westchester
LIBRARY SYSTEM

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2025 AND 2024

WESTCHESTER LIBRARY SYSTEM

Years Ended December 31, 2025 and 2024

CONTENTS

Dorfman Abrams Music LLC
Accountants & Advisors

Park 80 West, Plaza Two
250 Pehle Ave., Suite 702
Saddle Brook, NJ 07663-5837
Tel: (201) 403-9750
Fax: (201) 403-9755
www.dorfman.com

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, 2025 and 2024, 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, 2025 and 2024, 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

March 31, 2026

WESTCHESTER LIBRARY SYSTEM

BALANCE SHEETS

ASSETS

	December 31, 2025	December 31, 2024
Cash	$ 3,031,673	$ 3,694,006
Investments	1,209,829	1,160,903
Accounts and other receivables	82,600	98,559
Grants receivable	402,696	365,676
Prepaid expenses	792,707	728,543
Computer inventory	29,203	269,739
Property and equipment, net	159,645	304,951
Operating lease right-of-use assets, net	418,334	677,961
Total assets	$ 6,126,687	$ 7,300,338

LIABILITIES AND NET ASSETS

	2025	2024
Accounts payable and accrued expenses	$ 393,112	$ 826,258
Deferred revenue	23,400	584
Operating lease obligations	506,112	815,954
Post-retirement benefit obligation	3,441,346	3,563,008
Total liabilities	4,363,970	5,205,804
Net assets:		
Without donor restrictions	1,712,978	2,060,196
With donor restrictions	49,739	34,338
Total net assets	1,762,717	2,094,534
Total liabilities and net assets	$ 6,126,687	$ 7,300,338

See Notes to Financial Statements.

WESTCHESTER LIBRARY SYSTEM

STATEMENTS OF ACTIVITIES

	Year ended December 31, 2025			Year ended December 31, 2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Operating support and revenues:						
Support and revenues:						
Governmental support:						
State grants	$ 2,234,476	$ 643,308	$ 2,877,784	$ 2,182,531	$ 628,351	$ 2,810,882
County grants	1,343,125		1,343,125	1,343,125		1,343,125
Total governmental support	3,577,601	643,308	4,220,909	3,525,656	628,351	4,154,007
Private support:						
Contributions of cash and other financial assets	5,545	127,320	132,865	1,946	72,807	74,753
Total governmental and private support	3,583,146	770,628	4,353,774	3,527,602	701,158	4,228,760
Revenues:						
Member technology fees	2,748,494		2,748,494	2,702,196		2,702,196
Investment income	142,260		142,260	161,652		161,652
Other revenue	27,724		27,724	36,243		36,243
Total revenues	2,918,478		2,918,478	2,900,091		2,900,091
Net assets released from restrictions	755,227	(755,227)		879,031	(879,031)	
Total operating support and revenues	7,256,851	15,401	7,272,252	7,306,724	(177,873)	7,128,851
Operating expenses:						
Program services:						
Technology	2,648,796		2,648,796	2,584,938		2,584,938
Public service	3,785,618		3,785,618	3,361,467		3,361,467
Total program services	6,434,414		6,434,414	5,946,405		5,946,405
Supporting services:						
Management and general	1,166,406		1,166,406	1,177,260		1,177,260
Fundraising	59,621		59,621	72,304		72,304
Total supporting services	1,226,027		1,226,027	1,249,564		1,249,564
Total expenses	7,660,441		7,660,441	7,195,969		7,195,969
Change in net assets from operations	(403,590)	15,401	(388,189)	110,755	(177,873)	(67,118)
Nonoperating activities:						
Post-retirement benefit obligation other than periodic costs	56,372		56,372	351,987		351,987
Total nonoperating activities	56,372		56,372	351,987		351,987
Change in net assets	(347,218)	15,401	(331,817)	462,742	(177,873)	284,869
Net assets, beginning of year	2,060,196	34,338	2,094,534	1,597,454	212,211	1,809,665
Net assets, end of year	$ 1,712,978	$ 49,739	$ 1,762,717	$ 2,060,196	$ 34,338	$ 2,094,534

See Notes to Financial Statements.

WESTCHESTER LIBRARY SYSTEM

STATEMENTS OF CASH FLOWS

	Year ended December 31, 2025	Year ended December 31, 2024
Cash flows from operating activities:		
Change in net assets	$ (331,817)	$ 284,869
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	145,306	159,942
Amortization of operating leases right-of-use assets	259,627	245,296
Operating lease liability obligations	(309,842)	(288,392)
Pension and post-retirement benefit obligations other than net periodic pension costs	(56,372)	(351,987)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Grants receivable	(37,020)	(18,962)
Accounts and other receivables	15,959	25,686
Prepaid expenses	(64,164)	232,602
Computer inventory	240,536	(263,884)
Increase (decrease) in:		
Accounts payable and accrued expenses	(433,146)	226,990
Deferred revenue	22,816	(522)
Post-retirement benefits payable	(65,290)	(68,430)
Net cash provided (used) by operating activities	(613,407)	183,208
Cash flows from investing activities:		
Purchase of investments	(48,926)	(57,803)
Purchases of property and equipment		(10,973)
Net cash used in investing activities	(48,926)	(68,776)
Net change in cash	(662,333)	114,432
Cash, beginning of year	3,694,006	3,579,574
Cash, end of year	$ 3,031,673	$ 3,694,006

See Notes to Financial Statements.

WESTCHESTER LIBRARY SYSTEM

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2025 and 2024

	Program services					
	Technology		Public service		Total	
	2025	2024	2025	2024	2025	2024
Salaries	$ 827,528	$ 815,241	$ 1,118,374	$ 982,867	$ 1,945,902	$ 1,798,108
Fringe benefits	395,760	394,033	350,436	315,952	746,196	709,985
Total salaries and related expenses	1,223,288	1,209,274	1,468,810	1,298,819	2,692,098	2,508,093
Periodicals			289,060	216,960	289,060	216,960
Hardware and software maintenance	491,775	590,672	39,109	33,633	530,884	624,305
Delivery service			471,761	459,264	471,761	459,264
Contractual services	110,894	113,934	86,879	109,635	197,773	223,569
Rent and utilities	151,893	144,954	132,920	174,121	284,813	319,075
Telephone and internet	222,074	286,627	13,857	9,606	235,931	296,233
Database			265,092	247,295	265,092	247,295
Equipment	270,389	48,653	1,908	17,321	272,297	65,974
Books, film, etc.			880,016	667,530	880,016	667,530
Professional fees	3,272	2,718	239	231	3,511	2,949
Printing and postage	475	80	36,549	51,728	37,024	51,808
Professional development	9,083	495	75,371	47,757	84,454	48,252
Travel	10,592	17,592	12,921	7,671	23,513	25,263
Insurance	13,875	14,765	963	2,890	14,838	17,655
Memberships		205	909	10,851	909	11,056
Supplies	2,278	1,755	7,038	5,852	9,316	7,607
Miscellaneous	8,073	7,817	2,216	303	10,289	8,120
Depreciation	130,835	145,397			130,835	145,397
Total operating expenses	$ 2,648,796	$ 2,584,938	$ 3,785,618	$ 3,361,467	$ 6,434,414	$ 5,946,405

See Notes to Financial Statements.

WESTCHESTER LIBRARY SYSTEM

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2025 and 2024

	Supporting services							
	Management and general		Fundraising		Total		Total expenses	
	2025	2024	2025	2024	2025	2024	2025	2024
Salaries	$ 377,790	$ 405,571	$ 34,953	$ 44,023	$ 412,743	$ 449,594	$ 2,358,645	$ 2,247,702
Fringe benefits	445,868	492,937	12,954	16,158	458,822	509,095	1,205,018	1,219,080
Total salaries and related expenses	823,658	898,508	47,907	60,181	871,565	958,689	3,563,663	3,466,782
Periodicals	212	45,880			212	45,880	289,272	262,840
Hardware and software maintenance	46,133	41,562	295	868	46,428	42,430	577,312	666,735
Delivery service							471,761	459,264
Contractual services	78,887	41,485			78,887	41,485	276,660	265,054
Rent and utilities	45,938	4,480	11,419	10,983	57,357	15,463	342,170	334,538
Telephone and internet	4,220	5,228			4,220	5,228	240,151	301,461
Database							265,092	247,295
Equipment	8,127	10,511			8,127	10,511	280,424	76,485
Books, film, etc.	64	123			64	123	880,080	667,653
Professional fees	55,070	43,296			55,070	43,296	58,581	46,245
Printing and postage	11,243	4,528			11,243	4,528	48,267	56,336
Professional development	3,554	9,762		272	3,554	10,034	88,008	58,286
Travel	12,902	11,795			12,902	11,795	36,415	37,058
Insurance	23,295	17,867			23,295	17,867	38,133	35,522
Memberships	20,499	14,436			20,499	14,436	21,408	25,492
Supplies	7,474	6,697			7,474	6,697	16,790	14,304
Miscellaneous	10,659	6,557			10,659	6,557	20,948	14,677
Depreciation	14,471	14,545			14,471	14,545	145,306	159,942
Total operating expenses	$ 1,166,406	$ 1,177,260	$ 59,621	$ 72,304	$ 1,226,027	$ 1,249,564	$ 7,660,441	$ 7,195,969

See Notes to Financial Statements.

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.

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, 2025 and 2024.

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, 2025 and 2024, 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.

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 has incurred expenditures in compliance with specific contract or grant provisions. Amounts received on cost reimbursement grants, prior to incurring qualifying expenditures, are reported as refundable advances from government agencies in the balance sheet. Under the terms of funding agreements with various governmental agencies, all reported expenditures are subject to audit and acceptance by the funding agencies. In the opinion of management, adjustments, if any, resulting from future audits, should not have a material effect on the Organization's financial position or changes in its net assets.

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 fees 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.

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 2024 financial statements to conform to the 2025 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 agencies. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

4. Availability and liquidity

The following represents the Organization's financial assets at December 31, 2025:

Financial assets at year end	
Cash	$ 3,031,673
Investments	1,209,829
Accounts and other receivables	82,600
Grants receivable	402,696
Total financial assets	4,726,798
Less amounts not available to be used within one year:	
Net assets with donor restrictions	49,739
Less net assets with purpose restrictions to be met in less than a year	(48,130)
	1,609
Financial assets available to meet cash needs for general expenditures within one year	$ 4,725,189

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately $1,915,000). 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 10).

5. Investments

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

	2025		2024	
	Cost	Fair value	Cost	Fair value
Cash equivalents	$ 279	$ 279	$ 303	$ 303
United States Treasury Securities	1,197,075	1,209,550	1,146,823	1,160,600
	$ 1,197,354	$ 1,209,829	$ 1,147,126	$ 1,160,903

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

	2025	2024
Interest and dividend income	$ 143,562	$ 161,652
Realized and unrealized loss on investments	(1,302)	
	$ 142,260	$ 161,652

6. Fair value measurement

The classification of the Organization's investment securities at fair value is as follows at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Cash (at cost)	$	$	$	$ 279
United States Treasury Securities		1,209,550		1,209,550
	$	$ 1,209,550	$	$ 1,209,829

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

7. Property and equipment

Property and equipment consist of the following:

	December 31, 2025	December 31, 2024
Furniture and equipment	$ 1,143,720	$ 1,266,844
Leasehold improvements	108,437	108,437
Automobiles	61,207	61,207
Software - online catalog	121,337	121,337
	1,434,701	1,557,825
Less accumulated depreciation	1,275,056	1,252,874
	$ 159,645	$ 304,951

Depreciation expense for the years ended December 31, 2025 and 2024 was $145,306 and $159,942, respectively. During the years ended December 31, 2025 and 2024, the Organization wrote off $123,098 and $257,065, respectively, of fully depreciated assets that were no longer in service.

8. Operating leases - right-of-use assets

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:

	2025	2024
Operating lease right-of-use assets	$ 418,334	$ 677,961
Operating lease liabilities	$ 506,112	$ 815,954

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

	2025	2024
Operating lease cost	$ 290,405	$ 290,405

The following summarizes the cash flow information related to operating leases for the years ended December 31:

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

	2025	2024
Operating cash flows for operating leases	$ 340,619	$ 333,500

The weighted-average lease term and discount rate applied to calculate lease liabilities as of December 31 are as follows:

	2025	2024
Weighted average remaining lease term	18 months	30 months
Weighted average discount rate	4.75%	4.75%

8. Operating leases – right-of-use assets (continued)

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

2026	$ 347,737
2027	175,648
Total lease payments	523,385
Less present value discount	(17,273)
Total lease obligations	$ 506,112

9. 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 5.36% and 5.44% for the years ended December 31, 2025 and 2024, respectively.

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

	December 31,	
	2025	2024
Changes in accumulated post-retirement benefit obligation:		
Accumulated post-retirement benefit obligation at January 1	$ 3,563,008	$ 3,983,425
Service cost	58,977	66,159
Interest cost	179,911	176,042
Plan participant contributions	52,127	64,163
Actuarial gain	(30,797)	(320,887)
Benefits paid	(381,880)	(405,894)
Accumulated post-retirement benefit obligation, December 31	$ 3,441,346	$ 3,563,008
Change in plan assets:		
Fair value of plan assets, January 1		
Employer contributions	$ 240,213	$ 320,089
Employee contributions	52,127	64,163
Medicare Part B reimbursement paid to retirees	89,540	21,642
Benefits paid	(381,880)	(405,894)
Fair value of plan assets, December 31	$ -	$ -
Funded status:		
Unfunded benefit obligation	$ 3,441,346	$ 3,563,008

9. Post-retirement benefit obligation (continued)

	December 31, 2025	December 31, 2024
Components of net periodic benefit cost:		
Service cost	$ 58,977	$ 66,159
Interest cost	179,911	176,042
Amortization of actuarial loss	25,575	31,100
	$ 264,463	$ 273,301

The following are the actuarial assumptions and effects:

	December 31, 2025	December 31, 2024
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	2031 / 2026
Discount rate used to value end of year accumulated post-retirement benefit obligations	5.36%	5.44%
Discount rate used to value end of year net periodic post-retirement benefit costs	5.44%	4.76%
Effect of a 1% increase in healthcare cost trend rate on:		
a. Interest cost plus service cost	$ 18,916	$ 21,807
b. Accumulated post-retirement benefits	194,914	196,848
Effect of a 1% decrease in health:		
a. Interest cost plus service cost	$ (14,386)	$ (16,430)
b. Accumulated post-retirements benefits	(154,713)	(157,404)

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

Year ending December 31:	
2026	$ 261,373
2027	266,374
2028	258,779
2029	255,145
2030	237,187
2031 - 2035	1,197,900
	$ 2,476,758

10. Letter of credit and line of credit

At December 31, 2025 and 2024, the Organization had Irrevocable Stand-by Letters of Credit with a financing institution in the amount of $4,000,000 and $7,000,000, respectively. The current Irrevocable Stand-by Letter of Credit expires on May 27, 2026, 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, 2025 and 2024.

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 7.25%. There were no borrowings during the years and no amounts were outstanding at December 31, 2025 and 2024.

11. Net assets

Net assets were as follows for the years ended December 31, 2025 and 2024:

	2025			2024		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	$1,712,978	$	$1,712,978	$2,060,196	$	$2,060,196
Specific purpose:						
TASC Connect		469	469		599	599
2025 Community Impact		5,000	5,000			
ConEd-Climate Literacy		30,000	30,000			
2025 Capacity Building		5,000	5,000			
CCS Fundraising		306	306			
Outreach and Career		8,964	8,964		13,107	13,107
RWT 2025 (Coned)					7,500	7,500
Field Hall - Homebound Delivery					13,132	13,132
Total net assets	$1,712,978	$ 49,739	$1,762,717	$2,060,196	$ 34,338	$2,094,534

11. Net assets (continued)

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

	2025	2024
Satisfaction of purpose restrictions:		
Broadband Technology Opportunities Program	$ 18,270	$ 16,065
LIU Certificate	60,850	29,150
Learning Ambassadors	4,200	5,050
RWT 2025 (ConEd)	7,500	
Music & Memory		1,450
TASC Connect	131	2,514
101 answers		1,500
Early Literacy		7,360
Outreach and Career	7,836	874
Library and Training	400,453	487,224
Hope for Youth		835
Digital Resources		1,647
Spanish Adult Literacy		15,544
ConEd – 2024 RWT		10,000
Rosen Fund for Snr Svcs		30
United Way – CI 2024		5,000
Reconnect with Tech		16,424
NYS Gia - Spanish Adult Literacy		12,720
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	13,132	1,868
Apple Bank 2024		5,000
Coordinated Outreach Library Services	200,345	195,687
State Corrections	33,862	33,075
County Jails Institutional	8,648	8,446
BBM		54
	$ 755,227	$ 879,031

12. Commitments

The Organization has two operating lease agreements for equipment that have various expiration dates through August 2029. These leases are below the Organization's ROU assets capitalization policy of $50,000. Aggregate rental expenses on such leases for the years ended December 31, 2025 and 2024 amounted to $4,518 and $1,431, respectively.

Year ending December 31:	
2026	$ 10,118
2027	10,118
2028	10,118
2029	5,886
	$ 36,240

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,	
	2025	2024
Local Library Services Aid	$ 319,147	$ 296,979
Grants in Aid	105,000	323,949
	$ 424,147	$ 620,928

14. Significant source of support

During each of the years ended December 31, 2025 and 2024, the Organization received approximately 40% and 39%, respectively, of its total support and revenues from grants from the State of New York; and, approximately 18% and 19%, respectively, from Westchester County.

15. Subsequent events

Subsequent events have been evaluated through March 31, 2026, which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events.