



***FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT***

***YEARS ENDED DECEMBER 31, 2024 AND 2023***

WESTCHESTER LIBRARY SYSTEM  
Years Ended December 31, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

To The Board of Trustees of  
Westchester Library System  
Elmsford, New York

### **Opinion**

We have audited the accompanying financial statements of Westchester Library System (a nonprofit organization), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westchester Library System as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Westchester Library System's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Westchester Library System'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 Westchester Library System'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.

*Dorfman Abrams Music, LLC*

Saddle Brook, New Jersey

April 29, 2025

WESTCHESTER LIBRARY SYSTEM

BALANCE SHEETS

ASSETS

	December 31,	
	<u>2024</u>	<u>2023</u>
Cash	\$ 3,694,006	\$ 3,579,574
Investments	1,160,903	1,103,100
Accounts and other receivables	98,559	124,245
Grants receivable	365,676	346,714
Prepaid expenses	728,543	961,145
Computer inventory	269,739	5,855
Property and equipment, net	304,951	453,920
Operating lease right-of-use assets, net	677,961	923,257
Total assets	<u>\$ 7,300,338</u>	<u>\$ 7,497,810</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 826,258	\$ 599,268
Deferred revenue	584	1,106
Operating lease obligations	815,954	1,104,346
Post-retirement benefit obligation	3,563,008	3,983,425
Total liabilities	<u>5,205,804</u>	<u>5,688,145</u>
Net assets:		
Without donor restrictions	2,060,196	1,597,454
With donor restrictions	34,338	212,211
Total net assets	<u>2,094,534</u>	<u>1,809,665</u>
Total liabilities and net assets	<u>\$ 7,300,338</u>	<u>\$ 7,497,810</u>

See Notes to Financial Statements.



WESTCHESTER LIBRARY SYSTEM

STATEMENTS OF CASH FLOWS

	<u>Year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Change in net assets	\$ 284,869	\$ (234,056)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	159,942	183,809
Amortization of operating leases right-of-use assets	245,296	232,231
Operating lease liability obligations	(288,392)	(268,208)
Pension and post-retirement benefit obligations other than net periodic pension costs	(351,987)	146,484
Realized and unrealized gains on investments		(5,185)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Grants receivable	(18,962)	(13,337)
Accounts and other receivables	25,686	2,152
Prepaid expenses	232,602	(237,919)
Computer inventory	(263,884)	38,491
Increase (decrease) in:		
Accounts payable and accrued expenses	226,990	(100,223)
Deferred revenue	(522)	(5,580)
Post-retirement benefits payable	(68,430)	(20,050)
Net cash provided (used) by operating activities	<u>183,208</u>	<u>(281,391)</u>
Cash flows from investing activities:		
Purchase of investments	(57,803)	(46,551)
Purchases of property and equipment	(10,973)	(65,501)
Net cash used in investing activities	<u>(68,776)</u>	<u>(112,052)</u>
Net change in cash	114,432	(393,443)
Cash, beginning of year	<u>3,579,574</u>	<u>3,973,017</u>
Cash, end of year	<u>\$ 3,694,006</u>	<u>\$ 3,579,574</u>

See Notes to Financial Statements.

WESTCHESTER LIBRARY SYSTEM  
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2024 and 2023

	Program services					
	Technology		Public service		Total	
	2024	2023	2024	2023	2024	2023
Salaries	\$ 815,241	\$ 834,441	\$ 982,867	\$ 1,018,442	\$ 1,798,108	\$ 1,852,883
Fringe benefits	394,033	349,038	315,952	285,168	709,985	634,206
Total salaries and related expenses	1,209,274	1,183,479	1,298,819	1,303,610	2,508,093	2,487,089
Periodicals			216,960	647,884	216,960	647,884
Hardware and software maintenance			33,633	34,028	624,305	573,119
Delivery service		539,091	459,264	444,813	459,264	444,813
Contractual services	113,934	118,371	109,635	181,799	223,569	300,170
Rent and utilities	144,954	134,390	174,121	124,034	319,075	258,424
Telephone and internet	286,627	329,026	9,606	15,049	296,233	344,075
Database			247,295	214,867	247,295	214,867
Equipment	48,653	53,167	17,321	31,476	65,974	84,643
Books, film, etc.			667,530	84,424	667,530	84,424
Professional fees	2,718	33,693	231	578	2,949	34,271
Printing and postage	80	39	51,728	51,536	51,808	51,575
Professional development	495	5,339	47,757	34,883	48,252	40,222
Travel	17,592	17,991	7,671	12,644	25,263	30,635
Insurance	14,765	14,883	2,890	3,632	17,655	18,515
Memberships	205	500	10,851	4,269	11,056	4,769
Supplies	1,755	738	5,852	1,738	7,607	2,476
Miscellaneous	7,817	4,072	303	186	8,120	4,258
Depreciation	145,397	169,044			145,397	169,044
Total operating expenses	<u>\$ 2,584,938</u>	<u>\$ 2,603,823</u>	<u>\$ 3,361,467</u>	<u>\$ 3,191,450</u>	<u>\$ 5,946,405</u>	<u>\$ 5,795,273</u>

See Notes to Financial Statements.

WESTCHESTER LIBRARY SYSTEM  
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2024 and 2023

	Management and general		Supporting services		Total		Total program and	
	2024	2023	2024	2023	2024	2023	2024	2023
Salaries	\$ 405,571	\$ 285,326	\$ 44,023	\$ 41,994	\$ 449,594	\$ 327,320	\$ 2,247,702	\$ 2,180,203
Fringe benefits	492,937	512,635	16,158	23,856	509,095	536,491	1,219,080	1,170,697
Total salaries and related expenses	898,508	797,961	60,181	65,850	958,689	863,811	3,466,782	3,350,900
Periodicals	45,880	172			45,880	172	262,840	648,056
Hardware and software maintenance	41,562	43,401	868	767	42,430	44,168	666,735	617,287
Delivery service							459,264	444,813
Contractual services	41,485	66,514			41,485	66,514	265,054	366,684
Rent and utilities	4,480	83,253	10,983	12,809	15,463	96,062	334,538	354,486
Telephone and internet	5,228	4,518			5,228	4,518	301,461	348,593
Database							247,295	214,867
Equipment	10,511	22,273			10,511	22,273	76,485	106,916
Books, film, etc.	123				123		667,653	84,424
Professional fees	43,296	36,543			43,296	36,543	46,245	70,814
Printing and postage	4,528	11,290		6	4,528	11,296	56,336	62,871
Professional development	9,762	10,533	272		10,034	10,533	58,286	50,755
Travel	11,795	16,164			11,795	16,164	37,058	46,799
Insurance	17,867	14,693			17,867	14,693	35,522	33,208
Memberships	14,436	13,592			14,436	13,592	25,492	18,361
Supplies	6,697	5,570			6,697	5,570	14,304	8,046
Miscellaneous	6,557	2,455			6,557	2,455	14,677	6,713
Depreciation	14,545	14,765			14,545	14,765	159,942	183,809
Total operating expenses	\$ 1,177,260	\$ 1,143,697	\$ 72,304	\$ 79,432	\$ 1,249,564	\$ 1,223,129	\$ 7,195,969	\$ 7,018,402

See Notes to Financial Statements.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

1. Nature of the Organization

The Westchester Library System (the Organization) coordinates the efforts of a cooperative of the 38 public libraries serving Westchester County. Its purpose is to provide cost-effective centralized services that reflect economies of scale or specialized expertise, which the individual member library cannot afford. The Organization encourages the coordination and sharing of resources among members, provides and supports the technological infrastructure used by member libraries, offers staff development and training for Organization and member library staff, coordinates outreach to the underserved population, and provides advocacy at the local, county, state, and national levels to improve awareness of funding for libraries.

2. Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and post-retirement benefit obligations other than periodic costs, and other activities considered to be of a more unusual or nonrecurring nature.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates

Cash

Cash consists of demand deposit accounts. Cash and money market funds, held as a portion of the Organization's investment portfolio, are classified as investments and are not considered to be cash equivalents for purposes of the statement of cash flows.

WESTCHESTER LIBRARY SYSTEM

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

2. Summary of significant accounting policies (continued)

Investments

Investments are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values on the balance sheet. Unrealized gains and losses are included in the change in net assets without donor restriction for the gains and losses that are unrestricted and in the change in net assets with donor restriction for the gains and losses that are restricted for the support of certain programs. Investment fees are netted against the investment income.

Fair value measurement

U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under U.S. GAAP are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly, including inputs that are not considered to be active;

Level 3 - Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad criteria data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Organization's perceived risk of that investment.

Accounts receivable

Accounts receivable consist of amounts unpaid from member libraries. All accounts receivable are expected to be collected within one year.

Allowance for credit losses

The Organization uses the allowance method to account for credit losses. The allowance, if any, is based on prior years' experience and management's analysis of possible credit losses. Accounts receivable are written off when deemed uncollectible. Management determined that an allowance for credit losses was not necessary as of December 31, 2024 and 2023.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

2. Summary of significant accounting policies (continued)

Grants receivable

Grants receivable consist of amounts unpaid from New York State and Westchester County. All grants receivable are expected to be collected within one year.

Allowance for doubtful accounts

The Organization determines whether an allowance for uncollectible receivables should be provided, based on management's assessments of the age of the Organization's receivables, current economic conditions and historical experience. As of December 31, 2024 and 2023, the Organization determined that an allowance was not necessary.

Prepaid expenses

Funds disbursed for expenses that will be incurred in future periods are recorded as prepaid expenses.

Computer inventory

Inventories consist of personal computers and other types of computer equipment that are purchased by the Organization for its members. The items are carried at cost, determined on a first-in, first-out basis. Computers for additional member workstations are sold to the members at the Organization's cost. Computers, which are provided as replaced items to members, are provided at no cost.

Property and equipment

Property and equipment are stated at cost. Depreciation is provided on the straight-line method at rates based on the following estimated useful lives:

Furniture and equipment	3 - 10 years
Leasehold improvements	7 - 10 years
Software - online catalog	5 years
Automobiles	5 years

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in the change in net assets except for assets traded where no cash is received. Expenditures for maintenance and repairs are charged to expenses as incurred; replacements and betterments in excess of \$5,000 that extend the useful lives are capitalized.

Deferred revenue

Funds received that have not been earned as of the year-end dates are reflected as deferred revenue.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

2. Summary of significant accounting policies (continued)

Operating leases – right-of-use assets

The Organization recognizes rights and obligations arising from leases as right-of-use (ROU) assets and lease liabilities in the balance sheet in accordance with ASU No. 2016-02, *Leases*. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less) and leases below the ROU assets capitalization policy of \$50,000 per lease. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Revenue and revenue recognition

The Organization recognizes contributions when cash, investments or other financial assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from federal, state, and county grants, which are conditioned upon certain performance requirements and/or the incurrence of qualifying expenses. Amounts received are recognized as revenue when the Organization receives the funds.

Member technology fees, which are nonrefundable, are comprised of an exchange element based on the value of benefits. The Organization recognizes the exchange portion of member technology over the membership period.

The Organization recognizes revenue from conference and seminar events when the event takes place. Amounts received prior to the commencement of the conference and seminar events, including deposits, are deferred to the applicable period. Financial aid is provided to certain attendees and are recorded as a reduction to fees at the time revenue is recognized.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

2. Summary of significant accounting policies (continued)

Functional allocation of expenses

The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort and square footage.

Income taxes

The Organization is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications have been made to the 2023 financial statements to conform to the 2024 presentation.

3. Risks and uncertainties

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, investments, and accounts and grants receivable. The Organization maintains its cash in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. In order to limit their exposure, the Organization and the bank have entered into a collateral and control agreement. Under that agreement, the bank has agreed to secure funds not insured by the Federal Deposit Insurance Corporation by pledging securities as defined in New York State statutes. Investments are exposed to various risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported on the financial statements. Concentrations of credit risk with respect to accounts receivable are limited due to the number of libraries comprising the Organization's member base and the generally short payment terms. Credit risk with respect to grants receivable are limited due to the fact that grants are received from governmental organizations. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

4. Availability and liquidity

The following represents the Organization's financial assets at December 31, 2024:

Financial assets at year end

Cash	\$ 3,694,006
Investments	1,160,903
Accounts and other receivables	98,559
Grants receivable	<u>365,676</u>
 Total financial assets	 <u>5,319,144</u>
 Less amounts not available to be used within one year:	
Net assets with donor restrictions	34,338
Less net assets with purpose restrictions to be met in less than a year	<u>(29,000)</u>
	<u>5,338</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 5,313,806</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,800,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including grants, fees for services, and contributions.

The Organization also has a line of credit available to meet short-term needs in the amount of \$500,000 (see Note 11).

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

5. Investments

Investments are stated at fair value and summarized as follows at December 31:

	2024		2023	
	Cost	Fair value	Cost	Fair value
Cash equivalents	\$303	\$303	\$ 87	\$ 87
United States Treasuries	1,146,823	1,160,600	1,089,201	1,103,013
	\$ 1,147,126	\$ 1,160,903	\$ 1,089,288	\$ 1,103,100

The following schedule summarizes the investment return at December 31. All investment earnings are available for the unrestricted use of the Organization:

	2024	2023
Interest and dividend income on investments	\$ 57,803	\$ 46,551
Realized and unrealized gains on investments		5,185
	\$ 57,803	\$ 51,736

6. Fair value measurement

The classification of the Organization's investment securities at fair value is as follows at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Cash (at cost)	\$	\$	\$	\$ 303
United States Treasury securities		1,160,600		1,160,600
	\$	\$ 1,160,600	\$	\$ 1,160,903

The classification of the Organization's investment securities at fair value is as follows at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Cash (at cost)	\$	\$	\$	\$ 87
United States Treasury securities		1,103,013		1,103,013
		\$ 1,103,013	\$	\$ 1,103,100

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

7. Property and equipment

Property and equipment consist of the following:

	December 31,	
	2024	2023
Furniture and equipment	\$ 1,266,844	\$ 1,512,939
Leasehold improvements	108,437	108,437
Automobiles	61,207	61,207
Software - online catalog	121,337	121,337
	1,557,825	1,803,920
Less accumulated depreciation	1,252,874	1,350,000
	\$ 304,951	\$ 453,920

Depreciation expense for the years ended December 31, 2024 and 2023 was \$159,942 and \$183,809, respectively. During the year ended December 31, 2024, the Organization wrote off \$257,065 of fully depreciated assets that were no longer in service.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

8. Post-retirement benefit obligation

The Organization provides post-retirement health care benefits to eligible past and present employees. Eligibility includes those who have retired or will retire at age 55 or thereafter, and who have been employed by the Organization for at least ten years of service prior to retirement. Effective December 15, 2007, the employer subsidy has been capped and frozen at the 2008 annual premiums.

The accumulated post-retirement benefit obligation is calculated using discount rates of 5.44% and 4.76% for the years ended December 31, 2024 and 2023, respectively.

The following table presents the changes in the accumulated benefit obligation.

	December 31,	
	2024	2023
Changes in accumulated post-retirement benefit obligation:		
Accumulated post-retirement benefit obligation at January 1	\$ 3,983,425	\$ 3,856,991
Service cost	66,159	45,421
Interest cost	176,042	193,656
Plan participant contributions	64,163	17,908
Actuarial gain	(320,887)	187,863
Benefits paid	(405,894)	(318,414)
Accumulated post-retirement benefit obligation, December 31	\$ 3,563,008	\$ 3,983,425
Change in plan assets:		
Fair value of plan assets, January 1		
Employer contributions	\$ 320,089	\$ 247,878
Employee contributions	64,163	17,908
Medicare Part B reimbursement paid to retirees	21,642	52,628
Benefits paid	(405,894)	(318,414)
Fair value of plan assets, December 31	\$ -	\$ -
Funded status:		
Unfunded benefit obligation	\$ 3,563,008	\$ 3,983,425

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

8. Post-retirement benefit obligation (continued)

	December 31,	
	2024	2023
Components of net periodic benefit cost:		
Service cost	\$ 66,159	\$ 45,421
Interest cost	176,042	193,656
Amortization of actuarial loss	31,100	41,380
	\$ 273,301	\$ 280,457

The following are the actuarial assumptions and effects:

	December 31,	
	2024	2023
Medical trend rate next year	7.5% / 5.00%	7.5% / 5.00%
Ultimate trend rate	4.5%	4.5%
Year ultimate trend rate is achieved	2031 / 2026	2030 / 2025
Discount rate used to value end of year accumulated post-retirement benefit obligations	5.44%	4.76%
Discount rate used to value end of year net periodic post-retirement benefit costs	4.76%	4.96%
Effect of a 1% increase in healthcare cost trend rate on:		
a. Interest cost plus service cost	\$ 21,807	\$ 20,936
b. Accumulated post-retirement benefits	196,848	231,928
Effect of a 1% decrease in health:		
a. Interest cost plus service cost	\$ (16,430)	\$ (15,932)
b. Accumulated post-retirements benefits	(157,404)	(186,166)

The Organization's estimate of future benefit payments, net of employee contributions, are as follows:

Year ending December 31:	
2025	\$ 285,555
2026	276,678
2027	284,894
2028	273,101
2029	275,228
2030 - 2034	1,191,737
	\$ 2,587,193

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

9. Commitments and contingencies

Operating leases

The Organization operating leases consist primarily of real estate leases for the use of its office facilities, which will expire in June 2027. The Organization evaluated current contracts to determine which contracts met the criteria of a lease. A contract is (or contains) a lease if it conveys the right to control the use of an identified asset for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms, including renewal periods that are considered reasonably certain.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31:

	2024	2023
Operating lease right-of-use assets	<u>\$ 677,961</u>	<u>\$ 923,257</u>
Operating lease liabilities	<u>\$ 815,954</u>	<u>\$ 1,104,346</u>

The components of operating lease expenses that are included in the statement of activities for the year ended December 31 are as follows:

Operating lease cost	\$ 290,405	\$ 290,405
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The following summarizes the cash flow information related to operating leases for the year ended December 31:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	\$ 333,500	\$ 326,382
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The weighted-average lease term and discount rate applied to calculate lease liabilities as of December 31 are as follows:

Weighted average remaining lease term	30 months	42 months
Weighted average discount rate	4.75%	4.75%

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

9. Commitments and contingencies (continued)

Operating leases

The maturities of operating lease payments for the years ending December 31 are as follows:

2025	\$	340,619
2026		347,737
2027		<u>175,648</u>
Total lease payments		864,004
Less present value discount		<u>(48,050)</u>
Total lease obligations		<u>\$ 815,954</u>

10. Government grants and contracts and advances under government grants

The Organization operates under various contracts with government agencies, which generally cover a one-year period, subject to annual renewals. The terms of these contracts allow the grantors the right to audit the costs incurred thereunder and adjust contract funding based upon the amount of program income received. Any costs disallowed by the grantor would be absorbed by the Organization and any adjustments by grantors would be recorded when amounts are known, however, it is the opinion of management that disallowances, if any, would be immaterial and adjustments, if any, would not have a material adverse effect on the financial position of the Organization. Funds received in periods prior to the cost being incurred are deferred until future periods.

11. Letter of credit and line of credit

During the years ended December 31, 2024 and 2023, the Organization had Irrevocable Stand-by Letters of Credit with a financing institution in the amount of \$7,000,000 and \$5,000,000, respectively. The current Irrevocable Stand-by Letter of Credit expires on June 5, 2025, and is expected to be renewed quarterly. The full amount is available in one withdrawal only. There were no borrowings during the years and no amounts were outstanding at both December 31, 2024 and 2023, respectively.

The Organization has a \$500,000 revolving Line of Credit agreement with a financing institution which is due on demand. The interest rate on the line is 8%. There were no borrowings during the years and no amounts were outstanding at both December 31, 2024 and 2023.

WESTCHESTER LIBRARY SYSTEM

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

12. Net assets

Net assets were as follows for the years ended December 31, 2024 and 2023:

	2024			2023		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	\$2,060,196	\$	\$2,060,196	\$1,597,454	\$	\$1,597,454
Specific purpose:						
Bruni Verges Memorial Fund					23	23
People and Stories				2,096		2,096
TASC Connect		599	599	3,113		3,113
Reconnect with Tech				16,424		16,424
Early Literacy				7,360		7,360
Library and Training				96,081		96,081
Spanish Adult Literacy				15,544		15,544
M & T 2024				2,500		2,500
Digital Resources				1,647		1,647
Music and Memory				1,450		1,450
Outreach and Career		13,107	13,107	8,993		8,993
RWT 2025 (Coned)		7,500	7,500			
Carvel 2024				15,000		15,000
Field Hall - Homebound Delivery		13,132	13,132	15,000		15,000
Rosen Fund for Snr Svcs				30		30
CONED - STEM				1,895		1,895
NYS Gia - Spanish Adult Literacy				12,720		12,720
ConEd 2024 RWT				10,000		10,000
101 Answers				1,500		1,500
Hope for Youth				835		835
Total net assets	<u>\$2,060,196</u>	<u>\$ 34,338</u>	<u>\$2,094,534</u>	<u>\$1,597,454</u>	<u>\$ 212,211</u>	<u>\$1,809,665</u>

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

12. Net assets (continued)

Releases from net assets with donor restrictions are as follows at December 31:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions:		
Broadband Technology Opportunities Program	\$ 16,065	\$ 16,905
LIU Certificate	29,150	32,500
Learning Ambassadors	5,050	2,120
MiniGrants		2,358
Music & Memory	1,450	
TASC Connect	2,514	
101 answers	1,500	
Early Literacy	7,360	
Outreach and Career	874	5,334
Library and Training	487,224	416,483
Hope for Youth	835	116
Digital Resources	1,647	9,431
Spanish Adult Literacy	15,544	1,240
Digital Equity - Local		8,911
ConEd – 2024 RWT	10,000	
Rosen Fund for Snr Svcs	30	
Career Service		5,000
HSE Connect		5,000
United Way – CI 2024	5,000	5,000
Reconnect with Tech	16,424	160,683
NYS Gia - Spanish Adult Literacy	12,720	5,082
NYS Gia - Databases		16,969
Bruni Verges Memorial Fund	23	
People and stories	2,096	
Carvel 2024 RWT	15,000	
M & T 2024 RWT	2,500	
CONED - STEM	1,895	
Field Hall Housebound Delivery	1,868	
Apple Bank 2024	5,000	
BBM	54	
	<u>\$ 641,823</u>	<u>\$ 693,132</u>

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13. Pass-through grants

The Organization is a party to certain agency transactions whereby grants are passed through the Organization to their intended beneficiaries. Pass-through grants were as follows:

	December 31,	
	2024	2023
Local Library Services Aid	\$ 296,979	\$ 269,966
Grants in Aid	323,949	7,111
	\$ 620,928	\$ 277,077

14. Significant source of support

During each of the years ended December 31, 2024 and 2023, the Organization received approximately 39% of its total support and revenues from grants from the State of New York and approximately 19% from Westchester County.

15. Subsequent events

Subsequent events have been evaluated through April 29, 2025, which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events.