



Financial Statements and Notes

January 2022

Westchester Library System
Statement of Financial Position - WLS Balance Sheet
As of 1/31/2022

	<u>1/31/2022</u>	<u>12/31/2021*</u>	<u>Prev. Per. Change</u>	<u>Prev. Per. % Change</u>	<u>12/31/2021*</u>
Assets					
Current Assets					
Cash & Cash Equivalents					
Operating	3,439,067	3,685,745	(246,678)	-6.69%	3,685,745
Reserves	1,747,148	1,747,107	41	0.00%	1,747,107
Total Cash & Cash Equivalents	<u>5,186,215</u>	<u>5,432,852</u>	<u>(246,637)</u>	<u>-4.54%</u>	<u>5,432,852</u>
Unconditional Promises to Give	598,402	292,070	306,332	104.88%	292,070
Accounts Receivable	772,253	206,860	565,393	273.32%	206,860
Prepaid Expenses	537,986	433,569	104,417	24.08%	433,569
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total Current Assets	7,094,856	6,365,351	729,505	11.46%	6,365,351
Long-term Assets					
Property & Equipment	<u>410,469</u>	<u>421,690</u>	<u>(11,221)</u>	<u>-2.66%</u>	<u>421,690</u>
Total Property & Equipment	<u>410,469</u>	<u>421,690</u>	<u>(11,221)</u>	<u>-2.66%</u>	<u>421,690</u>
Total Long-term Assets	<u>410,469</u>	<u>421,690</u>	<u>(11,221)</u>	<u>-2.66%</u>	<u>421,690</u>
Total Assets	<u><u>7,505,325</u></u>	<u><u>6,787,041</u></u>	<u><u>718,284</u></u>	<u><u>10.58%</u></u>	<u><u>6,787,041</u></u>
Liabilities					
Short-term Liabilities					
Accounts Payable	487,101	845,715	(358,614)	-42.40%	845,715
Deferred Revenue	<u>1,126,540</u>	<u>7,200</u>	<u>1,119,340</u>	<u>15545.48%</u>	<u>7,200</u>
Total Short-term Liabilities	1,613,642	852,915	760,726	89.19%	852,915
Long-term Liabilities					
Capital Lease Obligations	0	0	0	0.00%	0
Deferred Rent	243,817	245,925	(2,108)	-0.86%	245,925
Post-Retirement Benefits Payable	<u>4,892,551</u>	<u>4,892,551</u>	<u>0</u>	<u>0.00%</u>	<u>4,892,551</u>
Total Long-term Liabilities	<u>5,136,368</u>	<u>5,138,476</u>	<u>(2,108)</u>	<u>-0.04%</u>	<u>5,138,476</u>
Total Liabilities	<u><u>6,750,009</u></u>	<u><u>5,991,391</u></u>	<u><u>758,618</u></u>	<u><u>12.66%</u></u>	<u><u>5,991,391</u></u>
Net Assets					
Working Capital	5,481,215	5,512,436	(31,221)	-0.57%	5,512,436
Long-term Net Assets	<u>(4,725,898)</u>	<u>(4,716,786)</u>	<u>(9,112)</u>	<u>0.19%</u>	<u>(4,716,786)</u>
Total Net Assets	<u>755,316</u>	<u>795,650</u>	<u>(40,334)</u>	<u>-5.07%</u>	<u>795,650</u>
Total Liabilities and Net Assets	<u><u>7,505,325</u></u>	<u><u>6,787,041</u></u>	<u><u>718,284</u></u>	<u><u>10.58%</u></u>	<u><u>6,787,041</u></u>

* Unaudited

NOTES FOR JANUARY 2022 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 by approximately \$246,600, an increase in Accounts Receivable of approximately \$565,400 and an increase in deferred revenue by approximately \$1.1 million.

It is important to note that the December 2021 figures included in this statement are unaudited and while they reflect year-end activities being completed, are subject to change until audit activities are complete.

This presentation of the Balance Sheet reflects the work of the Finance Committee to refine this report. The report now contains the following additional information: (1) figures for the previous reported period in addition to the previous year-end, (2) detail for *Cash and Cash Equivalents* and (3) detail for Net Assets to illustrate *Working Capital*, which is WLS's *Current Assets* less *Short-term Liabilities*.

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 this period WLS's cash position decreased by approximately \$246,600. With \$795,100 in receipts, revenues received included \$790,400 from member libraries for IT fees and group purchases. Expenditures totaled \$1,041,700. Aside from rent, payroll and benefits, Internet, and delivery to libraries, the notable expenditures include \$365,000 to 13 member libraries that received Grants-in-Aid from NYS and \$90,000 to Evolytix for consulting services rendered and prepayment for upcoming services, \$29,355 to Proquest for book cover art and reviews licensing for the online catalog and \$27,500 to LinkedIn for access to LinkedIn Learning for library patrons in 2022.

Accounts Receivable: *These are monies owed to WLS by another party.* – This figure increased by \$565,400 in the period, the result of recording approximately \$1.36 million in receivables against the receipt of approximately \$793,000 in payments. Activity was driven primarily by invoices and payments from member libraries for IT services and group purchases, but also included activity from the LIU Palmer School program and BTOP (Broadband Technology Opportunity Program).

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 \$1,119,300, the result of recording IT, eContent, NYS, eRate and movie licensing revenues.

Westchester Library System
Statement of Revenues and Expenditures - Comparison to Budget with 2020 and 2021 YTD
From 1/1/2022 Through 1/31/2022

	1/31/2022	Current Period Budget	Current Period Budget Variance	1/31/2020 YTD	1/31/2021 YTD	1/31/2022 YTD	YTD Budget	YTD Budget Variance	Total Budget
Revenue									
State Revenues without Restrictions	188,197	188,750	(553)	193,767	151,955	188,197	188,750	(553)	2,265,000
County Revenues without Restrictions	87,550	87,550	0	85,800	86,600	87,550	87,550	0	1,050,600
Federal Revenues without Restrictions	12,825	12,917	(92)	13,750	12,500	12,825	12,917	(92)	155,000
Member Technology Fees	234,433	230,292	4,142	236,618	234,767	234,433	230,292	4,142	2,763,500
Fund Raising & Contributions	147	917	(770)	49	50	147	917	(770)	11,000
Interest	190	333	(143)	1,560	258	190	333	(143)	4,000
WEBS & Other	645	658	(13)	1,250	1,067	645	658	(13)	7,900
Government Revenues with Restrictions	17,760	19,158	(1,398)	17,854	14,810	17,760	19,158	(1,398)	229,900
Other Revenues with Restrictions	<u>4,759</u>	<u>13,208</u>	<u>(8,450)</u>	<u>2,917</u>	<u>1,605</u>	<u>4,759</u>	<u>13,208</u>	<u>(8,450)</u>	<u>158,500</u>
Total Revenue	<u>546,506</u>	<u>553,783</u>	<u>(7,277)</u>	<u>553,564</u>	<u>503,612</u>	<u>546,506</u>	<u>553,783</u>	<u>(7,277)</u>	<u>6,645,400</u>
Expenditures									
Salaries	184,189	206,758	22,569	195,561	175,658	184,189	206,758	22,569	2,481,119
Fringe Benefits	95,326	111,651	16,325	89,932	91,915	95,326	111,651	16,325	1,339,781
Professional Fees	660	4,138	3,478	665	1,796	660	4,138	3,478	49,650
Equipment	10,304	11,500	1,196	(1,651)	8,054	10,304	11,500	1,196	138,000
Library Materials	65,909	57,621	(8,288)	68,962	60,124	65,909	57,621	(8,288)	691,450
Rent and Utilities	27,552	30,100	2,548	27,552	27,552	27,552	30,100	2,548	361,200
Repairs and Maintenance	47,581	42,625	(4,956)	37,679	43,257	47,581	42,625	(4,956)	511,500
Supplies	435	3,488	3,052	1,622	4,776	435	3,488	3,052	41,850
Telephone and Internet	31,884	36,500	4,616	30,148	30,495	31,884	36,500	4,616	438,000
Printing and Postage	690	4,958	4,268	2,379	328	690	4,958	4,268	59,500
Bibliographic Fees	6,458	6,708	250	5,100	6,618	6,458	6,708	250	80,500
Professional Development	15	7,718	7,703	16,827	0	15	7,718	7,703	92,610
Travel	271	2,870	2,599	689	121	271	2,870	2,599	34,440
Memberships	7,816	1,808	(6,008)	1,165	9,133	7,816	1,808	(6,008)	21,700
Contractual Services	62,158	29,733	(32,425)	12,993	23,512	62,158	29,733	(32,425)	356,800
Delivery Service	30,800	35,750	4,950	36,625	41,608	30,800	35,750	4,950	429,000
Special Events	0	833	833	18	0	0	833	833	10,000
Insurance	2,616	2,667	51	1,745	1,622	2,616	2,667	51	32,000
Miscellaneous	<u>954</u>	<u>2,017</u>	<u>1,063</u>	<u>15</u>	<u>113</u>	<u>954</u>	<u>2,017</u>	<u>1,063</u>	<u>24,200</u>
Total Expenditures	<u>575,619</u>	<u>599,443</u>	<u>23,823</u>	<u>528,025</u>	<u>526,682</u>	<u>575,619</u>	<u>599,443</u>	<u>23,823</u>	<u>7,193,300</u>
Net Revenue Before Depreciation	<u>(29,113)</u>	<u>(45,659)</u>	<u>16,546</u>	<u>25,539</u>	<u>20,831</u>	<u>(29,113)</u>	<u>(45,659)</u>	<u>16,546</u>	<u>(547,900)</u>
Non-Cash Activity									
Depreciation	11,221	12,021	800	18,741	15,640	11,221	12,021	800	144,250
Total Non-Cash Activity	<u>11,221</u>	<u>12,021</u>	<u>800</u>	<u>18,741</u>	<u>15,640</u>	<u>11,221</u>	<u>12,021</u>	<u>800</u>	<u>144,250</u>
Net Revenue	<u>(40,334)</u>	<u>(57,680)</u>	<u>17,346</u>	<u>6,798</u>	<u>5,191</u>	<u>(40,334)</u>	<u>(57,680)</u>	<u>17,346</u>	<u>(692,150)</u>

**NOTES FOR JANUARY 2022 (INCOME STATEMENT) STATEMENT OF REVENUE AND EXPENDITURES –
COMPARISON TO BUDGET WITH 2020 AND 2021 YTD**

Net revenue before depreciation was above budget on a monthly and year-to-date basis (\$16,500). Being the first month of the year, both figures are the same. Even with the positive variance in the bottom line, there are noteworthy positive and negative variances discussed below.

Revenues:

Total revenue was below budget by approximately 1% for January. This was primarily driven by the negative variance in *Other Revenues with Restrictions* and is discussed in greater detail below.

Other Revenues with Restrictions was under budget by 64% (\$8,450) driven primarily by a shortfall in the Restricted Contributions line. This is consistent with years past and while the budget assumes that approximately \$13,000 would be raised each month, in reality the monies raised will fluctuate monthly. In January 2021, a large grant (\$43,900) was reported but was subsequently reclassified into December 2020 as part of the financial audit for that year. This report reflects the lower, corrected figure.

There were small positive and negative variances in *State Revenues without Restrictions*, *Federal Revenues without Restrictions*, *Member Technology Fees*, and *Government Revenues with Restrictions* that are largely the result of rounding while distributing annual and half-year figures into monthly allocations. Variations like these are to be expected monthly and would offset in the year-to-date (YTD) totals as the year progresses.

Expenses:

Total spending in January outpaced revenues by approximately \$29,100 but came in approximately \$16,500 less than the monthly budget. Significant positive and negative variances are discussed below.

Contractual Services – This line is significantly overspent for the month by \$32,400 (109%) and is driven by several factors. The primary drivers of this variance were \$35,000 invoice from Evolytix for development support for a statistics dashboard and \$9,800 to MYHR Department, which is the initial payment toward WLS's work with a consultant to further goals for Diversity, Equity and Inclusion within the organization. The line will be monitored throughout the year.

Salaries – Spending in this line was approximately \$22,600 under budget for January. This was, in part, driven by an unfilled position due to the retirement of a staff member in December 2021.

Fringe Benefits – This line came in approximately \$16,300 under budget for January and is directly associated with the underspending in *Salaries* for the month.

Library Materials – This line was overspent for the month by approximately \$8,300, which was driven by multiple factors including a larger (approx. \$2,500 more) than expected usage of Kanopy and several prepaid expenses for 2022 that were paid for in 2021 and released in January. This line will be monitored carefully throughout the year.

Repairs and Maintenance – Similar to *Library Materials*, this line is also over budget due to several prepaid expenses that are for part of or the entire year and released in January. These expenses include hardware maintenance agreements for thin client devices, software support for financial management and desktop virtualization software, web hosting for Outreach and digital document management. This line will be monitored carefully throughout the year.