



Financial Statements and Notes

October 2021

Westchester Library System
Statement of Financial Position - WLS Balance Sheet
As of 10/31/2021

| | <u>10/31/2021</u> | <u>12/31/2020</u> | <u>YTD Change</u> | <u>YTD % Change</u> |
|----------------------------------|-------------------------|-------------------------|-----------------------|----------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash & Cash Equivalents | 5,655,937 | 4,533,682 | 1,122,255 | 24.75% |
| Unconditional Promises to Give | 349,030 | 625,078 | (276,048) | -44.16% |
| Accounts Receivable | 575,157 | 306,783 | 268,374 | 87.48% |
| Prepaid Expenses | 478,459 | 499,685 | (21,226) | -4.25% |
| Security Deposits | <u>0</u> | <u>0</u> | <u>0</u> | <u>0.00%</u> |
| Total Current Assets | 7,058,583 | 5,965,228 | 1,093,356 | 18.33% |
| Long-term Assets | | | | |
| Property & Equipment | <u>550,555</u> | <u>708,685</u> | <u>(158,130)</u> | <u>-22.31%</u> |
| Total Property & Equipment | <u>550,555</u> | <u>708,685</u> | <u>(158,130)</u> | <u>-22.31%</u> |
| Total Long-term Assets | <u>550,555</u> | <u>708,685</u> | <u>(158,130)</u> | <u>-22.31%</u> |
| Total Assets | <u><u>7,609,138</u></u> | <u><u>6,673,913</u></u> | <u><u>935,225</u></u> | <u><u>14.01%</u></u> |
| Liabilities | | | | |
| Short-term Liabilities | | | | |
| Accounts Payable | 656,020 | 1,388,131 | (732,111) | -52.74% |
| Deferred Revenue | <u>969,966</u> | <u>10,256</u> | <u>959,711</u> | <u>9357.85%</u> |
| Total Short-term Liabilities | 1,625,987 | 1,398,387 | 227,600 | 16.28% |
| Long-term Liabilities | | | | |
| Capital Lease Obligations | 0 | 0 | 0 | 0.00% |
| Deferred Rent | 250,141 | 267,665 | (17,524) | -6.55% |
| 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>5,288,206</u> | <u>5,305,730</u> | <u>(17,524)</u> | <u>-0.33%</u> |
| Total Liabilities | <u><u>6,914,193</u></u> | <u><u>6,704,117</u></u> | <u><u>210,076</u></u> | <u><u>3.13%</u></u> |
| Net Assets | | | | |
| | <u>694,945</u> | <u>(30,204)</u> | <u>725,149</u> | <u>-2400.84%</u> |
| Total Net Assets | <u>694,945</u> | <u>(30,204)</u> | <u>725,149</u> | <u>-2400.84%</u> |
| Total Liabilities and Net Assets | <u><u>7,609,138</u></u> | <u><u>6,673,913</u></u> | <u><u>935,225</u></u> | <u><u>14.01%</u></u> |

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

The key changes to the Balance Sheet are the decrease in WLS's cash position, which is lower than last month by approximately \$362,600, a decrease in Accounts Receivable of approximately \$124,100 and a decrease in deferred revenue by approximately \$492,000 during the month.

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. – In the month of October WLS's cash position decreased by approximately \$362,600. With \$148,200 in receipts, which included \$79,900 from member libraries for IT fees and group purchases, \$55,500 from Project HOPE and \$8,300 in tuition for the Palmer School program. Expenditures totaled \$510,800. Aside from payroll and benefits, Internet, and delivery to libraries, the notable expenditures include \$15,000 to Evolytix for services to support use of the Evergreen ILS, \$12,800 to Tel Logic for services to complete eRate filings, and \$12,000 to Baker and Taylor for the member library group purchase of software services that support collection development.

Accounts Receivable: These are monies owed to WLS by another party. – This figure decreased by \$124,250 in October, driven primarily by payments from member libraries for IT services and group purchases, funds from Project HOPE and tuition for the Palmer School program.

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

Deferred Revenue: Funds received which have not yet been earned. – This figure decreased by \$492,000, the result of recognizing IT, eContent, NYS, eRate and movie licensing revenues.

Westchester Library System
Statement of Revenues and Expenditures - Comparison to Budget with 2019 and 2020 YTD
From 10/1/2021 Through 10/31/2021

| | 10/31/2021 | Current Period Budget | Current Period Budget Variance | 10/31/2019 YTD | 10/31/2020 YTD | 10/31/2021 YTD | YTD Budget | YTD Budget Variance | Total Budget |
|--|----------------|--------------------------|-----------------------------------|------------------|------------------|------------------|------------------|------------------------|------------------|
| Revenue | | | | | | | | | |
| State Revenues without Restrictions | 215,596 | 151,011 | 64,585 | 1,936,998 | 1,907,575 | 1,853,253 | 1,510,108 | 343,144 | 1,812,130 |
| County Revenues without Restrictions | 88,135 | 86,458 | 1,677 | 845,833 | 858,200 | 874,330 | 864,583 | 9,747 | 1,037,500 |
| Federal Revenues without Restrictions | 17,110 | 12,500 | 4,610 | 130,174 | 131,566 | 698,494 | 125,000 | 573,494 | 150,000 |
| Member Technology Fees | 236,573 | 236,845 | (272) | 2,373,808 | 2,272,506 | 2,364,097 | 2,368,450 | (4,353) | 2,842,140 |
| Fund Raising & Contributions | 0 | 917 | (917) | 17,050 | 18,473 | 1,138 | 9,167 | (8,028) | 11,000 |
| Interest | 255 | 1,417 | (1,161) | 13,546 | 14,295 | 2,060 | 14,167 | (12,107) | 17,000 |
| WEBS & Other | 500 | 2,333 | (1,833) | 22,803 | 10,520 | 7,411 | 23,333 | (15,922) | 28,000 |
| Government Revenues with Restrictions | 23,423 | 58,365 | (34,942) | 192,138 | 190,514 | 389,802 | 583,650 | (193,848) | 700,380 |
| Other Revenues with Restrictions | 6,720 | 10,042 | (3,322) | 131,227 | 109,617 | 248,205 | 100,417 | 147,788 | 120,500 |
| Total Revenue | 588,312 | 559,887 | 28,425 | 5,663,578 | 5,513,267 | 6,438,790 | 5,598,875 | 839,915 | 6,718,650 |
| Expenditures | | | | | | | | | |
| Salaries | 183,105 | 214,292 | 31,186 | 1,866,489 | 1,888,124 | 1,910,773 | 2,142,917 | 232,143 | 2,571,500 |
| Fringe Benefits | 99,841 | 120,083 | 20,242 | 966,316 | 944,268 | 942,445 | 1,200,833 | 258,388 | 1,441,000 |
| Professional Fees | 1,266 | 3,242 | 1,976 | 12,597 | 124,754 | 22,998 | 32,417 | 9,419 | 38,900 |
| Equipment | 3,113 | 13,908 | 10,796 | 97,277 | 160,814 | 215,639 | 139,083 | (76,556) | 166,900 |
| Library Materials | 64,301 | 62,700 | (1,601) | 676,946 | 773,358 | 615,161 | 627,000 | 11,839 | 752,400 |
| Rent and Utilities | 27,552 | 31,258 | 3,706 | 291,773 | 299,413 | 277,169 | 312,583 | 35,414 | 375,100 |
| Repairs and Maintenance | 27,082 | 40,542 | 13,460 | 326,467 | 376,519 | 346,017 | 405,417 | 59,400 | 486,500 |
| Supplies | 4,510 | 4,183 | (327) | 27,780 | 23,946 | 22,233 | 41,833 | 19,600 | 50,200 |
| Telephone and Internet | 30,075 | 37,200 | 7,125 | 287,566 | 262,009 | 314,961 | 372,000 | 57,039 | 446,400 |
| Printing and Postage | 9,347 | 6,233 | (3,114) | 51,710 | 13,688 | 66,241 | 62,333 | (3,908) | 74,800 |
| Bibliographic Fees | 6,500 | 6,042 | (458) | 58,103 | 64,451 | 66,244 | 60,417 | (5,827) | 72,500 |
| Professional Development | 0 | 4,400 | 4,400 | 46,526 | 52,404 | 22,007 | 44,000 | 21,993 | 52,800 |
| Travel | 694 | 3,383 | 2,689 | 14,902 | 10,442 | 1,063 | 33,833 | 32,770 | 40,600 |
| Memberships | 1,000 | 1,858 | 858 | 10,552 | 6,769 | 15,371 | 18,583 | 3,212 | 22,300 |
| Contractual Services | 33,300 | 24,233 | (9,066) | 130,037 | 176,199 | 250,557 | 242,333 | (8,223) | 290,800 |
| Delivery Service | 41,042 | 34,833 | (6,209) | 346,322 | 269,294 | 361,766 | 348,333 | (13,433) | 418,000 |
| Special Events | 0 | 833 | 833 | 3,835 | 1,018 | 0 | 8,333 | 8,333 | 10,000 |
| Insurance | 1,708 | 2,083 | 375 | 16,471 | 17,358 | 22,242 | 20,833 | (1,409) | 25,000 |
| Miscellaneous | 323 | 2,350 | 2,027 | 3,876 | 4,462 | 5,268 | 23,500 | 18,232 | 28,200 |
| Total Expenditures | 534,759 | 613,658 | 78,899 | 5,235,543 | 5,469,290 | 5,478,157 | 6,136,583 | 658,426 | 7,363,900 |
| Net Revenue Before Depreciation | 53,553 | (53,771) | 107,324 | 428,035 | 43,977 | 960,633 | (537,708) | 1,498,341 | (645,250) |
| Non-Cash Activity | | | | | | | | | |
| Depreciation | 15,813 | 15,646 | (167) | 202,865 | 187,414 | 158,130 | 156,458 | (1,672) | 187,750 |
| Unrealized Gain/Loss on Investments | 0 | 0 | 0 | | (3,554) | 116 | 0 | (116) | 0 |
| Total Non-Cash Activity | 15,813 | 15,646 | (167) | 202,865 | 183,861 | 158,246 | 156,458 | (1,788) | 187,750 |
| Net Revenue | 40,715 | (69,417) | 110,132 | 225,170 | (139,884) | 805,362 | (694,167) | 1,499,528 | (833,000) |

**NOTES FOR OCTOBER 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 (\$107,300) and year-to-date (\$1,498,300) basis. The primary drivers of these positive variances are discussed below.

Revenues:

Total revenue was above the budget by approximately \$28,400 for October and \$839,900 on a year-to-date (YTD) basis.

The greater than budgeted October revenue in the categories of *State Revenues without Restrictions* was driven by the recognition of revenue from NYS and will continue through the end of the year. 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 includes revenues from Project HOPE and NY CARES. The two programs have concluded and will have no additional revenue this year driving the shortfall in this category for the month. NY CARES met the budget goal for the year while Project HOPE will fall short of its goal and is discussed in greater detail in the notes for the end-of-year projections. Both programs are driving the significant negative variance for the month and the positive variance compared to 2019 and 2020 YTD figures for this category.

Other Revenues with Restrictions came in approximately \$3,300 lower than the budget for October. While the figure for October was entirely driven by the recognition of revenue for the Palmer School program and the technology program at the New Rochelle Public Library (BTOP), 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 October came in approximately \$78,900 less than the monthly budget, while spending on a YTD basis was approximately \$658,400 less than the budget.

Salaries and Fringe Benefits – Spending in these lines was approximately \$31,200 and \$20,300 under budget, respectively, for October and a combined \$490,500 for the YTD. The annual budget is divided evenly over the 12 months of the fiscal year, expenses in this line vary month-to-month due to the timing of staff-intensive programs like Project HOPE. In addition to unfilled positions, the timing of Project HOPE also drove the underspending in this line for October. Expenses in 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 for the 2020 Census. Spending in these lines was essentially even across all three years.

Contractual Services – This line was over budget by slightly more than \$9,000. The overage was primarily driven by two factors: (1) The use of a contractor for work on Evergreen done in place of filling the open Library Data Specialist position. (2) The timing of the annual invoice from eRate Central which prepares the filings throughout the year for this program. The figure in October represents the cost of the service from July through October.

Delivery – This line was overspent for the month by approximately \$6,200, which is the result of timing since there were five payments due to the delivery vendor during the month.

Westchester Library System
Statement of Revenues and Expenditures with Projections through December 2021
with Actuals as of October 31, 2021

| | <u>Total Budget</u> | <u>Current Year Actuals (through Oct-2021)</u> | <u>Current Year Projected (Nov -Dec 2021)</u> | <u>CURRENT YEAR TOTAL PROJECTIONS</u> | <u>Current Year Projected vs Budget</u> |
|---------------------------------------|-------------------------|--|---|---|---|
| Revenue | | | | | |
| State Revenues without Restrictions | 1,812,130 | 1,853,253 | 411,695 | 2,264,948 | 452,818 |
| County Revenues without Restrictions | 1,037,500 | 874,330 | 176,270 | 1,050,600 | 13,100 |
| Federal Revenues without Restrictions | 150,000 | 698,494 | 34,220 | 732,714 | 582,714 |
| Member Technology Fees | 2,842,140 | 2,364,097 | 465,976 | 2,830,073 | (12,067) |
| Fund Raising & Contributions | 11,000 | 1,138 | 100 | 1,238 | (9,762) |
| Interest | 17,000 | 2,060 | 350 | 2,410 | (14,590) |
| WEBS & Other | 28,000 | 7,411 | 110 | 7,521 | (20,479) |
| Government Revenues with Restrictions | 700,380 | 389,802 | 46,723 | 436,525 | (263,855) |
| Other Revenues with Restrictions | <u>120,500</u> | <u>248,205</u> | <u>16,120</u> | <u>264,325</u> | <u>143,825</u> |
| Total Revenue | <u>6,718,650</u> | <u>6,438,790</u> | <u>1,151,564</u> | <u>7,590,354</u> | <u>871,704</u> |
| Expenditures | | | | | |
| Salaries | 2,571,500 | 1,910,773 | 382,446 | 2,293,219 | 278,281 |
| Fringe Benefits | 1,441,000 | 942,445 | 185,781 | 1,128,226 | 312,774 |
| Professional Fees | 38,900 | 22,998 | 27,902 | 50,900 | (12,000) |
| Equipment | 166,900 | 215,639 | 37,828 | 253,467 | (86,567) |
| Library Materials | 752,400 | 615,161 | 131,660 | 746,821 | 5,579 |
| Rent and Utilities | 375,100 | 277,169 | 68,604 | 345,773 | 29,327 |
| Repairs and Maintenance | 486,500 | 346,017 | 72,872 | 418,889 | 67,611 |
| Supplies | 50,200 | 22,233 | 4,564 | 26,797 | 23,403 |
| Telephone and Internet | 446,400 | 314,961 | 54,543 | 369,504 | 76,896 |
| Printing and Postage | 74,800 | 66,241 | 11,261 | 77,502 | (2,702) |
| Bibliographic Fees | 72,500 | 66,244 | 13,000 | 79,244 | (6,744) |
| Professional Development | 52,800 | 22,007 | 4,244 | 26,251 | 26,549 |
| Travel | 40,600 | 1,063 | 1,000 | 2,063 | 38,537 |
| Memberships | 22,300 | 15,371 | 1,500 | 16,871 | 5,429 |
| Contractual Services | 290,800 | 250,557 | 42,595 | 293,152 | (2,352) |
| Delivery Service | 418,000 | 361,766 | 65,667 | 427,433 | (9,433) |
| Special Events | 10,000 | 0 | 0 | 0 | 10,000 |
| Insurance | 25,000 | 22,242 | 8,044 | 30,286 | (5,286) |
| Miscellaneous | <u>28,200</u> | <u>5,268</u> | <u>4,499</u> | <u>9,767</u> | <u>18,433</u> |
| Total Expenditures | <u>7,363,900</u> | <u>5,478,157</u> | <u>1,118,010</u> | <u>6,596,167</u> | <u>767,733</u> |
| Net Revenue Before Depreciation | (645,250) | 960,633 | 33,554 | 994,187 | 1,639,437 |
| Non-Cash Activity | | | | | |
| Depreciation | <u>187,750</u> | <u>158,130</u> | <u>31,627</u> | <u>189,757</u> | <u>(2,007)</u> |
| Unrealized Gain/Loss on Investments | <u>0</u> | <u>116</u> | <u>20</u> | <u>136</u> | <u>(136)</u> |
| Total Non-Cash Activity | 187,750 | 158,246 | 31,647 | 189,893 | (2,143) |
| Net Revenue | <u>(833,000)</u> | <u>802,387</u> | <u>1,907</u> | <u>804,294</u> | <u>1,637,294</u> |

Income Statement with Projections for November through December 2021

Current forecasts show a net revenue before depreciation of \$994,000. However, it is important to note that this is significantly driven by two key factors (1) the receipt of forgiveness (\$564,000) of the Paycheck Protection Program (PPP) loan and (2) flat funding from NYS while a 20% cut (\$496,000) was anticipated.

Revenues:

On the Revenue side, total revenue is expected to come in at approximately \$871,000 more than budgeted driven primarily by unbudgeted revenue from NYS and the forgiveness of the PPP loan. Detail budget lines noted below:

Other Revenues with Restrictions – This line is projected to come in approximately \$144,000 more than budgeted driven by an estimated \$232,000 which is attributable to fundraising activities. The revenue projections in this line also include anticipated receipt of an additional revenues from the technology program at New Rochelle Public Library, Palmer School program and additional fundraising.

Federal Revenues without Restrictions – This line will come in approximately \$583,000 more than budget due to the unbudgeted forgiveness of the PPP loan and eRate revenues being \$18,500 more than budgeted.

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% (\$452,800) more than budgeted.

Government Revenues with Restrictions – The projected \$264,000 deficit in this line is primarily driven by the reduced scale of Project HOPE which has concluded and will end the year approximately \$307,000 less than budgeted. Also included in this line are revenues from NYS that will come in 20% (\$39,300) more than budgeted as discussed in *State Revenues without Restrictions*.

Expenses:

On the Expense side, total expenses are projected to come in approximately \$746,200 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. The Library Data Specialist position was not filled as the work was accomplished through engaging a contractor. The IT Operations Manager has been filled, but was open for most of the year. 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 \$86,600 over budget driven primarily by the purchase of computer equipment to support the digital equity projects funded through grants not anticipated in the budget.

Repairs and Maintenance – The expenses in this line are currently expected to fall under budget by \$67,600 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 \$65,000. This is driven by the COVID-19 pandemic which has limited travel, in-person professional development and costs associated with in-person meetings.

Miscellaneous – This line is expected to end the year with a surplus of approximately \$18,400. 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.

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.