SARATOGA SPRINGS PUBLIC LIBRARY
FINANCIAL REPORT
JUNE 30, 2025

SARATOGA SPRINGS PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Saratoga Springs Public Library

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Saratoga Springs Public Library (the Library), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Saratoga Springs Public Library as of June 30, 2025, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Saratoga Springs Public Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of an Error

As discussed in Note 11, during the year ended June 30, 2025, the Library reviewed the balance of refundable advances which resulted in an error correction to a prior period. Our opinion is not modified with respect to this matter.

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 the Saratoga Springs Public Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, schedule of entity's proportionate share of the net pension liability (asset) on page 37, schedule of entity contributions to employees' retirement system on page 38, schedule of changes in total OPEB liability on page 39, and schedule of revenues, expenditures, and changes in fund balance - budget and actual - general fund on page 40, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2026 on our consideration of the Saratoga Springs Public Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Saratoga Springs Public Library's internal control over financial reporting and compliance.

Mengel, Metzger, Barr & Co. LLP

April 13, 2026
Latham, NY

Saratoga Springs Public Library
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

The following is a discussion and an analysis of the Saratoga Springs Public Library's financial performance for the fiscal year ended June 30, 2025. This section is a summary of the library's financial activities based on currently known facts, decisions or conditions. It is also based on both the entity-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Library's financial statements, which immediately follow this section.

Program and Financial Highlights

- As of June 30, 2025, the Library had total assets and deferred outflows of resources of $8,723,045; total liabilities and deferred inflows of $6,850,465; and a total net position of $1,872,580, an increase of $196,373 over the prior year.
- Total revenues for the year ended June 30, 2025 were $5,831,801, and total expenses were $5,635,428.
- As of June 30, 2025, the Library's General Fund had a balance of $5,838,820, a decrease of $255,865 compared to the prior year.
- Library use continues to increase, with significant growth in the use of electronic resources, and in program attendance, especially those designed for children and for seniors.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the financial statements, and the required supplementary information. The financial statements include two kinds of financial statements that present different views of the library:

- The first two financial statements, the *Statement of Net Position* and *Statement of Activities* are entity-wide, and provide short-term and long-term information about the Library's overall financial status.
- The remaining financial statements are fund-specific, and report on the library's operation in more detail. The fund statements tell how the library's program services and support functions were financed in the short term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The financial statements are followed by a section of supplementary information that further explains and supports the financial statements with a comparison of the Library's budget for the year.

Entity-wide Statements

The entity-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business. The *Statement of Net Position* presents information on all of the assets and liabilities of the Library, with the difference between the two reported as net position.

The *Statement of Activities* presents information showing how the assets of the Library changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for regardless of when cash is received or paid, therefore revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

To assess the Library's overall fiscal health, it is important to consider additional non-financial factors, such as changes in the Library's property tax base, changes in population and demographics, and the condition of library facilities.

In the entity-wide financial statements, the Library's activities are shown as governmental activities. Most of the library's basic services are included here, such as regular and special programs for the community, and library operation and administration. Property taxes fund the majority of these activities.

Fund Financial Statements

The fund financial statements provide more information about the Library's individual funds, rather than the Library as a whole. Funds are accounting devices that the Library uses to keep track of specific sources of funding and spending on particular programs. Most of the Library's basic services are included in governmental funds, which generally focus on 1) how cash, and other financial assets that can readily be converted to cash, flow in and out; and 2) the balances left at year-end that are available for spending. Consequently, the fund financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Because this information does not encompass the additional long-term focus of the entity-wide financial statements, reconciliations of the entity-wide and fund financial statements are provided to explain the relationship or differences between them.

Financial Analysis of the Library as a Whole

As previously noted, the Library's net position increased by 10.97% from the year before to $1,872,580, as outlined in the condensed statement of net position below:

Condensed Statements of Net Position

	Restated 30-Jun-24	30-Jun-25	% change
Current assets	$5,407,456	$5,157,299	-4.63%
Other assets	$858,341	$934,946	8.92%
Capital assets (net)	$1,740,270	$1,736,912	-.01%
Total Assets	$8,006,067	$7,829,157	-2.21%
Deferred Outflows of Resources	$1,159,191	$893,888	-22.89%
Current and other liabilities	$164,338	$412,678	151.12%
Long-term liabilities	$4,969,706	$5,341,422	7.48%
Total Liabilities	$5,134,044	$5,754,100	7.82%
Deferred Inflows of Resources	$2,355,007	$1,096,365	-53.45%
Invested in capital assets (net)	$1,740,270	$1,736,912	-0.19%
Restricted	$858,341	$934,946	8.92%
Unrestricted	($922,404)	($799,278)	-13.35%
Total Net Position	$1,676,207	$1,872,580	11.72%

Changes in Net Position

The Library's fiscal year 2025 revenues totaled $5,831,801, an increase of 2.35% over fiscal year 2024. Property taxes account for about 93% of total 2025 revenues.

Fiscal year 2025 expenses totaled $5,635,428, which is 11% more than in 2024.

Changes in Net Position from Operating Results

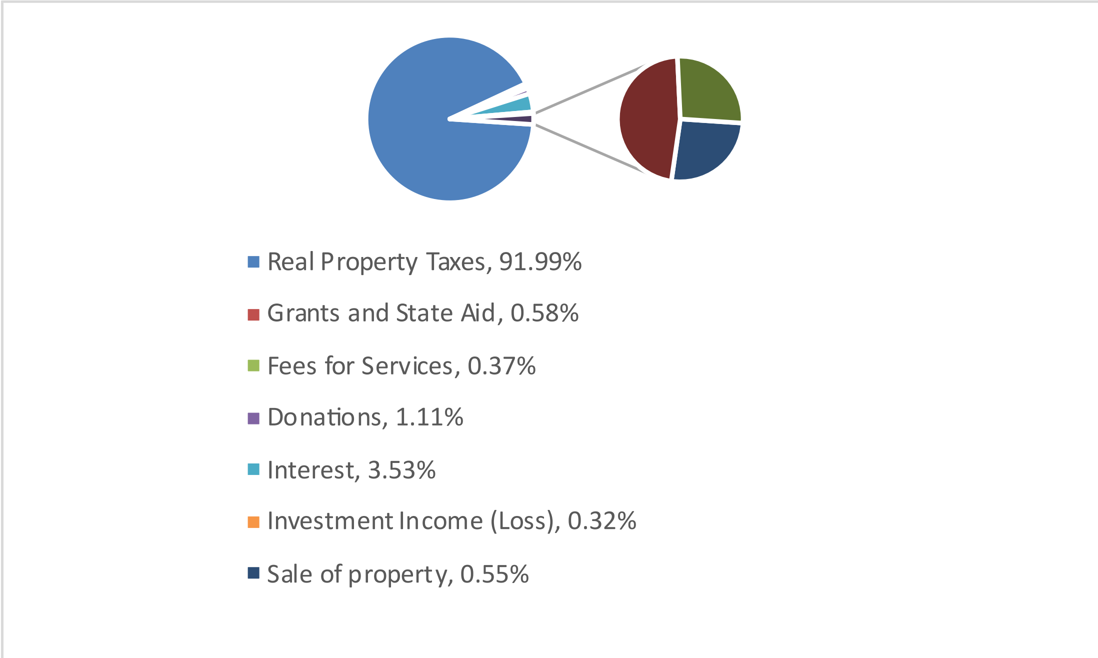
	Restated 30-Jun-24	30-Jun-25	% change
Revenues			
Real Property Taxes	$5,300,634	$5,364,552	1.21%
Program Grants	$25,171	$17,660	-29.84%
State Aid	$15,752	$16,075	2.05%
Fees for Services	$18,389	$21,681	17.9%
Rental income	$32,589	$15,000	-53.97%
Miscellaneous	$1,848	$17,881	867.59%
Donations	$16,768	$64,545	284.93%
Interest	$198,809	$205,653	3.44%
Investment Income (Loss)	$19,744	$18,880	-4.38%
Sale of Property	-	$32,198	100.00%
Change in value of charitable remainder trust	$68,980	$57,676	-16.39%
Total Revenues	$5,698,684	$5,831,801	2.34%
Expenses	$5,682,488	$5,635,428	-0.83%
Net Position, beginning of year	$1,660,011	$1,676,207	0.98%
Net Position, end of year	$1,676,207	$1,872,580	11.72%

The Library's net position increased by $196,373 for the 2025 fiscal year.

The Library's financial condition can continue to be credited to:

- Continued leadership of the Library's board of Trustees and administration;
- Approval of the Library's proposed annual budget; and
- Community use and support of services provided by the Library.

Sources of Revenue for Fiscal Year 2024-25



General Fund Budgetary Highlights

The Library's property tax levy for the 2024-25 fiscal year was authorized by the voters in the amount of $5,363,013. That amount was collected, along with an additional $1,539 in tax abated Payment in Lieu of Taxes, or PILOT, revenue.

77% of fiscal year 2024-25 expenditures, or $4,700,730, were dedicated to general library operation, while about 23% were devoted to employee benefits.

Capital Asset and Debt Administration

Debt for construction of the Library was retired in 2010. By the end of 2025, the library had invested $1,736,912, net of depreciation, in a broad range of capital assets including building improvements, collections, equipment, and technology.

Capital Assets, Net of Depreciation

	6/30/2024	6/30/2025	% change
Land	$285,000	$284,145	-0.30%
Collections	$6,000	$6,000	0.00%
Depreciable Assets (Buildings and Improvements, Equipment, Net)	$1,449,270	$1,446,767	-0.17%
Total Capital Assets, Net	$1,740,270	$1,736,912	-0.19%

Factors Bearing on the Library's Future

- The Saratoga Springs Public Library is chartered to serve the Saratoga Springs City School District, which enjoys a strong economy, a growing population, and has maintained property wealth, income levels and a stable tax base.
- Rising wages in other employment sectors and low regional unemployment rates have combined to make recruitment for some positions more competitive.
- The Library is fiscally sound, and proud of the continued extraordinary support from our community. The real property tax budget for the 2025-26 fiscal year in the amount of $5,433,458, with a 1.5% increase over the previous year's budget, was approved by more than 97% of voters.
- The Library is currently working with an architectural firm on anticipated building improvements to maximize the usage of public spaces within the building.
- The Library adopted a new strategic plan of service, effective July 1, 2025.
- Changes in the operational model of the Friends of the Saratoga Springs Public Library may have a short-term effect on that organization's direct financial support to the Library.
- Leases for space for rooftop cell phone equipment and café space within the library have terminated, resulting in a significant decrease in rental income.
- Supply chain disruption and supplier consolidation for library service materials such as books and physical media is on ongoing and growing issue in the library industry.
- Library outreach efforts continue to expand into the remoter regions of the service area.

Contacting the Library's Financial Management

This financial report is designed to provide the Library's taxpayers, citizens, customers, and stakeholders with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact

A. Issac Pulver, Library Director
Saratoga Springs Public Library
49 Henry Street
Saratoga Springs, NY 12866
(518) 584-7860

SARATOGA SPRINGS PUBLIC LIBRARY
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets		
Cash - unrestricted	$	5,147,928
Accounts receivable		631
Prepaid expenditures		8,740
Total Current Assets		5,157,299
Noncurrent Assets		
Capital assets, net of accumulated depreciation		1,736,912
Total Noncurrent Assets		1,736,912
Other Assets		
Cash endowment - restricted		6,823
Beneficial interest in assets held by Community Foundation - restricted		216,309
Assets held in charitable remainder trust - restricted		711,814
Total Other Assets		934,946
Total Assets		7,829,157
DEFERRED OUTFLOWS OF RESOURCES		
Other postemployment benefits		188,303
Pension		705,585
Total Deferred Outflows of Resources		893,888
Total Assets and Deferred Outflows of Resources	$	8,723,045

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current Liabilities		
Accounts payable and accrued expenses	$	125,051
Retainage payable		21,543
Due to Employees' Retirement System		100,008
Compensated absences		166,076
Total Current Liabilities		412,678
Long-Term Liabilities - Due and Payable After One Year		
Compensated absences		116,595
Other postemployment benefits obligation		4,133,467
Net pension liability, proportionate share		1,091,360
Total Long-Term Liabilities		5,341,422
Total Liabilities		5,754,100
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits		919,253
Pension		177,112
Total Deferred Inflows of Resources		1,096,365
Total Liabilities and Deferred Inflows of Resources		6,850,465

NET POSITION

Net investment in capital assets		1,736,912
Restricted		934,946
Unrestricted		(799,278)
Total Net Position		1,872,580
Total Liabilities, Deferred Inflows, and Net Position	$	8,723,045

See accompanying notes to financial statements.

SARATOGA SPRINGS PUBLIC LIBRARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Culture and recreation	$ 5,635,428	$ 39,562	$ 33,735	$ (5,562,131)
General Revenues				
Real property taxes				5,364,552
Rental Income				15,000
Interest				205,653
Investment income				18,880
Change in value of charitable remainder trust				57,676
Donations				64,545
Gain on Sale				32,198
Total General Revenues				5,758,504
Change in Net Position				196,373
Net Position, Beginning of Year as Originally Reported				1,473,707
Cumulative Effect of Correction of an Error				202,500
Total Net Position, Beginning of Year as Restated				1,676,207
Net Position, End of Year				$ 1,872,580

See accompanying notes to financial statements.

SARATOGA SPRINGS PUBLIC LIBRARY
BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION
JUNE 30, 2025

	General	Permanent	Total Governmental Funds
ASSETS			
Cash - unrestricted	$ 5,147,928	$ -	$ 5,147,928
Cash - board designated	-	-	-
Accounts receivable	631	-	631
Prepaid expenditures	8,740	-	8,740
Cash endowment - restricted	-	6,823	6,823
Beneficial interest in assets held by Community Foundation - restricted	216,309	-	216,309
Assets held in charitable remainder trust - restricted	711,814	-	711,814
TOTAL ASSETS	$ 6,085,422	$ 6,823	$ 6,092,245
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable and accrued liabilities	$ 146,594	$ -	$ 146,594
Due to Employees' Retirement System	100,008	-	100,008
Refundable advances	-	-	-
TOTAL LIABILITIES	246,602	-	246,602
FUND BALANCE			
Nonspendable	8,740	-	8,740
Restricted	928,123	6,823	934,946
Unassigned	4,901,957	-	4,901,957
Total Fund Balance	5,838,820	6,823	5,845,643
TOTAL LIABILITIES	$ 6,085,422	$ 6,823	$ 6,092,245

Amounts reported for governmental activities in the statement of net position are different due to the following:

Fund balance, all governmental funds	$ 5,845,643
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds	1,736,912
Deferred outflows of resources - pension	705,585
Deferred outflows of resources - other postemployment benefits	188,303
Deferred inflows of resources - pension	(177,112)
Deferred inflows of resources - other postemployment benefits	(919,253)
Compensated absences	(282,671)
Other postemployment benefits obligation	(4,133,467)
Net pension liability, proportionate share	(1,091,360)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 1,872,580

SARATOGA SPRINGS PUBLIC LIBRARY
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General	Permanent	Total Governmental Fund
Revenue			
Real property taxes	$ 5,364,552	$ -	$ 5,364,552
Program grants	17,660	-	17,660
State aid	16,075	-	16,075
Copier income	9,103	-	9,103
Fines, rentals, and fees	12,578	-	12,578
Miscellaneous	17,881	-	17,881
Rental income	15,000	-	15,000
Donations	64,545	-	64,545
Interest	205,604	49	205,653
Investment income (loss)	18,880	-	18,880
Sale of property	33,054	-	33,054
Change in value of charitable remainder trust	57,676	-	57,676
Total Revenue	5,832,608	49	5,832,657
Expenditures			
General support	4,700,730	-	4,700,730
Employee benefits	1,387,743	-	1,387,743
Total Expenditures	6,088,473	-	6,088,473
Excess (Deficiency) of Revenue Over Expenditures	(255,865)	49	(255,816)
Fund Balance, Beginning of Year as Originally Reported	5,892,185	6,774	5,898,959
Cumulative Effect of Correction of an Error	202,500	-	202,500
Fund Balance, Beginning of Year, as Restated	6,094,685	-	6,101,459
Fund Balance, End of Year	$ 5,838,820	$ 6,823	$ 5,845,643

SARATOGA SPRINGS PUBLIC LIBRARY
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net Changes in Fund Balance - Total Governmental Funds	$ (255,816)
Capital outlays are expenditures in government funds, but are capitalized in the statement of net position, net of retainage payable	238,886
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(242,244)
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds:	
Other postemployment benefits	366,217
Compensated absences	10,434
Adjustments for net pension liability - ERS	78,896
Change in Net Position - Governmental Activities	$ 196,373

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Saratoga Springs Public Library (the Library) is an independent special purpose government, chartered by the Board of Regents of the Education Department of the State of New York on November 30, 1951. The Board of Trustees is elected and is the legislative body responsible for the overall operations of the Library.

The Library cannot issue bonded debt in its own name to construct capital projects and therefore does not own the building it occupies. Accordingly, the Saratoga Springs City School District issued bonds of $7,525,000 to finance the construction of the Saratoga Springs Public Library building. As of June 30, 2010, the bonds were paid in full. No value or costs of the building related to the bonded debt are reflected in the accompanying financial statements of the Library. However, those costs associated with the acquisition of land, building, and improvements paid for with Library funds are recorded by the Library.

The financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the Library are described below.

Basis of Presentation

The Library's financial statements consist of Government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund level financial statements which provide more detailed information.

Government-Wide Financial Statements

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

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

Fund Financial Statements

The fund financial statements provide information about the Library's funds. Separate statements, if applicable for each fund category, are presented. The emphasis of fund financial statements is on major governmental funds.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounts of the Library are organized into funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue, and expenditures. The various funds are summarized by type in the financial statements.

The fund types used by Saratoga Springs Public Library are as follows:

Governmental Fund Types
Governmental funds are those in which most government functions of the Library are reported. The acquisition, use, and balances of the Library's expendable financial resources and related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position rather than upon determination of net income. The Library had the following funds with activity during 2025:

- *General Fund* - The general fund is the principal fund of the Library and includes all operations not required to be recorded in other funds.
- *Permanent Fund* - The permanent fund is used to account for endowments held by the library in which principal cannot be spent and earnings may be used for general activities.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The Library considers all revenue reported in the governmental funds to be available if the revenue is collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the Library's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in the notes.

Implementation of New Accounting Standards

The library has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable and effective for the fiscal year ended June 30, 2025, none of which had a significant impact to the financial statements:

GASB has issued Statement No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. This statement did not have a significant impact on the Library.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, effective for the year ending June 30, 2025. This statement did not have a significant impact on the Library.

Future Changes in Accounting Standards

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, effective for the year ending June 30, 2026.

GASB has issued Statement No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending June 30, 2026.

GASB has issued Statement No. 105, *Subsequent Events*, effective for the year ending June 30, 2027.

The Library will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Budgetary Procedures and Budgetary Accounting

<u>Budgetary Procedures</u>
The Library employs the following budgetary procedures:

A. The Library administration prepares a proposed budget for approval by the Board of Trustees.

B. The proposed budget for the fiscal year July 1 through June 30 adopted by the Library Trustees is put before the voters of the Saratoga Springs City School District (the District) for approval and inclusion in the District's tax levy for collection.

C. The entire library tax levy is provided to the Library for and in the year of levy by the District.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Procedures and Budgetary Accounting

Budget Basis of Accounting
Budgets are adopted annually on a basis consistent with generally accepted accounting principles.

Capital Assets, Net of Accumulated Depreciation, and Lease Assets

Capital Assets

Capital assets are reported at stated cost. Donated assets are reported at the estimated fair value at the time received. Depreciation is computed using the straight-line method over the estimated useful life of the capital asset and is reported as an expense in the governmental financial statements. The following are the estimated useful lives:

Building and improvements	20-25 years
Equipment	3-10 years

Maintenance and repairs are charged to operations when incurred, betterments and renewals are capitalized. When property, plant, and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Lease Assets

Lease assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 3 and 5 years based on the contract terms and/or estimated replacement of the assets.

Prepaid Expenses

Prepaid expenses represent payments made by the Library for which benefits extend beyond year-end.

Deferred Outflows and Inflows of Resources

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

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Deferred Outflows and Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Library has two items that qualify for reporting in this category. The first item is related to the pension reported in the Statement of Net Position. This first item represents the effect of the net change in the Library's proportionate share of the collective net pension liability and the difference during the measurement periods between the Library's contributions and its proportionate share of the total contributions to the pension system not included in pension expense. The second item is related to OPEB reported in the Government-wide Statement of Net Position. This represents the effect of the net change of assumptions or other inputs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Donated Services

The value of donated volunteer services is not reflected in the accompanying financial statements since the services do not require specialized skills. However, a substantial number of volunteers have donated significant amounts of their time in various areas of the Library's operations.

Inexhaustible Collections and Books

Because the values of the existing inexhaustible collections, including research books, are not readily determinable, the Library has not capitalized them. The Library has capitalized an inexhaustible work of art as the value was readily determined. Collections that are exhaustible are capitalized and included with equipment in the financial statements and are amortized over their estimated useful lives. Accessions and deaccessions during the year ended June 30, 2025 were not significant. Books used in the circulating library have not been capitalized because their estimated useful lives are less than one year.

Employee Benefits - Compensated Absences

<u>Compensated Absences</u>
Library employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Compensated absences consist of unpaid accumulated annual vacation time specified in negotiated labor contracts and individual employment contracts. Upon retirement, employees may contractually receive a payment based on the accumulated leave, based on contractual provisions.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Employee Benefits - Compensated Absences

In the entity-wide financial statements, the Library recognizes a liability for compensated absences, when employees have earned the right to leave and it is more than likely than not that the leave will be used for time off or otherwise paid in cash, or settled through other means. The liability is measured at the employee's rate of pay at the reporting date, including salary-related payments such as social security and Medicare taxes and ERS contributions. The liability at June 30, 2025 was $282,671.

In the fund statements, a liability is reported only for payments due for unused compensated absences for those employees that have obligated themselves to separate from services with the Library by June 30^{th}.

<u>Retirement Benefits</u>
Library employees participate in the New York State and Local Employees' Retirement System and the Public Employees' Life Insurance Plan.

<u>Other Benefits</u>
Library employees may also choose to participate in the Library's elective deferred compensation plan established under the Internal Revenue Code (IRC) Section 403(b).

Fair Value Measurement of Financial Instruments

U.S. GAAP establishes a framework for measuring fair value. That framework provides for a fair value hierarchy that prioritizes the inputs in valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Library has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair Value Measurement of Financial Instruments

The asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used at June 30, 2025.

Investments held in charitable remainder trust and in beneficial interest in assets held by Community Foundation are valued based on the underlying assets within the trust as of the last day of the fiscal year. The beneficial interest in assets held by Community Foundation is considered a level 1 in the fair value hierarchy because the value of the asset can be readily determined based on readily observable quoted prices in an active market.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Library believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at June 30, 2025 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Charitable Remainder Trust	$ 711,814	$ 711,814	$ -	$ -
Beneficial Interest in Assets held by Community Foundation	216,309	216,309	-	-
Total Assets at Fair Value	$ 928,123	$ 928,123	$ -	$ -

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Position/Fund Balance Classifications

Government-Wide Statements
In the Government-wide statements, there are three classes of net position:

Net investment in capital assets - consists of net capital assets (cost less accumulated depreciation).

Restricted - reports net positions when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted net position relates to the cash endowment, investment endowment and the charitable remainder trust.

Unrestricted - reports all other net positions that do not meet the definition of the above two classifications and are deemed to be available for general use by the Library.

Governmental Fund Statements
In the fund basis statements, there are five classifications of fund balance:

Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Nonspendable fund balance includes prepaid expenditures. The Library has $8,740 of nonspendable fund balance as of June 30, 2025.

Restricted - includes amounts with constraints placed on use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions enabling legislation. Restricted fund balance includes the cash endowment, investment endowment and the charitable remainder trust. The Library has $934,946 of restricted fund balances as of June 30, 2025.

Committed - includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the Library's highest level of decision making authority, i.e., the Board of Trustees. The Library has no committed fund balance as of year-end.

Assigned - includes amounts that are constrained by the Library's intent to be used for specific purposes, but are neither restricted nor committed. The Library has no assigned fund balance as of year-end.

Unassigned - includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the Library.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Explanation of Certain Differences Between Fund Financial Statements and Government-Wide Statements

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

Total Fund Balances of Governmental Funds vs. Net Positions of Governmental Activities

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

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

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the Statement of Activities fall into one of five broad categories.

<u>Long-Term Revenue and Expense Differences</u>
Long-term revenue differences arise because governmental funds report revenue only when it is considered "available", whereas the Statement of Activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

<u>Capital Related Differences</u>
Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

<u>Pension Differences</u>
Pension differences occur as a result of changes in the Library's proportion of the collective net pension asset/liability and difference between the Library's contributions and its proportionate share of the total contributions to the pension system.

<u>Long-Term Debt Transaction Differences</u>
Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

OPEB Differences
OPEB differences occur as a result of change in the Library's total OPEB liability and differences between the Library's contributions and OPEB expense.

2. CASH AND INVESTMENTS

The Library's investment policies are governed by State statutes. Monies must be deposited in FDIC-insured commercial banks or trust companies located within New York State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Deposits

Deposits are valued at cost or cost plus interest and are categorized as either (1) insured, or for which the securities are held by the Library's agent in the Library's name, (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the Library's name, or (3) uncollateralized.

Total financial institution (bank) balances at June 30, 2025 were $5,198,607. These deposits include balances of $4,931,805 that are not covered by deposit insurance but are collateralized by securities held by the bank's agent in the Library's name.

3. ENDOWMENT FUNDS

Cash Endowment:

Contributions have been made to the Library to be used for the following purposes:

Donor	Purpose	Expenditure Restrictions	
Shenbaum	Purchase of Holocaust books	Interest only	$ 1,000
Milligan	Purchase of books	Interest only	5,003
Hunt	Purchase of history of medicine books	Interest only	820
	Total		$ 6,823

3. ENDOWMENT FUNDS

Investment Endowment:

Endowment funds include the assets of the Saratoga Public Library Endowment which are held by the Community Foundation for the Greater Capital Region (CF). The Endowment fund was $216,309 as of June 30, 2025. The Endowment is classified on the Statement of Net Position and the Balance Sheets as the beneficial interest in assets held by Community Foundation.

Investment Endowment:

The CF has variance powers which give the CF the right to distribute the investment income to another not-for-profit organization of its choice if the Library is no longer a qualified charitable organization. The CF receives contributions from donors for this fund. Unless otherwise designated by the donor, income of the Saratoga Public Library Endowment, as determined annually by the "Payout Rate" adopted by the Board of Trustees of the CF, shall be paid and distributed to the Library upon request. The Board of Trustees of CF has the option of accessing corpus in order to make a distribution to the Library, if it so desires, up to the maximum pay out rate.

4. CHARITABLE REMAINDER TRUST

The Library was named as the beneficiary of a charitable remainder trust. The donor placed restrictions as to the ultimate use of the trust assets by the Library. The trust is administered by an independent third-party trustee.

Fair value at end of year	$ 711,814
Fair value at beginning of year	654,138
Change in Value of Charitable Remainder Trust	$ 57,676

The fair value of the remainder interest of the trust has been recorded at the current fair value of the trust assets as the Library can spend down both the principal and earnings once the restrictions have been met.

5. RISKS AND UNCERTAINTIES

General Information

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions, injuries to employees, and natural disasters. The Library has purchased commercial insurance for all risk above minimal deductible amounts.

5. RISKS AND UNCERTAINTIES

Investments

The Library is the beneficiary of a charitable remainder trust that invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets that are not depreciated:				
Land	$ 285,000	$ -	$ 855	$ 284,145
Capitalized collections	6,000	-	-	6,000
Construction in progress	-	170,822	-	170,822
Total Capital Assets Not Depreciated	291,000	170,822	855	460,967
Capital assets that are depreciated:				
Buildings and improvements	3,889,703	56,954	-	3,946,657
Equipment	2,303,870	11,965	-	2,315,835
Total Depreciable Capital Assets	6,193,573	68,919	-	6,262,492
Less accumulated depreciation	4,744,303	242,244	-	4,986,547
Total Capital Assets, Net	$ 1,740,270	$ (2,503)	$ 855	$ 1,736,912

7. PENSION

Employees' Retirement System

The Library participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The Library also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

7. PENSION

Contributions

The System is noncontributory except for employees who joined after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3% to 3.5% of their salary for their entire length or service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

2024 - 2025	$ 370,187
2023 - 2024	290,339
2022 - 2023	226,461

The Library's contributions made to the System were equal to 100 percent of the contributions required for each year.

At June 30, 2025, the Saratoga Springs City School District (SSCSD) reported the following liability for its proportionate share of the net pension liability (asset) for the System. SSCSD then allocated a proportionate share of the net pension liability (asset) to the Library, which is included in the Statement of Net Position. The net pension liability (asset) was measured as of March 31, 2025 for the System. The total net pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. SSCSD's proportion of the net pension liability (asset) was based on the projection of the SSCSD's long-term share of contributions of all participating members, as actuarially determined, including the Library's members. This information was provided by the System in reports provided to SSCSD and provided to the Library.

Actuarial valuation date	April 1, 2024
SSCSD's portion of the Plan's net pension liability (asset)	$ 6,821,002
SSCSD's portion of the Plan's total net pension liability (asset)	0.0397825%
Library's net pension liability (asset)	$ 1,091,360
Library's portion of the Plan's total net pension liability (asset)	0.0063652%

7. PENSION

Pension Expense

For the year ended June 30, 2025, the Library recognized its proportionate share of the pension expense of $238,894.

Collective Deferred Outflows and Deferred Inflows of Resources Related to the Pension

At June 30, the Library reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	$ 270,883	$ 12,778
Changes of assumptions	45,769	-
Net difference between projected and actual earnings on pension plan investments	85,625	-
Changes in proportion and differences between contributions and proportionate share of contributions	203,300	164,334
Contributions subsequent to the measurement date	100,008	-
Total	$ 705,585	$ 177,112

7. PENSION

Collective Deferred Outflows and Deferred Inflows of Resources Related to the Pension

The Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2026. Other amounts reported as deferred outflows of resources, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:		
2026	$	203,080
2027		292,341
2028		(82,540)
2029		15,584
Total	$	428,465

Deferred outflows of resources and deferred inflows of resources resulting from changes in an individual employer's proportion are amortized over a five-year closed period, reflecting the average remaining service life of members (active and inactive members), respectively.

Actuarial Assumptions

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

Measurement date	March 31, 2025
Actuarial valuation date	April 1, 2024
Interest rate	5.90%
Salary scale	4.30%
Decrement tables	April 1, 2015 - March 31, 2020 System's experience
Inflation rate	2.90%
Projected Cost of Living Adjustments	1.5% annually

The annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2021 for the year ended June 30, 2025.

7. PENSION

Actuarial Assumptions

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

	Long-Term Expected Real Rate of Return
Asset Class:	
Domestic equity	3.54 %
International equity	6.57
Private equity	7.25
Real estate	4.95
Opportunistic/ARS portfolio	5.25
Credit	5.40
Real assets	5.55
Fixed income	2.00
Cash	0.25

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for the measurement date March 31, 2025. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, as actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. PENSION

Sensitivity of the Proportionate Share of the Net Pension (Asset)/Liability to the Discount Rate Assumption

The following presents the Library's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9% for the year ending June 30, 2025, as well as what the Library's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension (asset)/liability	$ 3,158,534	$ 1,091,360	$ (634,731)

Changes of Assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective Pension Expense

Collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2025 was $261,203.

Payable to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2025 represent the projected employer contribution for the period of April 1, 2025 through June 30, 2025, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2025 amounted to $100,008.

8. POSTEMPLOYMENT BENEFITS OBLIGATION

Plan Description

In addition to providing pension benefits, the Library also provides certain health care benefits for retired employees, their dependents and certain survivors. The Library funds the cost of providing postretirement health insurance benefits on a pay-as-you-go basis. During the year ended June 30, 2025, expenditures of $166,816 were paid for postretirement health care.

The Library administers the plan as a single-employer defined benefit plan (the Plan), through which retirees and their spouses receive benefits. The Plan provides for the continuation of medical insurance benefits for eligible retirees that reach age 55 and have 10 years of service. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in trust that meet the criteria in paragraph 4 of Statement No. 75.

Funding Policy

The Library's benefits are provided through fully insured plans that are sponsored by a regional health insurance consortium. The Library pays between 95% and 100% of the retiree's medical benefits depending on the employee group.

Spouses of employees that retired prior to July 1, 2016, receive subsidized coverage from the Library ranging from 100% to 80% of the lowest cost plan. The spouse is required to pay 100% of the cost of the benefits following the death of the retired employee. Employees retiring on or after July 1, 2016, do not receive subsidized dependent benefits from the plan; spouses may continue coverage paying 100% of the premium for the plan elected.

Employees Covered by Benefit Terms - At July 1, 2023, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	25
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	33
Total Plan Members	58

Net OPEB Liability

The Library's total OPEB liability was measured as of June 30, 2025; the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023.

8. POSTEMPLOYMENT BENEFITS OBLIGATION

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	4.54%
Salary increases	3.50% (including inflation)
Discount Rate	5.2% (S&P Municipal bond 20-Year High Grade Index)
Healthcare cost trend rates	
Pre-65 Medical	Initial rate of 8.00% decreasing to an ultimate rate of 4.54% by 2065.

Mortality rates were based on Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021.

Retirement participation rate assumed that 80% of future retirees eligible for coverage will elect the benefit. Marriage assumption, it was assumed that 50% of active employees are married, with male spouses assumed to be 3 years older than female spouses. For current retirees, actual census information was used. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Changes in the Net OPEB Liability

Changes in the Library's net OPEB liability at June 30, 2025 were as follows:

	Total OPEB Liability [a]	Plan Fiduciary Net Position [b]	Net OPEB Liability [a] - [b]
Balances at June 30, 2024	$ 3,747,041	$ -	$ 3,747,041
Changes for the year:			
Service cost	158,381	-	158,381
Interest	208,439	-	208,439
Difference between expected and actual experience	-	-	-
Contributions - employer	-	-	-
Net investment income	-	-	-
Assumption changes	186,422	-	186,422
Benefit payments	(166,816)	-	(166,816)
Net changes	386,426	-	386,426
Balances, June 30, 2025	$ 4,133,467	$ -	$ 4,133,467

8. POSTEMPLOYMENT BENEFITS OBLIGATION

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

The following presents the Library's total OPEB liability, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

June 30, 2025	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	$ 4,639,143	$ 4,133,467	$ 3,708,507

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Library's total OPEB liability, as well as what the Library's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

June 30, 2025	1% Decrease (7.00%)	Healthcare Cost Trend Rate (8.00%)	1% Increase (9.00%)
Total OPEB Liability	$ 3,604,105	$ 4,133,467	$ 4,779,267

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

For the year ended June 30, 2025, the Library recognized OPEB expense of $386,426. At June 30, 2025, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning of the year	$ 239,473	$ 1,723,066
Differences between expected and actual experience	188,303	-
Change of assumptions	(259,079)	(803,813)
Amounts recognized in OPEB expense	19,606	-
Total	$ 188,303	$ 919,253

8. POSTEMPLOYMENT BENEFITS OBLIGATION

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

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

Year Ending June 30,	
2026	$ (383,294)
2027	(163,982)
2028	(163,982)
2029	(19,692)
2030	-
Total	$ (730,950)

9. TAX ABATEMENTS

The Library shares in certain tax abatements with the Saratoga Springs City School District, and is allocated a certain amount of PILOT revenue. The PILOT revenue allocated to the Library during the year ended June 30, 2025 totaled $1,539.

10. LEASING ACTIVITY

The Library leases coffee shop space to the Friends of the Saratoga Springs Public Library, Inc. under an operating lease with a term of two months and five years, beginning May 1, 2023. The lease can be cancelled upon 90 days prior written notice of termination. The lease was terminated in the year ended June 30, 2025.

11. CORRECTION OF AN ERROR

During the year ended June 30, 2025, the Library evaluated the refundable advances balance and determined that the amount should have been recognized as revenue in a prior year. As a result, adjustments were made as of July 1, 2024 to correct the error.

	Government-Wide Statements	General Fund
Net position/fund equity beginning of year, as originally reported	$ 1,473,707	$ 5,898,959
Adjustment for deferred revenue	202,500	202,500
Net position/fund equity beginning of year, as restated	$ 1,676,207	$ 6,101,459

12. SUBSEQUENT EVENTS

The Library's management has evaluated events subsequent to the Statement of Net Position date of June 30, 2025 through April 13, 2026, which is the date these financial statements were available to be issued, and have determined that there are no other subsequent events that require recording or disclosure.

SARATOGA SPRINGS PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ENTITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2025

Employees' Retirement System
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension asset (liability)	0.0063652%	0.0063132%	0.0057392%	0.0061655%	0.0059236%	0.0070068%	0.0069240%	0.0085416%	0.0080058%	0.0078403%
Proportionate share of the net pension asset (liability)	$ (1,091,360)	$ (929,560)	$ (1,230,715)	$ (504,006)	$ 5,898	$ 1,855,453	$ 490,587	$ 275,676	$ 752,239	$ 1,301,314
Covered-employee payroll	$ 2,363,464	$ 2,242,025	$ 2,103,154	$ 1,960,080	$ 1,916,809	$ 2,164,639	$ 2,157,974	$ 2,083,507	$ 2,105,624	$ 2,187,871
Proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	46%	41%	59%	26%	0%	-86%	-23%	-13%	-36%	-59%
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

SARATOGA SPRINGS PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ENTITY CONTRIBUTIONS TO EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2025

Last 10 Fiscal Years
Employees' Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 370,187	$ 290,339	$ 226,461	$ 317,186	$ 280,731	$ 314,122	$ 302,863	$ 382,150	$ 362,109	$ 425,998
Contributions in relation to the contractually required contribution	(370,187)	(290,339)	(226,461)	(317,186)	(280,731)	(314,122)	(302,863)	(382,150)	(362,109)	(425,998)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 2,363,464	$ 2,242,025	$ 2,103,154	$ 1,960,080	$ 1,916,809	$ 2,164,639	$ 2,157,974	$ 2,083,507	$ 2,105,624	$ 2,187,871
Contributions as a percentage of covered payroll	15.66%	12.95%	10.77%	16.18%	14.65%	14.51%	14.03%	18.34%	17.20%	19.47%

SARATOGA SPRINGS PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

***Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Measurement date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Service cost at end of year	$ 158,381	$ 164,078	$ 150,370	$ 145,229	$ 282,137	$ 276,037	$ 127,995	$ 125,481
Interest	208,439	144,688	157,472	153,440	138,499	133,539	151,421	145,928
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience in the measurement of the total OPEB liability	-	(718,210)	-	407,543	-	(420,858)	-	-
Changes in assumptions and other inputs	186,422	(347,144)	-	(2,576,275)	-	2,082,249	41,815	46,197
Benefit payments	(166,816)	(158,570)	(187,991)	(181,564)	(187,154)	(183,107)	(156,492)	(171,846)
Net Change in Total OPEB Liability	386,426	(915,158)	119,851	(2,051,627)	233,482	1,887,860	164,739	145,760
Total OPEB Liability - beginning	3,747,041	4,662,199	4,542,348	6,593,975	6,360,493	4,472,633	4,307,894	4,162,134
Total OPEB Liability - ending	$ 4,133,467	$ 3,747,041	$ 4,662,199	$ 4,542,348	$ 6,593,975	$ 6,360,493	$ 4,472,633	$ 4,307,894
Covered-employee payroll	$ 2,216,306	$ 2,141,359	$ 1,711,492	$ 1,661,643	$ 1,974,847	$ 1,936,124	$ 1,847,076	$ 1,810,859
Total OPEB Liability as a percentage of covered-employee payroll	186.50%	174.98%	272.41%	273.36%	333.90%	328.52%	242.15%	237.89%

* Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled this presentation will only include information for those years for which information is available. Additionally, the amounts presented for each fiscal year were determined as of the measurement date as disclosed in the footnotes.

SARATOGA SPRINGS PUBLIC LIBRARY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenue				
Real property taxes	$ 5,363,013	$ 5,363,013	$ 5,364,552	$ 1,539
Program grants	200,000	200,000	17,660	(182,340)
State aid	-	-	16,075	16,075
Copier income	12,000	12,000	9,103	(2,897)
Fines, rentals, and fees	20,000	20,000	12,578	(7,422)
Miscellaneous	33,000	33,000	17,881	(15,119)
Rental income	18,000	18,000	15,000	(3,000)
Donations	75,000	75,000	64,545	(10,455)
Interest	180,000	180,000	205,653	25,653
Investment income	-	-	18,880	18,880
Gain on Sale	-	-	33,054	33,054
Change in value of charitable remainder trust	-	-	57,676	57,676
Appropriated reserves	971,095	971,095	-	(971,095)
Total Revenue	6,872,108	6,872,108	5,832,657	(1,039,451)
Expenditures				
General support	5,443,608	5,443,608	4,700,730	742,878
Employee benefits	1,418,500	1,418,500	1,387,743	30,757
Total Expenditures	6,862,108	6,862,108	6,088,473	773,635
Excess of Revenue Over Expenditures	10,000	10,000	(255,816)	(265,816)
Fund Balances, Beginning of Year	5,892,185	5,892,185	5,898,959	-
Fund Balances, End of Year	$ 5,902,185	$ 5,902,185	$ 5,643,143	$ (265,816)

MMB+CO BUSINESS ADVISORS AND CPAS

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

The Board of Trustees
Saratoga Springs Public Library

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the financial statements of the governmental activities and each major fund of the Saratoga Springs Public Library (Library), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated April 13, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Library's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Library's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Library's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Barr & Co. LLP

Latham, NY
April 13, 2026

SARATOGA SPRINGS PUBLIC LIBRARY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of independent auditor's report issued:		Unmodified
Internal control over financial reporting:		
Material weakness(es) identified?	__X__ Yes	______ No
Significant deficiency(ies) identified not considered to be material weaknesses?	______ Yes	__X__ No
Noncompliance material to the financial statements noted?	______ Yes	__X__ No

Section II - Financial Statement Findings

Findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*:

Material Weakness

2025-001 Material Audit Adjustments

Statement of Condition: Through our audit procedures, we identified material adjustments related to deferred revenues and health insurance expenditures and liabilities which were beyond the scope of cash to accrual adjustments we were engaged to assist with.

Criteria: To accurately present the financial statements of the Library, accounts should be reconciled and reviewed on a periodic basis.

Cause: The adjustments were the result of a lack of review of the related general ledger accounts to ensure the balances were appropriate.

Effect of Condition: Deferred revenue was overstated and fund balance/net position understated by approximately $200,000, and health insurance liabilities were overstated and expenditures overstated by approximately $36,000. Adjusting entries were recorded to correct the balances as part of the audit.

Recommendation: We recommend periodic review and reconciliation of ledger accounts be performed to ensure balances are updated.

Views of Responsible Officials and Planned Corrective Actions:

The indicated adjustments were the result of unusual circumstances related to the timing of a delayed and extended pandemic-era construction project and receipt of related grant income; and personnel changes related to bookkeeping. The Library District Treasurer regularly reconciles accounts, and will periodically review and reconciliation ledger accounts, with particular attention during such unusual circumstances.