-	17,441
Miscellaneous/other	-	878	-	-	878	-	-	878
Friends revenue	-	-	274,614	-	274,614	-	-	274,614
Grant revenue	-	-	-	\$ 25,890	25,890	-	-	25,890
Capital fund revenues	-	-	-	-	-	\$ 614,084	-	614,084
Designated gifts	-	115,000	-	132,504	247,504	-	-	247,504
Total revenues	<u>4,755,877</u>	<u>1,256,710</u>	<u>274,710</u>	<u>158,394</u>	<u>6,445,691</u>	<u>614,084</u>	<u>-</u>	<u>7,059,775</u>
<b>Expenditures</b>								
Salaries and benefits	4,558,020	35,475	-	83,799	4,677,294	-	-	4,677,294
Other expenses	146,627	1,101,585	267,637	102,436	1,618,285	616,826	-	2,235,111
Total expenditures	<u>4,704,647</u>	<u>1,137,060</u>	<u>267,637</u>	<u>186,235</u>	<u>6,295,579</u>	<u>616,826</u>	<u>-</u>	<u>6,912,405</u>
Excess or revenues over expenditures	<u>51,230</u>	<u>119,650</u>	<u>7,073</u>	<u>(27,841)</u>	<u>150,112</u>	<u>(2,742)</u>	<u>-</u>	<u>147,370</u>
Other (debits)/credits								
Prior year encumbrance cancelled	-	183	(163)	-	20	-	-	20
Capital assets acquired/refund, net	-	-	-	-	-	-	211,428	211,428
Net change in net position	<u>51,230</u>	<u>119,833</u>	<u>6,910</u>	<u>(27,841)</u>	<u>150,132</u>	<u>(2,742)</u>	<u>211,428</u>	<u>358,818</u>
Fund balances								
Balance, January 1	<u>121,705</u>	<u>607,052</u>	<u>13,042</u>	<u>143,707</u>	<u>885,506</u>	<u>103,043</u>	<u>19,382,368</u>	<u>20,370,917</u>
Balance, December 31	<u>\$ 172,935</u>	<u>\$ 726,885</u>	<u>\$ 19,952</u>	<u>\$ 115,866</u>	<u>\$ 1,035,638</u>	<u>\$ 100,301</u>	<u>\$ 19,593,796</u>	<u>\$ 20,729,735</u>

See Independent Auditors' Report.

**The Trustees of the Free Public Library of Princeton, New Jersey  
Analysis of Payroll Cash  
Year Ended December 31, 2024**

	<b>Balance January 1, 2024</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Balance December 31, 2024</b>
Net pay	\$ -	\$ 2,010,614	\$ 2,010,614	\$ -
Payroll deductions	12,486	1,216,262	1,228,748	-
Due (from) to public fund	(7,137)	16,853	7,137	2,579
Interest	103	48	151	-
Employer share of social security, Medicare, disability and pension	786	689,368	690,154	-
	\$ 6,238	\$ 3,933,144	\$ 3,936,804	\$ 2,579

See Independent Auditors' Report.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Analysis of Restricted Cash**  
**Year Ended December 31, 2024**

	<b>Restricted Gifts</b>	<b>Endowment Gifts</b>	<b>Grants</b>	<b>Subtotal</b>	<b>Friends &amp; Foundation</b>	<b>Total</b>
Cash balance, January 1, 2024	\$ 46,102	\$ 53,989	\$ 43,616	\$ 143,707	\$ 13,988	\$ 157,695
Receipts						
Revenue	15,269	132,504	10,621	158,394	274,614	433,008
Interest	-	-	-	-	96	96
Subtotal receipts	15,269	132,504	10,621	158,394	274,710	433,104
Restricted for operating fund	61,371	186,493	54,237	302,101	288,698	590,799
Disbursements						
Expenditures	27,904	144,402	13,929	186,235	261,622	447,857
Cash balance, December 31, 2024	\$ 33,467	\$ 42,091	\$ 40,308	\$ 115,866	\$ 27,076	\$ 142,942

The Trustees of the Free Public Library of Princeton, New Jersey  
 Schedule of Capital Projects  
 Improvement Authorizations  
 Year Ended December 31, 2024

Project	Year Authorized	Improvements Authorized	Improvement Balances January 1, 2024	Improvements Authorized in 2024	Improvements Appropriated in 2024	Improvement Balances December 31, 2024
Video Surveillance System	2017	\$ 150,000	\$ 2,314	\$ -	\$ -	\$ 2,314
Restroom Upgrades/ Fountains	2019	101,000	150	-	150	-
YS Power Supply & Furniture	2019	51,000	42,536	-	42,536	-
Furniture & Equipment	2019	50,000	30	-	30	-
Exterior Door Replacements	2021	60,000	48,500	-	48,500	-
Furniture & Equipment	2021	17,000	10,000	-	-	10,000
Furniture/Equipment	2023	77,500	77,500	-	67,883	9,617
Technology Replacements & Upgrades	2023	29,055	29,055	-	6,405	22,650
Youth Services Technology & Equipment	2023	169,990	169,990	-	-	169,990
Doors & Hardware and Emergency Exit System	2024	90,000	-	90,000	15,000	75,000
Technology Replacements & Upgrades	2024	175,000	-	175,000	88,679	86,321
Furniture/Equipment	2024	85,000	-	85,000	-	85,000
Innovation Project - Building Improvement	2023	40,794	40,794	-	40,794	-
Innovation Project - Building Improvement	2024	34,082	34,082	-	34,082	-
WTC Building Stewardship	2019	700	700	-	700	-
WTC Building Stewardship	2020	48,309	48,309	-	48,309	-
WTC Building Stewardship	2021	94,283	94,283	-	94,283	-
WTC Building Stewardship	2022	88,085	88,085	-	88,085	-
WTC Building Stewardship	2023	95,614	95,614	-	95,614	-
WTC Building Stewardship	2024	53,830	-	53,830	53,830	-
		\$ 1,511,242	\$ 781,942	\$ 403,830	\$ 724,880	\$ 460,892

**The Trustees of the Free Public Library of Princeton, New Jersey  
Schedule of Capital Distribution from Municipality  
Year Ended December 31, 2024**

	<u>Due From Municipality January 1, 2024</u>	<u>Projects Authorized 2024</u>	<u>Due From Municipality in 2024</u>	<u>Total Cash Received 2024</u>	<u>Due From Municipality December 31, 2024</u>
Video Surveillance System (2017)	\$ 2,314	-	\$ 2,314		\$ 2,314
Furniture & Power Supply YS 2019	42,536	-	42,536	\$ 42,536	-
Furniture & Equipment 2019	150	-	150		150
Exterior Door Replacements 2021	48,500	-	48,500	48,500	-
Furniture & Equipment 2021	10,000	-	10,000		10,000
Cooling Tower 2022	6,778	-	6,778	6,778	-
Furniture & Equipment 2023	77,500		77,500	68,033	9,467
Technology Replacements & Upgrades 2023	29,055		29,055	6,405	22,650
Youth Services Technology & Equipment 2023	169,990		169,990		169,990
Furniture & Equipment 2024		\$ 85,000	85,000		85,000
Technology Replacements & Upgrades 2024		175,000	175,000	148,185	26,815
Doors & Hardware Exits 2024	-	90,000	90,000	15,000	75,000
	<u>\$ 386,823</u>	<u>\$ 350,000</u>	<u>\$ 736,823</u>	<u>\$ 335,437</u>	<u>\$ 401,386</u>

See Independent Auditors Report.

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Roster of Officials**  
**Year Ended December 31, 2024**

---

<b><u>Members of the Board of Trustees</u></b>	<b><u>Title</u></b>	<b><u>Term Expires(d)</u></b>
Robert Ginsberg	President	1/1/2029
Christopher Van Buren	Vice President	1/1/2025
Jeffrey Liao	Treasurer	1/1/2028
Sebnem Tuzun	Secretary	1/1/2027
Keisha Smith-Carrington	Superintendent's Designee	Statutory
Eve Niedergang	Mayor's Designee	Statutory
Holley Barreto		1/1/2028
Kushanava Choudhury		1/1/2026
Stephanie Oster		1/1/2027
Mark Freda	Mayor	1/1/2025
Jennifer Podolsky	Executive Director	As of February 2020

**AUDITOR'S COMMENTS AND RECOMMENDATIONS**

**The Trustees of the Free Public Library of Princeton, New Jersey**  
**Schedule of Findings and Recommendations**  
**Year Ended December 31, 2024**

---

**Schedule of Financial Statement Findings**

This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

See Independent Auditor's Report.

**The Trustees of the Free Public Library of Princeton, New Jersey  
Schedule of Prior Year Findings and Recommendations  
Year Ended December 31, 2023**

---

**Schedule of Prior Year Financial Statement Findings**

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None

See Independent Auditor's Report.