



Financial Statements and Notes

March 2021

Westchester Library System
Statement of Financial Position - WLS Balance Sheet
As of 3/31/2021

	<u>3/31/2021</u>	<u>12/31/2020*</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	4,208,974	4,533,682	(324,708)	-7.16%
Unconditional Promises to Give	907,000	625,078	281,922	45.10%
Accounts Receivable	606,284	306,783	299,501	97.63%
Prepaid Expenses	643,554	499,685	143,869	28.79%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total Current Assets	6,365,812	5,965,228	400,584	6.72%
Long-term Assets				
Property & Equipment	<u>662,043</u>	<u>708,685</u>	<u>(46,642)</u>	<u>-6.58%</u>
Total Property & Equipment	<u>662,043</u>	<u>708,685</u>	<u>(46,642)</u>	<u>-6.58%</u>
Total Long-term Assets	<u>662,043</u>	<u>708,685</u>	<u>(46,642)</u>	<u>-6.58%</u>
Total Assets	<u>7,027,855</u>	<u>6,673,913</u>	<u>353,942</u>	<u>5.30%</u>
Liabilities				
Short-term Liabilities				
Accounts Payable	1,187,580	1,388,131	(200,551)	-14.45%
Deferred Revenue	<u>722,273</u>	<u>10,256</u>	<u>712,017</u>	<u>6942.66%</u>
Total Short-term Liabilities	1,909,853	1,398,387	511,466	36.58%
Long-term Liabilities				
Capital Lease Obligations	0	0	0	0.00%
Deferred Rent	263,120	267,665	(4,545)	-1.70%
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>5,301,185</u>	<u>5,305,730</u>	<u>(4,545)</u>	<u>-0.09%</u>
Total Liabilities	<u>7,211,038</u>	<u>6,704,117</u>	<u>506,921</u>	<u>7.56%</u>
Net Assets				
Total Net Assets	<u>(197,593)</u>	<u>(30,204)</u>	<u>(167,389)</u>	<u>554.19%</u>
Total Liabilities and Net Assets	<u>7,013,445</u>	<u>6,673,913</u>	<u>339,532</u>	<u>5.09%</u>

* 2020 year-end figures are unaudited

NOTES FOR MARCH 2021 STATEMENT OF FINANCIAL POSITION - WLS BALANCE SHEET

Current Assets - *(This section indicates the organization's liquidity by showing what assets WLS holds in cash and what assets will be available in cash in the near future.):*

Cash & Cash Equivalents (This line shows the total cash in WLS's bank accounts, investment accounts and petty cash.) – During March, WLS's cash position increased by \$828,200. Approximately \$1,297,000 in revenue was received, including \$673,900 in payments from member libraries IT fees, movie licensing reimbursement and eContent group purchases as well as \$453,800 from NYS and \$158,500 from the Westchester Community Foundation. Just under \$469,000 in expenses were paid out. Notable expenses included \$12,800 in equipment from CDW, and a payment of \$5,000 to Dorman, Abrams, Music toward the 2020 financial audit and payments of approximately \$4,200 and \$4,300 respectively to Chubb (cyber) and State Insurance Fund (Workers Compensation) for insurance.

Unconditional Promises to Give (These are promises to give money to WLS without any restrictions attached.)– This figure decreased by \$191,100 during the month of March, 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 \$453,900 in money from NYS.

Accounts Receivable - This figure decreased by more than \$660,400, primarily driven by monies received from member libraries for IT fees, movie licensing reimbursement and eContent group purchases.

Short Term Liabilities *(Shows WLS's near-term obligations.)*

Deferred Revenue – This figure decreased by approximately \$234,400 during the month of March, primarily the result of recognition of revenue from member libraries.

Westchester Library System
Statement of Revenues and Expenditures -Comparison to Budget with 2019 and 2020 YTD
From 3/1/2021 Through 3/31/2021

	Current Period			YTD Budget					Total Budget
	3/31/2021	Budget	Budget Variance	3/31/2019 YTD	3/31/2020 YTD	3/31/2021 YTD	YTD Budget	Variance	
Revenue									
State Revenues without Restrictions	150,925	151,011	(86)	581,004	581,298	453,805	453,033	772	1,812,130
County Revenues without Restrictions	86,400	86,458	(58)	253,750	257,400	259,400	259,375	25	1,037,500
Federal Revenues without Restrictions	12,500	12,500	0	0	41,250	37,500	37,500	0	150,000
Member Technology Fees	234,117	236,845	(2,728)	711,996	711,579	704,496	710,535	(6,039)	2,842,140
Fund Raising & Contributions	0	917	(917)	6,294	6,208	890	2,750	(1,860)	11,000
Interest	100	1,417	(1,316)	4,590	7,994	802	4,250	(3,448)	17,000
WEBS & Other	607	2,333	(1,726)	6,936	5,180	2,859	7,000	(4,141)	28,000
Government Revenues with Restrictions	28,570	58,365	(29,795)	53,531	53,560	57,540	175,095	(117,555)	700,380
Other Revenues with Restrictions	159,910	10,042	149,868	8,444	6,250	161,831	30,125	131,706	120,500
Total Revenue	673,129	559,887	113,242	1,626,545	1,670,719	1,679,124	1,679,662	(539)	6,718,650
Expenditures									
Salaries	204,272	214,292	10,020	541,414	577,961	551,405	642,875	91,470	2,571,500
Fringe Benefits	98,052	120,083	22,032	274,053	294,098	272,584	360,250	87,666	1,441,000
Professional Fees	1,655	3,242	1,587	2,565	17,861	6,950	9,725	2,775	38,900
Equipment	124,624	13,908	(110,716)	18,594	17,537	135,968	41,725	(94,243)	166,900
Library Materials	57,542	62,700	5,158	201,702	212,422	193,295	188,100	(5,195)	752,400
Rent and Utilities	27,552	31,258	3,706	82,656	84,256	82,656	93,775	11,119	375,100
Repairs and Maintenance	42,556	40,542	(2,014)	139,505	103,558	116,104	121,625	5,521	486,500
Supplies	8,838	4,183	(4,654)	9,057	7,290	13,762	12,550	(1,212)	50,200
Telephone and Internet	31,385	37,200	5,815	94,773	86,827	92,183	111,600	19,417	446,400
Printing and Postage	3,471	6,233	2,763	4,251	6,623	7,280	18,700	11,419	74,800
Bibliographic Fees	1,514	6,042	4,528	13,493	17,864	20,260	18,125	(2,135)	72,500
Professional Development	1,146	4,400	3,254	3,134	31,674	1,709	13,200	11,491	52,800
Travel	2	3,383	3,381	1,063	6,513	123	10,150	10,027	40,600
Memberships	0	1,858	1,858	7,142	1,265	9,317	5,575	(3,742)	22,300
Contractual Services	33,805	24,233	(9,572)	32,504	23,461	78,650	72,700	(5,950)	290,800
Delivery Service	36,651	34,833	(1,817)	110,383	79,219	111,272	104,500	(6,772)	418,000
Special Events	0	833	833	0	18	0	2,500	2,500	10,000
Insurance	8,520	2,083	(6,437)	5,125	3,875	11,732	6,250	(5,482)	25,000
Miscellaneous	185	2,350	2,165	1,976	3,407	522	7,050	6,528	28,200
Total Expenditures	681,769	613,658	(68,111)	1,543,392	1,575,730	1,705,773	1,840,975	135,202	7,363,900
Net Revenue Before Depreciation	(8,640)	(53,771)	45,131	83,153	94,989	(26,649)	(161,312)	134,663	(645,250)
Non-Cash Activity									
Depreciation	15,616	15,646	30	60,859	56,224	46,642	46,937	295	187,750
Unrealized Gain/Loss on Investments	(113)	0	113	60,859	(6,634)	(21)	0	21	0
Total Non-Cash Activity	15,502	15,646	144		49,590	46,621	46,937	316	187,750
				22,294					
Net Revenue	(24,142)	(69,417)	45,274	(15,692)	45,399	(73,270)	(208,250)	134,980	(833,000)

**NOTES FOR MARCH 2021 (INCOME STATEMENT) STATEMENT OF REVENUE AND EXPENDITURES–
COMPARISON TO BUDGET WITH 2019 AND 2020 YTD:**

Net revenue before depreciation was significantly above budget on both a monthly and year-to-date basis. The primary drivers of these positive variances are discussed below.

Revenues:

Total revenue for March exceeded the budget by \$113,200, although on a year-to-date basis, revenue was essentially in line with budget.

The higher-than-budgeted March revenue was primarily driven by the recording of a \$158,000 grant in *Other Revenues with Restrictions*. This grant is to support the Digital Equity efforts currently underway.

Despite monthly revenues exceeding budget, there was a noteworthy shortfall in *Government Revenues with Restrictions* for both the month and the year-to-date. This category includes revenues from Project Hope for which the maximum possible revenue was budgeted when, in fact, WLS only receives reimbursement for what is spent. If there are cost savings in the project budget, WLS records equal reductions in the revenue received. This line will also contain revenues associated with NY CARES, but no revenues have been received yet.

Expenses:

Total spending in March came in approximately \$68,000 over the monthly budget, while spending on a year-to-date basis was approximately \$135,000 less than the year-to-date budget.

Salaries and Fringe Benefits – Spending in these lines was approximately \$32,000 under budget for March and \$179,000 for the year-to-date. The monthly variance was primarily driven by the open positions in the IT department, while the year-to-date variance was also driven by the timing of hiring staff for Project HOPE. Also of note, spending in these lines was lower than 2020, as 2020 numbers were inflated by having an additional staff person in Outreach, the addition of hourly staff to perform certain duties previously performed by independent contractors, as well as additional hourly staff time being used to accommodate the 2020 Census.

Equipment – This line was above budget by approximately \$110,700 for the month and \$94,200 year-to-date. This was primarily driven by spending of \$87,400 for the purchase of laptops from CDW and \$26,000 for computer equipment from STEM Alliance to support the Digital Equity project. These expenses also drove the significant variances in comparison to both 2020 and 2019.

Library Materials – This line was under budget by \$5,100 for March and \$5,200 for the current year-to-date. Expenses in the current month included more than \$39,000 in pay-per-use content.

Contractual Services – This line was approximately \$9,500 over budget for March and \$5,900 for the year-to-date, primarily due to \$6,800 in expenses related to services from the STEM Alliance to support the Digital Equity project and \$7,100 in expenses related to the WEBS program. Expenses in this line were also significantly higher than prior years due to a shift to using contractors to support the WEBS program. Specifically, year-to-date expenses in this line for WEBS were \$1,100 in both 2020 and 2019 versus approximately \$11,200 in 2021.

Insurance – This line was approximately \$6,400 over budget for March and \$5,500 for the year-to-date. In addition to an overall increase in insurance costs in 2021, the overspending in March was primarily driven by payments for cyber insurance (\$4,200), as well as professional liability insurance (\$2,700) to support Project HOPE and WEBS programs.

2019-2021 IT Budgets

Budget	2019 Budget	2019 Actual [‡]	2020 Budget	2020 Actual ^{*‡}	2021 Budget ^α
Member Fees - Basic Services	2,804,700	2,805,032	2,804,700	2,653,398	2,478,340
Enhanced IT Services	22,500	42,806	20,000	41,237	84,300
Erate	160,000	156,174	165,000	159,066	150,000
Total Revenue	2,987,200	3,004,012	2,989,700	2,853,701	2,712,640
IT Salary & Hourly	985,000	860,222	884,200	766,360	880,271
IT Benefits	397,500	334,523	428,600	294,793	474,612
Sub. Personnel	1,382,500	1,194,745	1,312,800	1,061,153	1,354,883
Other Than Personnel Services	1,627,500	1,421,738	1,812,200	1,886,149	1,511,899
Sub. Expenses	3,010,000	2,616,483	3,125,000	2,947,302	2,866,782
Net Revenue Before Depreciation	(22,800)	387,529	(135,300)	(93,601)	(154,142)
IT Depreciation	250,000	252,960	230,000	211,413	173,500
Total Expenses	3,260,000	2,869,443	3,355,000	3,158,715	3,040,282
Net Revenue	(272,800)	134,569	(365,300)	(305,014)	(327,642)

Illustration notes:

- ‡ Erate revenues are credited as a reimbursement to expenses in the annual financial audit, shown unreconciled for budget comparison.
- α 2021 Information Technology (IT) budget does not include revenue (\$298,000) and expenses (\$298,000) for e-content sharing.
- * The 2020 financial audit is still underway and therefore 2020 actual are subject to change.

This illustration addresses the question of how funding from the Federal eRate program is factored into the IT budget and the subsequent invoices that are generated. Invoices to member libraries are based on the *Member Fees* and *Enhanced IT Services* revenue lines of the budget, which corresponds to fees in the IT Funding Model. Budget figures for 2019-2021 are included.

In each year, funding anticipated from the eRate program is allocated to the IT department in addition to anticipated member fees. The eRate reimbursement funds reduce the overall cost of IT services to the libraries.