UTICA PUBLIC LIBRARY

FINANCIAL STATEMENTS
(and Independent Auditors' Report Thereon)

Years Ended March 31, 2026 and 2025

Utica Public Library

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Utica Public Library

Opinion

We have audited the accompanying financial statements of Utica Public Library (a nonprofit organization) which comprise the statements of financial position as of March 31, 2026 and 2025, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, except for the effects on the March 31, 2026 and 2025 financial statements of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Utica Public Library, as of March 31, 2026 and 2025, and the changes in 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 Qualified Opinion

As more fully described in Note 2, Utica Public Library has excluded certain right-of-use assets and lease liabilities from the accompanying balance sheet that, in our opinion, should be included to conform with accounting principles generally accepted in the United States of America. Quantification of the effects on the financial statements of the preceding practice is not practicable.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Utica Public Library and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the March 31, 2026 and 2025 financial statements.

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 Utica Public Library's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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, including omissions, 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 Utica Public Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Utica Public Library's ability to continue as a going concern for a reasonable period of time.

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

Cuny, Winters & Schmidt

East Syracuse, New York
September 9, 2026

Utica Public Library
Statements of Financial Position
March 31, 2026 and 2025

	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	**$ 732,978**	$ 1,059,585
Prepaid expenses	**13,758**	13,346
Total current assets	**746,736**	1,072,931
Investments:		
Marketable securities	**2,225,018**	1,968,703
Restricted cash	**988**	897
Total investments	**2,226,006**	1,969,600
Property and equipment, net	**2,568,894**	2,623,666
Fine art collection	**254,800**	254,800
Total assets	**$ 5,796,436**	$ 5,920,997
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	**$ 21,124**	$ 152,877
Accrued expenses	**10,860**	5,523
Compensated absences	**31,511**	29,529
Deferred revenue	**939,158**	909,301
Total current liabilities	**1,002,653**	1,097,230
Net assets:		
With donor restrictions:		
Perpetuity	**218,957**	174,303
Time/purpose restricted	**811,525**	727,071
	1,030,482	901,374
Without donor restrictions:		
Designated by the board for endowment	**1,201,087**	1,075,009
Undesignated	**2,562,214**	2,847,384
	3,763,301	3,922,393
Total net assets	**4,793,783**	4,823,767
Total liabilities and net assets	**$ 5,796,436**	$ 5,920,997

The accompanying notes are an integral part of the financial statements.

Utica Public Library
Statements of Activities
For the Years Ended March 31, 2026 and 2025

2026	Without Donor Restrictions	With Donor Restrictions Time/Purpose Restriction	With Donor Restrictions Perpetuity	Total
Revenues, gains and other support:				
Local and public funds	$ 351,137	$ -	$ -	$ 351,137
Library tax levy	886,833	-	-	886,833
Federal and state aid, special legislative and private foundation grants	116,278	-	-	116,278
Contributions	120,856	-	25,000	145,856
Processing fees, miscellaneous	18,830	-	-	18,830
Investment income, net of trustee fees of $12,716	139,345	84,454	19,654	243,453
Total revenue, gains, and support	1,633,279	84,454	44,654	1,762,387
Expenses and losses:				
Program services	1,506,930	-	-	1,506,930
Management and general	285,441	-	-	285,441
Total expenses and losses	1,792,371	-	-	1,792,371
Change in net assets	(159,092)	84,454	44,654	(29,984)
Net assets - beginning of year	3,922,393	727,071	174,303	4,823,767
Net assets - end of year	$ 3,763,301	$ 811,525	$ 218,957	$ 4,793,783

2025	Without Donor Restrictions	With Donor Restrictions Time/Purpose Restriction	With Donor Restrictions Perpetuity	Total
Revenues, gains and other support:				
Local and public funds	$ 351,137	$ -	$ -	$ 351,137
Library tax levy	868,433	-	-	868,433
Federal and state aid, special legislative and private foundation grants	275,345	-	-	275,345
Contributions	111,074	-	25,000	136,074
Processing fees, miscellaneous	35,273	-	-	35,273
Investment income, net of trustee fees of $12,942	92,043	26,941	6,174	125,158
Earnings transferred to unrestricted funds	41,626	(34,938)	(6,688)	-
Total revenue, gains, and support	1,774,931	(7,997)	24,486	1,791,420
Expenses and losses:				
Program services	1,442,451	-	-	1,442,451
Management and general	255,583	-	-	255,583
Total expenses and losses	1,698,034	-	-	1,698,034
Change in net assets	76,897	(7,997)	24,486	93,386
Net assets - beginning of year	3,845,496	735,068	149,817	4,730,381
Net assets - end of year	$ 3,922,393	$ 727,071	$ 174,303	$ 4,823,767

The accompanying notes are an integral part of the financial statements.

Utica Public Library
Statements of Functional Expenses
For the Years Ended March 31, 2026 and 2025

	Program Services	Management & General	Total 2026	Program Services	Management & General	Total 2025
Unrestricted						
Salaries and wages	$ 706,829	$ 124,734	$ 831,563	$ 695,490	$ 122,733	$ 818,223
Payroll taxes	48,615	12,154	60,769	48,422	12,106	60,528
Employee benefits	156,983	39,246	196,229	145,789	36,447	182,236
Depreciation	191,650	21,294	212,944	169,848	18,872	188,720
Utilities	60,458	3,182	63,640	45,377	2,388	47,765
Books	31,211	-	31,211	27,393	-	27,393
Insurance	25,828	1,359	27,187	24,837	1,307	26,144
Outside services	111,665	5,877	117,542	110,906	5,837	116,743
Technology and supplies expense	19,646	6,695	26,341	26,355	8,416	34,771
Serials	1,410	-	1,410	4,335	-	4,335
Audio/visual	37,013	-	37,013	37,821	-	37,821
Postage	1,781	1,002	2,783	2,362	1,329	3,691
Library programs	30,700	7,675	38,375	40,912	10,228	51,140
Repairs and maintenance	14,322	754	15,076	11,244	592	11,836
Custodial supplies	5,696	1,424	7,120	4,697	1,174	5,871
Accounting fees	-	7,545	7,545	-	7,400	7,400
Legal fees	-	774	774	-	2,768	2,768
Executive search	-	30,025	30,025	-	-	-
Conference and travel	-	4,696	4,696	-	6,503	6,503
Dues	-	4,428	4,428	-	7,155	7,155
Telecommunications	40,034	10,009	50,043	37,037	9,259	46,296
Other	23,089	2,568	25,657	9,626	1,069	10,695
Total	$ 1,506,930	$ 285,441	$ 1,792,371	$ 1,442,451	$ 255,583	$ 1,698,034

The accompanying notes are an integral part of the financial statements.

Utica Public Library
Statements of Cash Flows
For the Years Ended March 31, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Change in net assets	**$ (29,984)**	$ 93,386
Adjustments to reconcile net cash provided by operating activities:		
Depreciation	**212,944**	188,720
Unrealized (gain) loss on investments	**(52,612)**	123,273
(Increase) decrease in operating assets:		
Tax levy receivable	**-**	57,337
Prepaid expenses	**(412)**	(1,473)
Increase (decrease) in operating liabilities:		
Accounts payable	**(131,753)**	136,393
Accrued expenses	**5,337**	(27,334)
Compensated absences	**1,982**	(1,980)
Deferred revenue	**29,857**	23,891
Net cash provided by operating activities	**35,359**	592,213
Cash flows from investing activities:		
Purchase of property and equipment	**(158,172)**	(836,830)
Sale of investments	**51,974**	460,299
Purchase of investments	**(255,677)**	(322,966)
Net cash used in investing activities	**(361,875)**	(699,497)
Net decrease in cash, cash equivalents and restricted cash	**(326,516)**	(107,284)
Cash, cash equivalents and restricted cash, beginning of year	**1,060,482**	1,167,766
Cash, cash equivalents and restricted cash, end of year	**$ 733,966**	$ 1,060,482

The accompanying notes are an integral part of the financial statements.

Note 1 – Nature of Operations

Utica Public Library (the Library) is a nonprofit organization whose primary purpose is to provide information and learning experiences throughout the diverse community of Utica, New York. Particular emphasis is placed on services and collections for the business community, pre-school children and school age children, local historians and genealogists, lifelong learners, and workers in transition. The Library, a co-central library for the Mid-York Library System, works cooperatively to ensure that the Library serves as a back-up for the member libraries in Madison, Oneida, and Herkimer Counties.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Library have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Fund Accounting

The accounts of the Library are maintained in accordance with the principles of fund accounting. Under fund accounting resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for a fund; however, in the accompanying financial statements, funds with similar characteristics have been combined into fund groups.

Financial Statement Presentation

Financial statement presentation follows the recommendation of FASB ASC 958-205-05-6 *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205-05-6, the Library is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Library is required to present a statement of cash flows.

Income Tax Status

The Library is exempt from Federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Management is unaware of any unrelated business activities that may be subject to unrelated business income tax or any activities that would jeopardize the Library's exempt status.

The Library follows guidance in the income tax standard regarding the recognition of uncertain tax positions. This guidance prescribes a recognition threshold for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Library's tax returns are subject to review and examination by Federal authorities. The tax returns for the years prior to March 31, 2023 are no longer subject to examination.

Note 2 – Summary of Significant Accounting Policies (continued)

Investments

The Library has investments in marketable securities with readily determinable fair values. These investments are considered to be trading securities because of management's for-profit motive to have the investments. The investments are classified as noncurrent assets because of management's intent to hold the portfolio indefinitely. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Fair Value Measurement

Accounting guidance establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

Level 1 – Quoted market prices in active markets for identical assets or liabilities
Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data
Level 3 – Unobservable inputs

The respective carrying value of certain financial instruments approximated their fair value. These instruments include cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and notes payable. Fair values were assumed to approximate carrying values for these financial instruments since they are short-term in nature or the interest rates earned or paid approximate current market rates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Library uses the indirect method of reporting net cash flows from operating activities and considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Inexhaustible Collections and Books

Historical cost for the Library's fine art collection and research book collection are unavailable. Since the value of the research book collection is not readily determinable, the Library has not capitalized them. Books used in the circulating library have not been capitalized. The fine art collection has been capitalized at its appraised value.

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of the donation. Such donations are reported in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose.

Note 2 – Summary of Significant Accounting Policies (continued)

Deferred Revenue

Amounts received from grants (principally governmental) are recognized as income to the extent of related services and/or expenses incurred. Deferred grant revenue represents the balances remaining on these grants and have been deferred to be matched with related expenses.

Property and Equipment

With the exception of the roof project in 1990 and subsequent property and equipment additions, historical costs are unavailable for property and equipment. In accordance with generally accepted accounting principles, property and equipment were recorded at replacement cost, with accumulated depreciation equal to the replacement cost. Property and equipment additions subsequent to January 1, 1990, are stated at cost or at market value at the date received as a gift, less accumulated depreciation. It is the Library's policy to capitalize expenditures for property and equipment in excess of $500. Depreciation on those additions is computed on the straight-line basis over the estimated useful lives of the assets. In addition, improvements and betterments, which increase the productivity or the life of an asset, are capitalized and depreciated. It is the policy of the Library to remove fully depreciated assets and the related accumulated depreciation from its books. Estimated lives : buildings and improvements 15 years to 40 years, furniture and equipment 5 years to 10 years

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include employee salaries and benefits and other administrative expenses such as system-wide automation services, insurances, depreciation, and facility maintenance costs. Employee benefits were allocated based on payroll paid and employee census in the functional areas and the administrative expenses were allocated based on estimates of program usage.

Concentration of Revenue

The majority of the Library's support, approximately 77%, is funded by state and county grants and a tax levy collected through the Utica City School district. The amount collected through the school district is 65% of this funding. Due to the fact that this funding is a tax, collection of these monies is guaranteed. There is no need for a reserve for credit losses. The other 35% is discretionary and could be reduced without any input from the Library.

Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk

The Library maintains its cash balances at regional banks, located in central New York. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. At March 31, 2026 and 2025, $102,746 and $277,738, respectively, were on deposit and uninsured.

Contributions and Support

When donations are received, they are accounted for in accordance with the recommendations of FASB ASC 958-605-45-3, *Contributions Received.* In accordance with FASB ASC 958-605-45-3, contributions received are recorded as contributions received with donor-imposed restrictions and those received without donor-imposed restrictions. The former shall be reported as donor restricted support that increases net assets with donor-imposed restrictions. The latter shall be reported as support that increases net assets without donor restrictions.

Donor-restricted contributions whose restrictions are met (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), restricted net assets are reclassified to net assets without donor restrictions.

Revenue Recognition

The Library has adopted FASB ASU 2014-09, Revenue from Contracts with Customers. This ASU requires the recognition of revenue related to the transfer of goods or services to customers in an amount that reflects the consideration to which the Library expects to be entitled to in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues. The Library's significant revenue streams are amounts received from grants (principally governmental) which are recognized as income to the extent of the related services and/or expenses incurred.

Leases

Accounting Standards Codification (ASC) 842 - "Leases" require that certain contracts containing leases be recognized on the balance sheet as right-of-use assets and lease liabilities and was effective for the year ended March 31, 2023. The Library has reviewed the requirements of ASC 842 and determined that adoption of ASC 842 would not be cost beneficial for the Library. Accordingly, the Library has presented leases in the accompanying financial statements in accordance with the prior guidance (ASC 840).

Note 3 – Liquidity and Availability of Financial Assets

The Library has $732,978 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash $732,978. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Library has a goal to maintain cash to meet six months of normal operating expenses which on average approximates $800,000. The Library has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Library invests cash in excess of daily requirements in unrestricted marketable securities currently valued at $1,198,413, at March 31, 2026.

Note 4 – Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation. The reclassifications do not affect the changes in net assets for the years ended March 31, 2026 and 2025.

Note 5 – Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows. Restricted cash is for the purchase of library materials.

Cash and cash equivalents	$ 732,978
Restricted cash	988
Total cash, cash equivalents and restricted cash	$ 733,966

Note 6 – Investments

Level 1 investment at March 31, 2026, is comprised of the following:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Without Donor Restrictions:			
Equities/Mutual funds	$ 950,251	$ 1,198,413	$ 248,162
Total	$ 950,251	$ 1,198,413	$ 248,162
With Donor Restrictions:			
Time/Purpose			
Equities/Mutual funds	$ 669,391	$ 808,637	$ 139,246
Total	$ 669,391	$ 808,637	$ 139,246

Note 6 – Investments (continued)

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Perpetuity			
Equities/Mutual funds	$ 188,247	$ 217,968	$ 29,721
Total	$ 188,247	$ 217,968	$ 29,721
Total all funds	$ 1,807,889	$ 2,225,018	$ 417,129

Level 1 investment at March 31, 2025, is comprised of the following:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Without Donor Restrictions:			
Equities/Mutual funds	$ 859,492	$ 1,070,772	$ 211,280
Total	$ 859,492	$ 1,070,772	$ 211,280
With Donor Restrictions:			
Time/Purpose			
Equities/Mutual funds	$ 596,959	$ 724,525	$ 127,566
Total	$ 596,959	$ 724,525	$ 127,566
Perpetuity			
Equities/Mutual funds	$ 147,553	$ 173,406	$ 25,853
Total	$ 147,553	$ 173,406	$ 25,853
Total all funds	$ 1,604,004	$ 1,968,703	$ 364,699

The following schedules summarize the investment return and its classification in the financial statements for the years ended net of fees:

	March 31, 2026		
	Fees / Interest / Dividend Income	Net Realized and Unrealized Gains / (Losses)	Total Investment Return
Without donor restrictions	$ 80,136	$ 59,209	$ 139,345
Time/purpose	51,741	32,713	84,454
Perpetuity	13,574	6,080	19,654
Total	$ 145,451	$ 98,002	$ 243,453

Note 6 – Investments (continued)

	March 31, 2025		
	Fees / Interest / Dividend Income	Net Realized and Unrealized Gains / (Losses)	Total Investment Return
Without donor restrictions	$ 55,825	$ 36,218	$ 92,043
Time/purpose	22,565	4,376	26,941
Perpetuity	4,809	1,365	6,174
Total	$ 83,199	$ 41,959	$ 125,158

Note 7 – Property and Equipment

Property and equipment consisted of the following at March 31, 2026 and 2025:

	2026	2025
Land	$ 14,113	$ 14,113
Land improvements	1,083,223	168,509
Buildings	5,483,384	5,483,384
Building improvements	4,037,745	4,037,745
Furniture, fixtures and equipment	614,436	611,032
Equipment	39,261	-
Café furniture	3,453	3,453
Construction in progress	4,300	803,507
Total	11,279,915	11,121,743
Less: Accumulated depreciation	(8,711,021)	(8,498,077)
Property, plant and equipment, net	$ 2,568,894	$ 2,623,666

Depreciation expense for the years ended March 31, 2026 and 2025 totaled $212,944 and $188,720 respectively.

Note 8 – Net Assets

The Library's net assets at March 31, 2026 and 2025 consist of the following:

	2026	2025
Without donor restrictions:		
Undesignated	$ 2,562,214	$ 2,847,384
Board designated, unrestricted as to principal or income	1,201,087	1,075,009
	$ 3,763,301	$ 3,922,393
With donor restrictions:		
Time/purpose restriction:		
Restricted to the purchase of library materials from either principal or income plus funds provided for specific purposes.	$ 811,525	$ 727,071

Note 8 – Net Assets (continued)

Perpetuity:		
Income restricted to the purchases of library materials with the principal ($71,437) to be held in trust in perpetuity. Includes restricted cash of $988 and $897 at March 31, 2026 and 2025, respectively.	$ 218,957	$ 174,303

Some of the permanently restricted net asset balances include accumulated unrestricted income which has not been transferred to the unrestricted fund.

Note 9 – Fine Art Collection

The Library possesses a fine art collection, including paintings, sculptures and historical artifacts, with an appraised value of $254,800. The collection is available to the public and is not depreciated. The Library does not intend to sell the items.

Note 10 – Retirement Plan

Plan Description

The Library participates in the New York State Local Employees' Retirement System (NYSERS) through the City of Utica. This system is a cost-sharing, multiple-employer, public employee retirement system. The ERS offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

All staff of the Library are eligible to join NYSERS. Participation is mandatory for all full-time staff employed. Part-time staff not covered elsewhere may also join NYSERS if they meet the prescribed requirements. Part-time staff covered by other employers in the NYSERS must join.

Funding Policy

Employees hired prior to December 31, 2009, are vested after five years of credited employment and contribute 3% of their wages for the first ten years of their employment. Employees hired between January 1, 2010, and March 31, 2012, are vested after ten years of credited employment and contribute 3% of their wages for the duration of their employment. Employees hired after April 1, 2012, are vested after ten years of credited employment and contribute a minimum of 3% of their wages for the duration of their employment. Employees hired after July 1, 2012, who make over $75,000 and are not in a union, have the option of choosing a defined contribution plan. The contribution rate is increased if the wages are in excess of $45,000.

The payroll for employees covered by the plan is aggregated and reported with the payroll of the City of Utica, New York. Separate payroll calculations for the pension plan of the Library are maintained by the City of Utica. The Library is billed for the pension costs for its employees. The Library's contribution for pension costs was $ 96,599 and $92,596 for the years ended March 31, 2026 and 2025, respectively, and is included in employee benefits.

Note 11 – Compensated Absences

In the event of voluntary termination or retirement, the Library's employees are entitled to payment up to a maximum of 30 days accumulated vacation time. To recognize this liability, the Library has recorded an accrual in the amount of $31,511 and $29,529 at March 31, 2026 and 2025, respectively.

Note 12 – Deferred Revenue

The following amounts were received in fiscal years ending March 31, 2026 and 2025 with revenue recognition deferred until fiscal years ending March 31, 2027 and 2026.

	2026	2025
Library tax levy	$ 916,690	$ 886,833
Deferred infrastructure improvements	2,468	2,468
Summer reading program	20,000	20,000
Total	$ 939,158	$ 909,301

Note 13 – Operating Leases

The Library entered into non-cancellable leases for two copiers and a postage machine. Rental expense for year ending March 31, 2026, was $1,376 and for year ending March 31, 2025, was $2,067. The following are the future minimum required lease payments:

2026/2027	$ 480
2027/2028	400
Total	$ 880

Note 14 – Library Tax Levy

The Utica City School District (the District) voters may vote on an annual tax levy if one is approved by the Library's board for that year. If a new amount is not approved, the amount that is currently collected will remain the same for the next fiscal year. The City of Utica collects and remits the money to the District, which then remits the funds to the Library. Payment of these funds is not discretionary. For the fiscal years ending March 31, 2026 and 2025, $886,833 and $868,433, respectively, was reported.

Note 15 – Related Party Transactions

The Library is a member of the Mid-York Library System. The Mid-York Library System is able to provide goods and services to member libraries at reduced costs because of its purchasing power. The System also acts as a conduit for passing through grants to member libraries.

Note 16 – Subsequent Events

In accordance with FASB Accounting Standards Codification Topic 855, Subsequent Events, the Library has evaluated subsequent events through September 9, 2026, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of March 31, 2026 have been incorporated into these financial statements herein.