



Financial Statements and Notes

February 2021

Westchester Library System
Statement of Financial Position - WLS Balance Sheet
As of 2/28/2021

	<u>2/28/2021</u>	<u>12/31/2020*</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	3,380,960	4,533,682	(1,152,722)	-25.43%
Unconditional Promises to Give	1,020,825	547,880	472,945	86.32%
Accounts Receivable	1,266,717	305,346	961,372	314.85%
Prepaid Expenses	719,261	499,685	219,576	43.94%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total Current Assets	6,387,763	5,886,592	501,171	8.51%
Long-term Assets				
Property & Equipment	<u>668,410</u>	<u>699,437</u>	<u>(31,027)</u>	<u>-4.44%</u>
Total Property & Equipment	<u>668,410</u>	<u>699,437</u>	<u>(31,027)</u>	<u>-4.44%</u>
Total Long-term Assets	<u>668,410</u>	<u>699,437</u>	<u>(31,027)</u>	<u>-4.44%</u>
Total Assets	<u>7,056,173</u>	<u>6,586,029</u>	<u>470,144</u>	<u>7.14%</u>
Liabilities				
Short-term Liabilities				
Accounts Payable	966,642	1,311,864	(345,223)	-26.32%
Deferred Revenue	<u>956,665</u>	<u>10,256</u>	<u>946,409</u>	<u>9228.15%</u>
Total Short-term Liabilities	1,923,307	1,322,120	601,187	45.47%
Long-term Liabilities				
Capital Lease Obligations	0	0	0	0.00%
Deferred Rent	264,635	267,665	(3,030)	-1.13%
Post-Retirement Benefits Payable	<u>5,038,065</u>	<u>5,038,065</u>	<u>0</u>	<u>0.00%</u>
Total Long-term Liabilities	<u>5,302,700</u>	<u>5,305,730</u>	<u>(3,030)</u>	<u>-0.06%</u>
Total Liabilities	<u>7,226,007</u>	<u>6,627,850</u>	<u>598,157</u>	<u>9.02%</u>
Net Assets				
	<u>(169,834)</u>	<u>(41,821)</u>	<u>(128,013)</u>	<u>306.10%</u>
Total Net Assets	<u>(169,834)</u>	<u>(41,821)</u>	<u>(128,013)</u>	<u>306.10%</u>
Total Liabilities and Net Assets	<u>7,056,173</u>	<u>6,586,029</u>	<u>470,144</u>	<u>7.14%</u>

* 2020 year-end figures are unaudited

NOTES FOR FEBRUARY 2021 WLS BALANCE SHEET

Assets:

Cash & Cash Equivalents – During February, WLS’s cash position decreased by \$229,200. Approximately \$392,800 in revenue was received, including \$331,700 in payments from member libraries for IT fees, movie licensing reimbursement and eContent group purchases as well as \$48,250 from Westchester County. More than \$622,000 in expenses were paid out. Notable expenses included \$79,300 in equipment from Dell, a payment of just under \$10,000 to Shelterpoint for disability insurance and \$12,500 for public movie performance licensing which is reimbursed to WLS by the member libraries.

Unconditional Promises to Give – This figure increased by \$214,500 during the month of February, the result of recording \$163,900 in State revenue, \$86,400 for 2021 County revenue, and \$12,500 for eRate funding, against the receipt of the above-noted \$48,250 in 2019 County monies.

Accounts Receivable - This figure decreased by more than \$337,000, primarily driven by monies received for January – June IT fees.

Liabilities:

Deferred Revenue – This figure decreased by approximately \$235,000 during the month of February, the result of recognition of IT revenue.

Post-Retirement Benefits Payable – This figure has been updated to reflect the actuarial report for the end of 2020. The line increased by more than \$868,800 effective 12/31/2020. It is important to note that while this figure is large, it represents the total obligation for post-retirement benefits for WLS staff.

Westchester Library System
Statement of Revenues and Expenditures - Monthly Budget Expenses
From 2/1/2021 Through 2/28/2021

	2/28/2021	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance	Total Budget
Revenue							
State Revenues without Restrictions	150,925	151,011	(86)	302,880	302,022	858	1,812,130
County Revenues without Restrictions	86,400	86,458	(58)	173,000	172,917	83	1,037,500
Federal Revenues without Restrictions	12,500	12,500	0	25,000	25,000	0	150,000
Member Technology Fees	235,613	236,845	(1,232)	470,379	473,690	(3,311)	2,842,140
Fund Raising & Contributions	840	917	(77)	890	1,833	(943)	11,000
Interest	444	1,417	(973)	702	2,833	(2,131)	17,000
WEBS & Other	1,185	2,333	(1,148)	2,252	4,667	(2,415)	28,000
Government Revenues with Restrictions	14,160	58,365	(44,205)	28,970	116,730	(87,760)	700,380
Other Revenues with Restrictions	<u>316</u>	<u>10,042</u>	<u>(9,726)</u>	<u>1,921</u>	<u>20,083</u>	<u>(18,162)</u>	<u>120,500</u>
Total Revenue	<u>502,382</u>	<u>559,887</u>	<u>(57,505)</u>	<u>1,005,995</u>	<u>1,119,775</u>	<u>(113,780)</u>	<u>6,718,650</u>
Expenditures							
Salaries	171,474	214,292	42,817	347,133	428,583	81,451	2,571,500
Fringe Benefits	82,617	120,083	37,466	174,532	240,167	65,635	1,441,000
Professional Fees	3,500	3,242	(258)	5,295	6,483	1,188	38,900
Equipment	3,290	13,908	10,618	11,344	27,817	16,472	166,900
Library Materials	52,446	62,700	10,254	135,753	125,400	(10,353)	752,400
Rent and Utilities	27,552	31,258	3,706	55,104	62,517	7,412	375,100
Repairs and Maintenance	30,292	40,542	10,250	73,548	81,083	7,535	486,500
Supplies	148	4,183	4,035	4,924	8,367	3,442	50,200
Telephone and Internet	30,303	37,200	6,897	60,798	74,400	13,603	446,400
Printing and Postage	3,482	6,233	2,752	3,810	12,467	8,657	74,800
Bibliographic Fees	12,129	6,042	(6,087)	18,747	12,083	(6,663)	72,500
Professional Development	563	4,400	3,837	563	8,800	8,237	52,800
Travel	0	3,383	3,383	121	6,767	6,646	40,600
Memberships	184	1,858	1,675	9,317	3,717	(5,600)	22,300
Contractual Services	21,333	24,233	2,900	44,845	48,467	3,622	290,800
Delivery Service	33,013	34,833	1,820	74,622	69,667	(4,955)	418,000
Special Events	0	833	833	0	1,667	1,667	10,000
Insurance	1,590	2,083	493	3,212	4,167	955	25,000
Miscellaneous	<u>224</u>	<u>2,350</u>	<u>2,126</u>	<u>337</u>	<u>4,700</u>	<u>4,363</u>	<u>28,200</u>
Total Expenditures	<u>474,140</u>	<u>613,658</u>	<u>139,519</u>	<u>1,024,004</u>	<u>1,227,317</u>	<u>203,313</u>	<u>7,363,900</u>
Net Revenue Before Depreciation	<u>28,243</u>	<u>(53,771)</u>	<u>82,013</u>	<u>(18,009)</u>	<u>(107,542)</u>	<u>89,532</u>	<u>(645,250)</u>
Non-Cash Activity							
Depreciation	15,387	15,646	259	31,027	31,292	265	187,750
Unrealized Gain/Loss on Investments	<u>92</u>	<u>0</u>	<u>(92)</u>	<u>92</u>	<u>0</u>	<u>(92)</u>	<u>0</u>
Total Non-Cash Activity	<u>15,479</u>	<u>15,646</u>	<u>166</u>	<u>31,119</u>	<u>31,292</u>	<u>173</u>	<u>187,750</u>
Net Revenue	<u>12,763</u>	<u>(69,417)</u>	<u>82,180</u>	<u>(49,128)</u>	<u>(138,833)</u>	<u>89,705</u>	<u>(833,000)</u>

**NOTES FOR FEBRUARY 2021 (INCOME STATEMENT) STATEMENT OF REVENUE AND EXPENDITURES–
COMPARISON TO BUDGET:**

For the month of February, revenues fell short of budget by \$57,500; revenues year-to-date are approximately \$113,780 short of budget. Spending in February came in approximately \$139,500 below the monthly budget; spending year-to-date for 2021 was approximately \$203,000 less than the budget year-to-date.

While Revenue came in under budget, expenses did as well driving a Net Revenue Before Depreciation of more than \$28,200, which was just over \$82,000 better than anticipated.

Lines with notable activity are discussed below.

Revenues:

State Revenues without Restrictions – While this line is coming in on budget, it should be noted how State revenue is recognized throughout the year. In the period between the start of the year and the passage of the NYS Budget, revenue is recognized at a monthly rate based on the assumptions in the WLS budget. Following the passage of the NYS budget, expected on or about April 1, the monthly revenue recognition is adjusted going forward to align with the actual allocation from NYS. The current WLS budget assumes a 20% reduction in State revenue over 2020.

Government Revenues with Restrictions – The shortfall in this line is the primary driver of the overall shortfall in revenues and is to be expected. This category includes revenues from Project Hope for which the maximum possible revenue has been budgeted when in fact WLS will only receive reimbursement on what is spent. If there are cost savings in the project budget, there will also be equal reductions in the revenue received. No revenue has been received yet, however, revenue from Project Hope is expected in March. This line also would contain revenues through NY CARES of which no revenues have been received, yet.

Other Revenues with Restrictions –The budget assumes a steady flow of funds raised each month, when in reality the monies raised will fluctuate monthly. Please note that the year-to-date total for this line has changed. Following a discussion with the auditors it was determined that it would be more appropriate for the \$43,900 of revenue from the RXR Reality grant for digital equity to be recognized in 2020 rather than in January 2021.

Expenses:

Overall, spending for February was \$139,500 less than the monthly budget driving a *Net Revenue before Depreciation* of \$28,200. Notable variances are discussed below:

Salaries and Fringe Benefits - Underspending in these lines are primarily due to open IT positions which have been budgeted for 12 months and have not yet been filled, as well as the fact of the 8 positions budgeted for Project Hope only one was filled during the February payrolls. Hiring in roles for Project Hope has picked up in March and additional expenditures related to the program are expected in the coming months.

Bibliographic Fees – The deficit in this line can be directly attributed to the timing of invoices. Fees for two months were paid in February driving the overspending for the month. The line is over budget for the year-to-date due to the February activity and will be monitored closely.

Westchester Library System
Statement of Revenues and Expenditures - Three-Year Comparison (2019-2021)

	2/28/2021	Current Period Budget	Current Period Budget Variance	2/29/2020	Current Period Budget	Current Period Budget Variance	2/29/2019	Current Period Budget	Current Period Budget Variance
Revenue									
State Revenues without Restrictions	302,880	302,022	858	387,534	387,483	51	387,333	387,333	(1)
County Revenues without Restrictions	173,000	172,917	83	171,600	169,167	2,433	169,167	169,167	0
Federal Revenues without Restrictions	25,000	25,000	0	27,500	27,500	0	0	26,667	(26,667)
Member Technology Fees	470,379	473,690	(3,311)	473,992	470,783	3,208	474,152	471,200	2,952
Fund Raising & Contributions	890	1,833	(943)	2,615	17,333	(14,719)	2,675	10,333	(7,658)
Interest	702	2,833	(2,131)	7,180	3,333	3,847	3,366	2,000	1,366
WEBS & Other	2,252	4,667	(2,415)	2,830	4,667	(1,837)	4,686	4,633	53
Government Revenues with Restrictions	28,970	116,730	(87,760)	35,708	35,700	8	35,688	39,283	(3,595)
Other Revenues with Restrictions	<u>1,921</u>	<u>20,083</u>	<u>(18,162)</u>	<u>4,583</u>	<u>7,833</u>	<u>(3,250)</u>	<u>5,340</u>	<u>8,550</u>	<u>(3,210)</u>
Total Revenue	<u>1,005,995</u>	<u>1,119,775</u>	<u>(113,780)</u>	<u>1,113,542</u>	<u>1,123,800</u>	<u>(10,258)</u>	<u>1,082,408</u>	<u>1,119,167</u>	<u>(36,759)</u>
Expenditures									
Salaries	347,133	428,583	81,451	379,204	383,967	4,762	362,812	405,800	42,988
Fringe Benefits	174,532	240,167	65,635	188,328	201,250	12,922	185,607	202,250	16,643
Professional Fees	5,295	6,483	1,188	16,731	18,317	1,586	1,911	6,067	4,155
Equipment	11,344	27,817	16,472	7,275	9,133	1,858	4,881	36,600	31,719
Library Materials	135,753	125,400	(10,353)	137,271	136,390	(881)	115,442	135,795	20,353
Rent and Utilities	55,104	62,517	7,412	55,104	57,667	2,562	55,104	57,667	2,562
Repairs and Maintenance	73,548	81,083	7,535	71,054	92,867	21,812	85,638	79,600	(6,038)
Supplies	4,924	8,367	3,442	6,037	6,300	263	8,221	7,183	(1,038)
Telephone and Internet	60,798	74,400	13,603	57,933	63,800	5,867	64,640	60,000	(4,640)
Printing and Postage	3,810	12,467	8,657	5,050	9,117	4,067	1,672	11,550	9,878
Bibliographic Fees	18,747	12,083	(6,663)	11,894	12,083	189	6,448	12,083	5,635
Professional Development	563	8,800	8,237	16,929	24,250	7,321	384	12,600	12,217
Travel	121	6,767	6,646	4,854	6,217	1,363	516	6,283	5,768
Memberships	9,317	3,717	(5,600)	1,165	5,950	4,785	6,852	8,150	1,298
Contractual Services	44,845	48,467	3,622	22,604	81,017	58,413	23,250	24,433	1,183
Delivery Service	74,622	69,667	(4,955)	69,518	69,667	148	70,342	67,750	(2,592)
Special Events	0	1,667	1,667	18	1,667	1,649	0	1,667	1,667
Insurance	3,212	4,167	955	2,130	4,167	2,037	3,420	4,167	747
Miscellaneous	<u>337</u>	<u>4,700</u>	<u>4,363</u>	<u>3,197</u>	<u>4,200</u>	<u>1,003</u>	<u>1,851</u>	<u>2,900</u>	<u>1,049</u>
Total Expenditures	<u>1,024,004</u>	<u>1,227,317</u>	<u>203,313</u>	<u>1,056,297</u>	<u>1,188,023</u>	<u>131,726</u>	<u>998,991</u>	<u>1,142,545</u>	<u>143,554</u>
Net Revenue Before Depreciation	<u>(18,009)</u>	<u>(107,542)</u>	<u>89,532</u>	<u>57,245</u>	<u>(64,223)</u>	<u>121,468</u>	<u>83,417</u>	<u>(23,378)</u>	<u>106,795</u>
Non-Cash Activity									
Depreciation	31,027	31,292	265	37,483	0	(37,483)	40,573	0	(40,573)
Unrealized Gain/Loss on Investments	<u>92</u>	<u>0</u>	<u>(92)</u>	<u>(444)</u>	<u>0</u>	<u>444</u>			
Total Non-Cash Activity	<u>31,119</u>	<u>31,292</u>	<u>173</u>	<u>37,039</u>	<u>0</u>	<u>(37,039)</u>	<u>40,573</u>	<u>0</u>	<u>(40,573)</u>
Net Revenue	<u>(49,128)</u>	<u>(138,833)</u>	<u>89,705</u>	<u>20,206</u>	<u>(64,223)</u>	<u>84,429</u>	<u>42,844</u>	<u>(23,378)</u>	<u>147,367</u>

Income Statement –January 3-Year Comparison (2019-2021)

“Housekeeping” reminders:

*State Revenues without Restrictions – This line is one of the primary sources of funding for WLS operations. Unrestricted revenue has no external restrictions imposed and may be used for general expenses or any legal purpose appropriate to the organization.

** County Revenues without Restrictions – As noted above, these revenues may be used for general expenses or any legitimate purpose of the organization.

*** Fundraising & Contributions/Other Revenues with Restrictions – Funds are monies set aside for a particular purpose as a result of designated giving. They are permanently restricted to that purpose and cannot be used for other expenses of the nonprofit.

Revenues:

In February, total revenue in 2021 was the lowest of the three years. Revenue in 2020 increased by approximately \$31,000 over 2019 revenue, primarily driven by the recognition of eRate monies and Interest.

As noted in the Income Statement notes for Feb-2021, revenues in 2021 are lower than previous years primarily due to the reduced revenue from NYS which is currently assumed at 20% and will be adjusted following the passage of the NYS budget.

Expenses:

Expenses for February 2021 were \$32,000 less than expenses for February 2020; expenses for February 2020 were \$55,000 greater than expenses for February 2019. Differences between 2021 and 2019 were primarily due to a number of factors:

Salaries & Fringe Benefits – Two staff members retired in 2020 and were not replaced which resulted in lower spending for salaries and fringe benefits in 2021. In 2020, these lines reflect the hiring of a staff person in Outreach as well as the hiring of hourly staff to perform certain duties that had previously been performed by independent contractors. The combined expense of the two categories in 2021 was \$45,800 lower than 2020 and \$26,700 lower than 2019.

Professional Fees – Expenses in this line are \$15,000 greater in February 2020 than in February 2019 and 2021, the result of payment for IT audit fees.

Equipment – The budget for this line was reduced in 2020 and then increased in 2021, however spending in this line increased 49% from 2019 to 2020 and 56% from 2020 to 2021. This is, in part, due to the timing of spending for equipment which varies from year-to-year, so a variance of this kind is common. The line came in under budget for the year-to-date in each of the three years.

Library Materials – In 2019, a duplicate expense of \$18,000 from 2018 was voided, which resulted in lower expenses being reflected in the line. Expenses in 2020 were approximately \$30,000 greater than in 2019 for several reasons. Monthly expenses for Kanopy increased by more than 50% (\$3,100 more in February 2020 than in February 2019); and as noted above, the voided expense of \$18,000 reduced overall spending in this line for February 2019. Timing of receipt of vendor invoices also varies from year to year. Spending in 2021 is consistent with 2020 year-to-date.

Travel – February 2020 expenses were approximately \$4,000 higher than those of February 2019 and February 2021 due to nearly \$4,000 in payment of conference travel and registration expenses for various staff members.

NOTES FOR JAN & FEB 2021 INCOME STATEMENT FOR CAPITAL FUNDS

Revenues:

There are no revenues as all activity is funded from existing reserves.

Expenses:

On the expense side, total expenses for the period are approximately \$79,000 and was related to the approved capital request for VDI equipment at the December 1, 2020 meeting which included \$400,000 for equipment, installation, and support. The project incurred most of its expenses in 2020 however the expenses in the statement below occurred in 2021. At this time the project is within budget, considered closed and any additional unbudgeted costs will be brought back to the Board for additional approval.

The VDI project was approved separately from the 2021 capital budget and therefore not included in the budget figures below. The capital budget is comprised of expenses for three projects: (1) \$175,000 for network equipment replacement, (2) \$35,000 for a replacement vehicle, and (3) \$300,000 for replacement of public PCs.

Income Statement – Capital – Jan & Feb-2021

	<u>Current Period Actual</u>	<u>Current Period Budget</u>	<u>Current Period Budget Variance</u>	<u>Current Year Actual</u>	<u>YTD Budget</u>	<u>YTD Budget Variance</u>	<u>Total Budget</u>
Expenditures							
Equipment	70,839	85,000	14,161	70,839	85,000	14,161	510,000
Contractual Services	<u>8,046</u>	<u>0</u>	<u>(8,046)</u>	<u>8,046</u>	<u>0</u>	<u>(8,046)</u>	<u>0</u>
Total Expenditures	<u>78,884</u>	<u>85,000</u>	<u>6,116</u>	<u>78,884</u>	<u>85,000</u>	<u>6,116</u>	<u>510,000</u>
Net Revenue	<u>(78,884)</u>	<u>(85,000)</u>	<u>6,116</u>	<u>(78,884)</u>	<u>(85,000)</u>	<u>6,116</u>	<u>(510,000)</u>