



Financial Statements and Notes

February 2022

Westchester Library System
Statement of Financial Position - WLS Balance Sheet
As of 2/28/2022

	<u>2/28/2022</u>	<u>1/31/2022</u>	<u>Prev. Per. Change</u>	<u>Prev. Per. % Change</u>	<u>12/31/2021*</u>
Assets					
Current Assets					
Cash & Cash Equivalents					
Operating	3,744,088	3,439,067	305,021	8.87%	3,685,745
Reserves	<u>1,746,932</u>	<u>1,747,148</u>	<u>(216)</u>	<u>-0.01%</u>	<u>1,747,107</u>
Total Cash & Cash Equivalents	5,491,020	5,186,215	304,805	5.88%	5,432,852
Unconditional Promises to Give	675,578	598,402	77,176	12.90%	292,070
Accounts Receivable	206,488	772,253	(565,765)	-73.26%	206,860
Prepaid Expenses	568,361	537,986	30,374	5.65%	433,569
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total Current Assets	<u>6,941,447</u>	<u>7,094,856</u>	<u>(153,409)</u>	<u>-2.16%</u>	<u>6,365,351</u>
Long-term Assets					
Property & Equipment	<u>399,248</u>	<u>410,469</u>	<u>(11,221)</u>	<u>-2.73%</u>	<u>421,690</u>
Total Property & Equipment	<u>399,248</u>	<u>410,469</u>	<u>(11,221)</u>	<u>-2.73%</u>	<u>421,690</u>
Total Long-term Assets	<u>399,248</u>	<u>410,469</u>	<u>(11,221)</u>	<u>-2.73%</u>	<u>421,690</u>
Total Assets	<u>7,340,695</u>	<u>7,505,325</u>	<u>(164,630)</u>	<u>-2.19%</u>	<u>6,787,041</u>
Liabilities					
Short-term Liabilities					
Accounts Payable	532,951	487,101	45,850	9.41%	841,006
Deferred Revenue	<u>894,773</u>	<u>1,126,540</u>	<u>(231,767)</u>	<u>-20.57%</u>	<u>7,200</u>
Total Short-term Liabilities	1,427,725	1,613,642	(185,917)	-11.52%	848,206
Long-term Liabilities					
Capital Lease Obligations	0	0	0	0.00%	0
Deferred Rent	241,708	243,817	(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>5,134,259</u>	<u>5,136,368</u>	<u>(2,108)</u>	<u>-0.04%</u>	<u>5,138,476</u>
Total Liabilities	<u>6,561,984</u>	<u>6,750,009</u>	<u>(188,025)</u>	<u>-2.79%</u>	<u>5,986,682</u>
Net Assets					
Working Capital	5,513,722	5,481,215	32,508	0.59%	5,517,145
Long-term Net Assets	<u>(4,735,011)</u>	<u>(4,725,898)</u>	<u>(9,112)</u>	<u>0.19%</u>	<u>(4,716,786)</u>
Total Net Assets	<u>778,711</u>	<u>755,316</u>	<u>23,395</u>	<u>3.10%</u>	<u>800,359</u>
Total Liabilities and Net Assets	<u>7,340,695</u>	<u>7,505,325</u>	<u>(164,630)</u>	<u>-2.19%</u>	<u>6,787,041</u>

* Unaudited

NOTES FOR FEBRUARY 2022 STATEMENT OF FINANCIAL POSITION - WLS BALANCE SHEET

The key changes to the Balance Sheet are an increase in WLS's cash position, which is higher by \$304,800, a decrease in Accounts Receivable of \$565,800 and a decrease in Deferred Revenue by \$231,800.

Reminders:

All figures are approximate to the nearest \$100 or 1%.

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 increased by \$304,800. With \$839,500 in receipts, revenues received included \$563,700 from member libraries for IT fees and group purchases and \$210,100 from Westchester County for the fourth quarter of 2021. Expenditures totaled \$534,700. Aside from rent, payroll and benefits, Internet, and delivery to libraries, the notable expenditures include \$45,500 to Tutor.com for library patrons in 2022, \$24,700 to Hoopla for digital content for patrons in January and \$13,800 to CDW for consulting services in 2022.

Accounts Receivable: *These are monies owed to WLS by another party.* – This figure decreased by \$565,800 in the period, the result of recording \$8,100 in receivables against the receipt of \$573,900 in payments. Activity was driven primarily by 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 decreased by \$231,800, the result of deferring \$1,000 in revenue from the LIU Palmer School program against the recognition of \$232,800 in revenues from IT, eContent, and movie licensing.

Westchester Library System
Statement of Revenues and Expenditures - Comparison to Budget with 2020 and 2021 YTD
From 2/1/2022 Through 2/28/2022

	Current Period 2/28/2022	Current Period Budget	Current Period Budget Variance	2/29/2020 YTD	2/28/2021 YTD	2/28/2022 YTD	YTD Budget	YTD Budget Variance	Total Budget
Revenue									
State Revenues without Restrictions	188,073	188,750	(677)	387,534	302,880	376,270	377,500	(1,230)	2,265,000
County Revenues without Restrictions	87,550	87,550	0	171,600	173,000	175,100	175,100	0	1,050,600
Federal Revenues without Restrictions	12,925	12,917	8	27,500	25,000	25,750	25,833	(83)	155,000
Member Technology Fees	235,300	230,292	5,008	473,992	470,379	469,733	460,583	9,150	2,763,500
Fund Raising & Contributions	71	917	(845)	2,615	890	218	1,833	(1,615)	11,000
Interest	273	333	(60)	7,180	702	463	667	(203)	4,000
WEBS & Other	565	658	(93)	2,830	2,252	1,210	1,317	(107)	7,900
Government Revenues with Restrictions	17,740	19,158	(1,418)	35,708	28,970	35,500	38,317	(2,817)	229,900
Other Revenues with Restrictions	4,420	13,208	(8,788)	4,583	1,921	9,179	26,417	(17,238)	158,500
Total Revenue	546,917	553,783	(6,866)	1,113,542	1,005,995	1,093,424	1,107,567	(14,143)	6,645,400
Expenditures									
Salaries	177,911	206,760	28,849	379,204	347,133	362,100	413,518	51,419	2,481,119
Fringe Benefits	97,553	111,648	14,096	188,328	174,532	192,879	223,299	30,420	1,339,781
Professional Fees	1,683	4,138	2,455	16,731	5,295	2,342	8,275	5,933	49,650
Equipment	5,794	11,500	5,706	7,275	11,344	16,098	23,000	6,902	138,000
Library Materials	61,528	57,621	(3,907)	137,271	135,753	127,437	115,242	(12,196)	691,450
Rent and Utilities	27,552	30,100	2,548	55,104	55,104	55,104	60,200	5,096	361,200
Repairs and Maintenance	28,180	42,625	14,445	71,054	73,548	75,761	85,250	9,489	511,500
Supplies	1,317	3,488	2,171	6,037	4,924	1,752	6,975	5,223	41,850
Telephone and Internet	30,940	36,500	5,560	57,933	60,798	62,825	73,000	10,175	438,000
Printing and Postage	5,404	4,958	(446)	5,050	3,810	6,094	9,917	3,822	59,500
Bibliographic Fees	6,778	6,708	(70)	11,894	18,747	13,236	13,417	180	80,500
Professional Development	1,000	7,718	6,718	16,929	563	1,015	15,435	14,420	92,610
Travel	55	2,870	2,815	4,854	121	326	5,740	5,414	34,440
Memberships	0	1,808	1,808	1,165	9,317	7,816	3,617	(4,200)	21,700
Contractual Services	26,284	29,733	3,449	22,604	44,845	88,443	59,467	(28,976)	356,800
Delivery Service	37,570	35,750	(1,820)	69,518	74,622	68,370	71,500	3,130	429,000
Special Events	0	833	833	18	0	0	1,667	1,667	10,000
Insurance	6,863	2,667	(4,196)	2,130	3,212	9,479	5,333	(4,146)	32,000
Miscellaneous	251	2,017	1,766	3,197	337	1,204	4,033	2,829	24,200
Total Expenditures	516,662	599,442	82,780	1,056,297	1,024,004	1,092,281	1,198,884	106,603	7,193,300
Net Revenue Before Depreciation	30,256	(45,658)	75,914	57,245	(18,009)	1,143	(91,318)	92,460	(547,900)
Non-Cash Activity									
Depreciation	11,221	12,021	800	37,483	31,027	22,441	24,042	1,600	144,250
Unrealized Gain/Loss on Investments	349	0	(349)	(444)	92	349	0	(349)	0
Total Non-Cash Activity	11,570	12,021	451	37,039	31,119	22,791	24,042	1,251	144,250
Net Revenue	18,686	(57,679)	76,365	20,206	(49,128)	(21,648)	(115,359)	93,711	(692,150)

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

Net revenue before depreciation was above budget on both a monthly (\$75,900) and year-to-date (\$92,500) basis. Even with the positive variance in the bottom line, there are noteworthy positive and negative variances discussed below. All figures are approximated to the nearest \$100 or 1%.

Revenues:

Total revenue was essentially on budget for February. The slight negative variance primarily driven by *Other Revenues with Restrictions* and is discussed in greater details below.

Other Revenues with Restrictions was under budget by 67% (\$8,800) driven primarily by a shortfall in the Restricted Contributions line. This is consistent with years past and while the budget assumes that \$13,200 would be raised each month, in reality the monies raised will fluctuate monthly.

Expenses:

Total spending in February was \$30,300 less than revenues and \$82,800 less than the monthly budget. Spending for the year-to-date (YTD) is essentially in line with revenues and \$106,600 less than budgeted. Significant positive and negative variances are discussed below.

Insurance – This line was overspent by \$4,200. The variance was driven by the renewal of WLS's cyber insurance policy (\$5,200 for 2022), which is a one-time expense for the year. The line will be monitored throughout the year but at this time it is not anticipated to be significantly overspent for the year.

Delivery – This line closed at \$1,800 more than budgeted. This was primarily driven by additional deliveries scheduled to distribute COVID-19 test kits from Westchester County government to member libraries for distribution to the public. There is a surcharge from the Delivery Service that is activated based on the price of fuel. While not a factor in the expenses for February, the surcharge is expected to be applied starting in March. This line will be monitored for the impact of fuel costs on the total cost of the service.

Salaries – Spending in this line was \$28,800 under budget for February and \$51,400 for the YTD. This was, in part, driven by an unfilled position due to the retirement of a staff member in December 2021 and a staff member that is on an extended leave.

Fringe Benefits – This line came in \$14,100 under budget for February and \$30,400 for the YTD and is directly associated with the underspending in *Salaries*.

Library Materials – This line was overspent for the month by approximately \$3,900 and \$12,200 for the YTD. The negative variance in February was driven by multiple factors including the annual renewal of the Tumblebooks ebook service (\$4,500) which is a one-time expense for the year and the quarterly expense for the Overdrive platform (\$3,000). Some expenses in this line (Kanopy and Hoopla) are based on patron activity and fluctuate month-to-month. The line will continue to be monitored carefully throughout the year.