



Financial Statements and Notes

August 2021

Westchester Library System
Statement of Financial Position - WLS Balance Sheet
As of 8/31/2021

	<u>8/31/2021</u>	<u>12/31/2020</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	6,181,559	4,533,682	1,647,878	36.35%
Unconditional Promises to Give	174,879	625,078	(450,199)	-72.02%
Accounts Receivable	865,542	306,783	558,758	182.13%
Prepaid Expenses	549,986	499,685	50,301	10.07%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total Current Assets	7,771,966	5,965,228	1,806,738	30.29%
Long-term Assets				
Property & Equipment	<u>582,181</u>	<u>708,685</u>	<u>(126,504)</u>	<u>-17.85%</u>
Total Property & Equipment	<u>582,181</u>	<u>708,685</u>	<u>(126,504)</u>	<u>-17.85%</u>
Total Long-term Assets	<u>582,181</u>	<u>708,685</u>	<u>(126,504)</u>	<u>-17.85%</u>
Total Assets	<u>8,354,147</u>	<u>6,673,913</u>	<u>1,680,234</u>	<u>25.18%</u>
Liabilities				
Short-term Liabilities				
Accounts Payable	527,348	1,388,131	(860,783)	-62.01%
Deferred Revenue	<u>1,953,469</u>	<u>10,256</u>	<u>1,943,213</u>	<u>18947.68%</u>
Total Short-term Liabilities	2,480,817	1,398,387	1,082,430	77.41%
Long-term Liabilities				
Capital Lease Obligations	0	0	0	0.00%
Deferred Rent	254,358	267,665	(13,307)	-4.97%
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>5,292,423</u>	<u>5,305,730</u>	<u>(13,307)</u>	<u>-0.25%</u>
Total Liabilities	<u>7,773,240</u>	<u>6,704,117</u>	<u>1,069,123</u>	<u>15.95%</u>
Net Assets				
	<u>(180,348)</u>	<u>(30,204)</u>	<u>(150,144)</u>	<u>497.10%</u>
Total Net Assets	<u>(180,348)</u>	<u>(30,204)</u>	<u>(150,144)</u>	<u>497.10%</u>
				0.00%
Total Liabilities and Net Assets	<u>7,592,892</u>	<u>6,673,913</u>	<u>918,979</u>	<u>13.77%</u>

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

Over the last three months, key changes to the Balance Sheet are the increase in WLS's cash position, which increased by approximately \$2.3 million and an increase in deferred revenue by approximately \$1.6 million during the period.

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. – Over the last three months, WLS's cash position improved by \$2.3 million. Approximately \$4.16 million was received during the June through August period, including \$2.7 million in State aid, \$923,900 in payments from member libraries for IT fees and e-content group purchases, \$262,600 from Westchester County for the second quarter of 2021, \$168,400 from eRate and \$105,000 in other revenues and contributions. Expenditures during the same period totaled approximately \$1.86 million. Aside from payroll and benefits, Internet, and delivery to libraries notable expenditures included \$230,500 in State aid distributed to member libraries, \$65,100 to OCLC for annual access to cataloging and ILL services, and a total of \$159,500 to Midwest Tape [hoopla] (\$68,800), OverDrive (\$48,000) and Kanopy (\$42,700) for library patron eContent.

Unconditional Promises to Give: These are promises to give money to WLS without any restrictions attached. – Approximately \$809,100 in unconditional promises were recorded against receipt of \$1,718,800 in revenues from County, State and Federal sources. The net effect of this activity was a reduction of approximate \$909,700 in this line since the end of May.

Accounts Receivable: These are monies owed to WLS by another party. – This figure increased by approximately \$584,900 over the last three months, driven primarily by IT and eContent receivables for the July to December period. As of the end of August, 13 libraries have balances due to WLS.

Short Term Liabilities: *This section shows WLS's near-term obligations.*

Deferred Revenue: Funds received which have not yet been earned. – This figure increased by approximately \$1.66 million over the three-month period, the result of recording approximately \$2.38 million in deferred revenue (\$1.18 million in IT and eContent for July through December, \$1.13 million in NYS revenues and \$68,400 in eRate revenues) against recognition of approximately \$720,000 (\$471,400 in IT and eContent revenues, \$247,400 in NYS revenues, and \$1,200 in movie licensing revenues).

Westchester Library System
Statement of Revenues and Expenditures - Comparison to Budget with 2019 and 2020 YTD
From 8/1/2021 Through 8/31/2021

	Current Period			8/31/2019 YTD	8/31/2020 YTD	8/31/2021 YTD	YTD Budget		Total Budget
	Current Period	Budget	Variance				YTD Budget	Variance	
	8/31/2021	Budget	Variance				8/31/2021 YTD	YTD Budget	
Revenue									
State Revenues without Restrictions	215,596	151,011	64,585	1,549,114	1,549,960	1,422,061	1,208,087	213,974	1,812,130
County Revenues without Restrictions	88,135	86,458	1,677	676,667	686,400	698,060	691,667	6,393	1,037,500
Federal Revenues without Restrictions	12,500	12,500	0	104,174	104,066	664,265	100,000	564,265	150,000
Member Technology Fees	237,884	236,845	1,039	1,899,538	1,844,735	1,882,906	1,894,760	(11,854)	2,842,140
Fund Raising & Contributions	183	917	(733)	15,490	16,723	1,138	7,333	(6,195)	11,000
Interest	180	1,417	(1,236)	9,022	13,583	1,512	11,333	(9,821)	17,000
WEBS & Other	615	2,333	(1,718)	16,851	8,105	6,301	18,667	(12,366)	28,000
Government Revenues with Restrictions	67,823	58,365	9,458	148,038	150,652	333,839	466,920	(133,081)	700,380
Other Revenues with Restrictions	<u>1,500</u>	<u>10,042</u>	<u>(8,542)</u>	<u>122,399</u>	<u>77,722</u>	<u>219,445</u>	<u>80,333</u>	<u>139,111</u>	<u>120,500</u>
Total Revenue	<u>624,415</u>	<u>559,887</u>	<u>64,528</u>	<u>4,541,293</u>	<u>4,451,947</u>	<u>5,229,526</u>	<u>4,479,100</u>	<u>750,427</u>	<u>6,718,650</u>
Expenditures									
Salaries	206,140	214,292	8,152	1,497,596	1,528,326	1,544,618	1,714,333	169,716	2,571,500
Fringe Benefits	93,006	120,083	27,078	770,692	771,533	752,120	960,666	208,547	1,441,000
Professional Fees	968	3,242	2,274	8,564	95,769	20,500	25,933	5,433	38,900
Equipment	29,763	13,908	(15,854)	91,134	151,548	205,197	111,267	(93,931)	166,900
Library Materials	67,717	62,700	(5,017)	535,010	646,219	490,094	501,600	11,506	752,400
Rent and Utilities	28,739	31,258	2,520	236,668	235,729	222,658	250,067	27,408	375,100
Repairs and Maintenance	31,512	40,542	9,030	273,615	299,002	279,891	324,333	44,442	486,500
Supplies	468	4,183	3,715	16,199	22,609	17,853	33,467	15,614	50,200
Telephone and Internet	31,248	37,200	5,952	241,694	202,563	253,929	297,600	43,671	446,400
Printing and Postage	6,276	6,233	(43)	39,412	10,883	48,693	49,866	1,174	74,800
Bibliographic Fees	6,500	6,042	(458)	45,490	51,122	53,244	48,333	(4,911)	72,500
Professional Development	0	4,400	4,400	25,855	32,625	4,957	35,200	30,243	52,800
Travel	13	3,383	3,371	12,940	9,319	368	27,067	26,698	40,600
Memberships	1,653	1,858	206	10,188	6,450	14,150	14,867	717	22,300
Contractual Services	13,307	24,233	10,927	97,507	162,841	191,122	193,867	2,744	290,800
Delivery Service	32,834	34,833	2,000	283,652	195,190	289,383	278,667	(10,716)	418,000
Special Events	0	833	833	3,835	1,018	0	6,667	6,667	10,000
Insurance	1,594	2,083	489	13,032	14,713	18,801	16,667	(2,134)	25,000
Miscellaneous	<u>229</u>	<u>2,350</u>	<u>2,121</u>	<u>3,220</u>	<u>3,865</u>	<u>4,458</u>	<u>18,800</u>	<u>14,342</u>	<u>28,200</u>
Total Expenditures	<u>551,964</u>	<u>613,658</u>	<u>61,694</u>	<u>4,206,305</u>	<u>4,441,323</u>	<u>4,412,036</u>	<u>4,909,266</u>	<u>497,231</u>	<u>7,363,900</u>
Net Revenue Before Depreciation	<u>72,452</u>	<u>(53,771)</u>	<u>126,222</u>	<u>334,988</u>	<u>10,624</u>	<u>817,491</u>	<u>(430,167)</u>	<u>1,247,657</u>	<u>(645,250)</u>
Non-Cash Activity									
Depreciation	15,813	15,646	(167)	<u>162,292</u>	149,931	126,504	125,167	(1,338)	187,750
Unrealized Gain/Loss on Investments	<u>26</u>	<u>0</u>	<u>(26)</u>	<u>162,292</u>	<u>(3,321)</u>	<u>167</u>	<u>0</u>	<u>(167)</u>	<u>0</u>
Total Non-Cash Activity	<u>15,839</u>	<u>15,646</u>	<u>(193)</u>	<u>162,292</u>	<u>146,611</u>	<u>126,672</u>	<u>125,167</u>	<u>(1,505)</u>	<u>187,750</u>
Net Revenue	56,612	(69,417)	126,029	172,696	(135,987)	690,819	(555,333)	1,246,152	(833,000)

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

Net revenue before depreciation was above budget on both a monthly (\$126,200) and year-to-date (\$1,247,700) basis. The primary drivers of these positive variances are discussed below.

Revenues:

Total revenue was above the budget by approximately \$64,500 for August and \$750,400 on a year-to-date (YTD) basis.

The greater than budgeted August revenue in the categories of *State Revenues without Restrictions* and *Government Revenues with Restrictions* was driven by the accelerated recognition of revenue from NYS. WLS recognizes revenue from NYS based on budgeted figures until appropriations are announced by New York State (NYS). While the budget anticipated a 20% cut in funding from NYS, the appropriation was held essentially flat against the 2020 figures.

Government Revenues with Restrictions also includes revenues from Project HOPE and NY CARES. Project HOPE activities did not scale as originally anticipated and is the primary driver of the shortfall in this category for the YTD. Project HOPE and NY CARES revenues are driving the significant variance compared to 2019 and 2020 YTD figures for this category.

Federal Revenues with Restrictions came in on budget for August but is exceeding the budget for the YTD by more than \$564,000 driven by receipt of forgiveness for the Paycheck Protection Program (PPP) loan.

While *Other Revenues with Restrictions* was under budget for August, the line exceeded the budget YTD by slightly more than \$139,100. The YTD surplus in this line was primarily driven by the recording of a \$158,000 grant from the Westchester Community Foundation to support digital equity programs.

Expenses:

Total spending in August came in approximately \$126,200 less than the monthly budget, while spending on a YTD basis was approximately \$497,200 less than the budget.

Salaries and Fringe Benefits – Spending in these lines was approximately \$8,200 and \$27,000 under budget, respectively, for August and a combined \$378,300 for the YTD. The monthly variance was primarily driven by the open positions in the IT department. Combined spending in these lines for the 2021 YTD was essentially even compared to the 2020 YTD. While 2021 includes staff for Project HOPE, 2020 included the addition of hourly staff in Outreach to perform certain duties previously performed by independent contractors, as well as additional hourly staff time being used to accommodate the 2020 Census. 2020 YTD spending in these lines was approximately 1.5% more than 2019 YTD.

Equipment – While this line was nearly \$15,900 over budget for August, and \$93,900 over budget for the YTD. The variance in August was driven by the purchase of network hardware (\$20,100) and equipment for the Vision Labs project (\$8,700). The YTD variance was also driven by spending of \$87,400 for the purchase of laptops from CDW and \$26,000 for computer equipment from the STEM Alliance to support the Digital Equity project. These expenses also drove the significant variance in comparison to 2019 and 2020.

Contractual Services – This line was under budget by approximately \$12,300 for August; however, it is \$10,700 over budget for the YTD. This overage is driven by multiple factors which include but are not limited to \$5,600 to translate the Job Search Toolkit to Spanish and \$7,800 for technology setup. This line has higher spending compared to 2019 due to the shift to the use of contractors to support WEBS programming previously completed by salaried employees. The effects of the COVID shutdown were the primary driver of the variance between 2020 and 2021.

Delivery – This line was under budget by \$2,000 for August and \$10,700 for the YTD. Overspending in this line for the YTD also includes expenses to support delivery for the digital equity program.

Westchester Library System
Statement of Revenues and Expenditures with Projections
as of August 31, 2021

	Total Budget	Current Year Actuals (through Aug-2021)	Current Year Projected (Sep -Dec 2021)	CURRENT YEAR TOTAL PROJECTIONS	Current Year Projected vs Budget
Revenue					
State Revenues without Restrictions	1,812,130	1,422,061	842,889	2,264,950	452,820
County Revenues without Restrictions	1,037,500	698,060	352,540	1,050,600	13,100
Federal Revenues without Restrictions	150,000	664,265	68,449	732,714	582,714
Member Technology Fees	2,842,140	1,882,906	947,167	2,830,073	(12,067)
Fund Raising & Contributions	11,000	1,138	100	1,238	(9,762)
Interest	17,000	1,512	756	2,268	(14,732)
WEBS & Other	28,000	6,301	110	6,411	(21,589)
Government Revenues with Restrictions	700,380	333,839	113,336	447,175	(253,205)
Other Revenues with Restrictions	<u>120,500</u>	<u>219,445</u>	<u>9,800</u>	<u>229,245</u>	<u>108,745</u>
Total Revenue	<u>6,718,650</u>	<u>5,229,526</u>	<u>2,335,147</u>	<u>7,564,673</u>	<u>846,023</u>
Expenditures					
Salaries	2,571,500	1,544,618	772,309	2,316,927	254,573
Fringe Benefits	1,441,000	752,120	385,091	1,137,211	303,789
Professional Fees	38,900	20,500	30,328	50,828	(11,928)
Equipment	166,900	205,197	40,160	245,357	(78,457)
Library Materials	752,400	490,094	253,930	744,024	8,376
Rent and Utilities	375,100	222,658	145,320	367,978	7,122
Repairs and Maintenance	486,500	279,891	152,930	432,821	53,679
Supplies	50,200	17,853	9,677	27,530	22,670
Telephone and Internet	446,400	253,929	128,964	382,893	63,507
Printing and Postage	74,800	48,693	16,813	65,506	9,294
Bibliographic Fees	72,500	53,244	26,000	79,244	(6,744)
Professional Development	52,800	4,957	1,507	6,464	46,336
Travel	40,600	368	1,000	1,368	39,232
Memberships	22,300	14,150	1,500	15,650	6,650
Contractual Services	290,800	191,122	95,561	286,683	4,117
Delivery Service	418,000	289,383	139,543	428,926	(10,926)
Special Events	10,000	0	0	0	10,000
Insurance	25,000	18,801	9,400	28,201	(3,201)
Miscellaneous	<u>28,200</u>	<u>4,458</u>	<u>2,724</u>	<u>7,182</u>	<u>21,018</u>
Total Expenditures	<u>7,363,900</u>	<u>4,412,036</u>	<u>2,212,757</u>	<u>6,624,792</u>	<u>739,108</u>
Net Revenue Before Depreciation	(645,250)	817,491	122,390	939,881	1,585,131
Non-Cash Activity					
Depreciation	<u>187,750</u>	<u>126,504</u>	<u>63,253</u>	<u>189,757</u>	<u>(2,007)</u>
Unrealized Gain/Loss on Investments	<u>0</u>	<u>167</u>	<u>84</u>	<u>251</u>	<u>(251)</u>
Total Non-Cash Activity	187,750	126,672	63,337	190,009	(2,259)
Net Revenue	<u>(833,000)</u>	<u>690,819</u>	<u>59,053</u>	<u>749,872</u>	<u>1,582,872</u>

Income Statement with Projections for September through December 2021

Revenues:

On the Revenue side, total revenue is expected to come in at approximately \$850,000 more than budgeted driven primarily by unbudgeted revenue from NYS and the forgiveness of the PPP loan. Detail budget lines noted below:

State Revenues without Restrictions – NYS held funding essentially flat over 2020 allocations while WLS anticipated a 20% cut. The line will close the year at 20% more than budgeted.

Federal Revenues without Restrictions – This line will come in approximately \$565,000 more than budget due to the unbudgeted forgiveness of the PPP loan.

Other Revenues with Restrictions – This line will come in approximately \$110,000 more than budgeted driven by \$215,600 which is attributable to fundraising activities. The revenue projections in this line also include anticipated receipt of an additional \$4,800 from the Broadband Technology program at New Rochelle Public Library and additional fundraising.

Fundraising & Contributions – Although this line is projected to close the year with a deficit of approximately \$9,800, it does not include fundraising activities involving restrictions which are captured in *Other Revenues with Restrictions*.

Government Revenues with Restrictions – The projected \$253,200 deficit in this line is primarily driven by the reduced scale of Project HOPE discussed in the notes for the August Income Statement. Also included in this line are revenues from NYS that will come in 20% more than budgeted as discussed in *State Revenues without Restrictions*.

Expenses:

On the Expense side, total expenses are projected to come in approximately \$765,100 under budget before depreciation. Notable variances are discussed below:

Salaries and Fringe Benefits – The projected surpluses in these lines are driven primarily by positions which were not filled or were open for a period of time. Two positions in IT are currently open. The Operations Manager position is anticipated to be filled before the close of the year, the Library Data Specialist position was not filled as the work was accomplished through engaging a contractor. The surplus is also due to anticipated expenses in these lines for Project HOPE, which did not operate at the scale originally anticipated.

Equipment – Equipment expenses are projected to be \$78,500 over budget driven primarily by the purchase of computer equipment to support the digital equity projects (\$113,400) funded through grants not anticipated in the budget.

Repairs and Maintenance – The expenses in this line are currently expected to fall under budget by \$53,700 driven primarily by lower than anticipated costs in computer and equipment maintenance.

Professional Development and Travel – These lines are projected to end the year with a combined surplus of \$85,600. This was driven by the COVID-19 pandemic which has limited travel, in-person professional development and costs associated with in-person meetings.

Special Events – This line is projected to come in with no expenses for the year as a special event is not planned at this time.

Miscellaneous – This line is expected to end the year with a surplus of approximately \$20,000. The primary driver of the surplus in this line is the contingency budget of \$15,000 which is expected to close the year without any expenses.

NOTES FOR JANUARY – AUGUST 2021 SUMMARY OF CAPITAL EXPENDITURES

On the expense side, total expenses for the period were approximately \$79,700 and related to VDI equipment. At the December 1, 2020 meeting, \$400,000 was approved for VDI equipment, installation, and support; most of this amount was spent in 2020. The expenses in the statement below occurred in 2021. The project is considered closed at this time 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 is 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. At this point in time, it is not anticipated that the entire budget will be spent.

Summary of Capital Expenditures – Jan to Aug-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	71,662.66	340,000.00	268,337.34	71,662.66	340,000.00	268,337.34	510,000.00
Contractual Services	<u>8,045.80</u>	<u>0.00</u>	<u>(8,045.80)</u>	<u>8,045.80</u>	<u>0.00</u>	<u>(8,045.80)</u>	<u>0.00</u>
Total Expenditures	<u>79,708.46</u>	<u>340,000.00</u>	<u>260,291.54</u>	<u>79,708.46</u>	<u>340,000.00</u>	<u>260,291.54</u>	<u>510,000.00</u>
Net Revenue	<u>(79,708.46)</u>	<u>(340,000.00)</u>	<u>260,291.54</u>	<u>(79,708.46)</u>	<u>(340,000.00)</u>	<u>260,291.54</u>	<u>(510,000.00)</u>

Temporarily Restricted Net Assets
as of August 31, 2021

Item	Description	Temporarily Restricted Net Assets December 31, 2020	2021 Revenue	2021 Expenses	Temporarily Restricted Net Assets August 31, 2021
Central Library	Library materials, services & training	\$83,564	\$214,089	\$112,601	\$185,052
Digital Equity - WCF Grant	Equipment, services and supports to bridge the digital divide funded by the Westchester Community Foundation	\$0	\$158,500	\$78,078	\$80,422
Adult Literacy for Spanish Speakers	Activities to further literacy for Spanish speaking adults	\$0	\$42,000	\$7,539	\$34,461
HW Wilson/Outreach/Career	Support libraries meeting needs of COVID-19, Outreach to vulnerable pop., Job and Career Counseling	\$34,578	\$160	\$5,342	\$29,397
Digital Resources	Educational equity through access to resources & information	\$25,000	\$0	\$1,146	\$23,854
Digital Equity - RXR and Fundraising	Equipment, services and supports to bridge the digital divide. Funded by RXR Reality and individual contributions.	\$47,000	\$8,818	\$46,528	\$9,290
Mini-Grants	Competitive grants to member libraries	\$11,581	\$0	\$3,805	\$7,776
Xprize	Digital Learning	\$6,575	\$0	\$0	\$6,575
Vision Labs	Resources for Westchester Residents with Low or Declining Vision	\$14,235	\$0	\$8,738	\$5,498
Early Literacy/Private Contributions	Early literacy activities	\$9,595	\$0	\$4,466	\$5,130
Gates	Computer equipment & training	\$5,094	\$0	\$0	\$5,094
TASC - Private contributions	Private monies for adult literacy programs	\$3,113	\$0	\$0	\$3,113
People and Stories	Literacy support program	\$2,096	\$0	\$0	\$2,096
P. Rosen Fund for Senior Svcs	Donations made in honor of Phyllis Rosen for Senior Services	\$3,385	\$0	\$1,715	\$1,670
Music & Memory	Music and Memory project funded by M&T Bank.	\$1,500	\$0	\$0	\$1,500
Broadband Technology Opportunities Program	Contract with New Rochelle Library to provide tech-related workshops	\$550	\$8,820	\$8,900	\$470
Bruni Verges	Children's programs celebrating cultural diversity	\$973	\$0	\$950	\$23
WSPS/WSOS	Health Information for Senior Adults	\$0	\$10,074	\$10,074	\$0
Learning Ambassadors	Youth internships at member libraries	\$0	\$1,900	\$1,900	\$0
Battle of the Books	Book-based trivia tournament for Westchester youth	\$0	\$0	\$0	\$0
Marketing & Prof. Development/Entergy	County-wide awareness of WLS programs	\$15,174	\$0	\$15,174	\$0
TOTALS		\$264,015	\$444,361	\$306,955	\$401,420