



Financial Statements and Notes

April 2022

Westchester Library System
Statement of Financial Position - WLS Balance Sheet - RC - 2022
As of 4/30/2022

| | <u>4/30/2022</u> | <u>3/31/2022</u> | <u>Prev. Per. Change</u> | <u>Prev. Per. % Change</u> | <u>12/31/2021</u> |
|------------------------------------|--------------------|--------------------|------------------------------|--------------------------------|--------------------|
| Assets | | | | | |
| Current Assets | | | | | |
| Cash & Cash Equivalents | | | | | |
| Operating | 2,761,575 | 3,215,545 | (453,970) | -14.12% | 3,685,745 |
| Reserves | <u>1,747,011</u> | <u>1,746,969</u> | <u>42</u> | <u>0.00%</u> | <u>1,747,107</u> |
| Total Cash & Cash | 4,508,586 | 4,962,514 | (453,928) | -9.15% | 5,432,852 |
| Unconditional Promises to Give | 1,279,016 | 973,558 | 305,458 | 31.38% | 292,070 |
| Accounts Receivable | 61,684 | 112,856 | (51,172) | -45.34% | 206,860 |
| Prepaid Expenses | 631,224 | 753,288 | (122,064) | -16.20% | 433,569 |
| Security Deposits | <u>0</u> | <u>0</u> | <u>0</u> | <u>0.00%</u> | <u>0</u> |
| Total Current Assets | 6,480,510 | <u>6,802,217</u> | <u>(321,707)</u> | <u>-4.73%</u> | 6,365,351 |
| Long-term Assets | | | | | |
| Property & Equipment | <u>376,807</u> | <u>388,028</u> | <u>(11,221)</u> | <u>-2.89%</u> | <u>421,690</u> |
| Total Property & Equipment | <u>376,807</u> | <u>388,028</u> | <u>(11,221)</u> | <u>-2.89%</u> | <u>421,690</u> |
| Total Long-term Assets | <u>376,807</u> | <u>388,028</u> | <u>(11,221)</u> | <u>-2.89%</u> | <u>421,690</u> |
| Total Assets | <u>6,857,317</u> | <u>7,190,245</u> | <u>(332,928)</u> | <u>-4.63%</u> | <u>6,787,041</u> |
| Liabilities | | | | | |
| Short-term Liabilities | | | | | |
| Accounts Payable | 455,429 | 568,953 | (113,524) | -19.95% | 841,006 |
| Deferred Revenue | <u>467,934</u> | <u>663,063</u> | <u>(195,129)</u> | <u>-29.43%</u> | <u>7,200</u> |
| Total Short-term Liabilities | 923,363 | 1,232,016 | (308,654) | -25.05% | 848,206 |
| Long-term Liabilities | | | | | |
| Capital Lease Obligations | 0 | 0 | 0 | 0.00% | 0 |
| Deferred Rent | 237,492 | 239,600 | (2,108) | -0.88% | 245,925 |
| Post-Retirement Benefits | <u>4,892,551</u> | <u>4,892,551</u> | <u>0</u> | <u>0.00%</u> | <u>4,892,551</u> |
| Payable | | | | | |
| Total Long-term Liabilities | <u>5,130,043</u> | <u>5,132,151</u> | <u>(2,108)</u> | <u>-0.04%</u> | <u>5,138,476</u> |
| Total Liabilities | <u>6,053,405</u> | <u>6,364,167</u> | <u>(310,762)</u> | <u>-4.88%</u> | <u>5,986,682</u> |
| Net Assets | | | | | |
| Working Capital | 5,557,147 | 5,570,201 | (13,053) | -0.23% | 5,517,145 |
| Long-term Net Assets | <u>(4,753,236)</u> | <u>(4,744,123)</u> | <u>(9,112)</u> | <u>0.19%</u> | <u>(4,716,786)</u> |
| Total Net Assets | <u>803,912</u> | <u>826,077</u> | <u>(22,166)</u> | <u>-2.68%</u> | <u>800,359</u> |
| Total Liabilities and Net Assets | <u>6,857,317</u> | <u>7,190,245</u> | <u>(332,928)</u> | <u>-4.63%</u> | <u>6,787,041</u> |

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

WLS's cash position was lower by \$453,900 and *Accounts Receivable* decreased by \$51,200 which contributed to a \$332,900 decrease in *Total Assets*. There were also decreases in *Deferred Revenue* by \$195,100 and *Accounts Payable* by \$113,500 which drove a \$310,800 decrease in *Total Liabilities*. The overall effect was a \$22,200 (3%) decrease in WLS's *Total Net Assets*. Details of the Balance Sheet activity are discussed below.

All figures noted in this narrative are approximate to the nearest \$100 or 1%.

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 April WLS's cash position decreased by \$453,900. With \$104,200 in receipts, revenues received included \$94,200 from member libraries for IT fees and group purchases. Expenditures totaled \$558,100. Aside from rent, payroll and benefits, Internet, and delivery to libraries, the notable expenditures include \$41,800 to Zones to renew antivirus software licenses and \$10,200 to Dorfman, Abrams and Music for services to prepare the 2021 audit report.

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 \$195,100, the result of deferring \$26,000 in revenues from IT services and eContent group purchases for libraries on three-month billing cycles against the recognition of \$221,100 in revenues from IT services and eContent group purchases for libraries on six-month billing cycles as well as LIU Palmer School program and movie licensing revenues.

Net Assets: *This section shows WLS's net financial position.*

Working Capital – *WLS's Current Assets less Short-Term Liabilities* – While this figure fluctuates slightly from period-to-period, it is relatively unchanged from the start of the year and the end of the previous month.

Westchester Library System
Statement of Revenues and Expenditures - Comparison to Budget with 2020 and 2021 YTD
From 4/1/2022 Through 4/30/2022

| | Current Period 4/30/2022 | Current Period Budget | Current Period Budget Variance | 4/30/2020 YTD | 4/30/2021 YTD | 4/30/2022 YTD | YTD Budget | YTD Budget Variance | Total Budget |
|---------------------------------------|-----------------------------|--------------------------|-----------------------------------|------------------|------------------|------------------|------------------|------------------------|------------------|
| Revenue | | | | | | | | | |
| State Revenues without Restrictions | 188,073 | 188,750 | (677) | 775,029 | 605,233 | 752,418 | 755,000 | (2,582) | 2,265,000 |
| County Revenues without Restrictions | 87,550 | 87,550 | 0 | 343,200 | 345,800 | 350,200 | 350,200 | 0 | 1,050,600 |
| Federal Revenues without Restrictions | 12,925 | 12,917 | 8 | 55,000 | 50,000 | 51,600 | 51,667 | (67) | 155,000 |
| Member Technology Fees | 234,360 | 230,292 | 4,068 | 948,729 | 939,290 | 935,294 | 921,167 | 14,127 | 2,763,500 |
| Fund Raising & Contributions | 194 | 917 | (722) | 6,937 | 890 | 458 | 3,667 | (3,209) | 11,000 |
| Interest | 172 | 333 | (162) | 9,026 | 907 | 790 | 1,333 | (544) | 4,000 |
| WEBS & Other | 1,070 | 658 | 412 | 7,530 | 3,749 | 3,095 | 2,633 | 462 | 7,900 |
| Government Revenues with Restrictions | 17,740 | 19,158 | (1,418) | 71,408 | 91,521 | 70,980 | 76,633 | (5,653) | 229,900 |
| Other Revenues with Restrictions | <u>5,783</u> | <u>13,208</u> | <u>(7,425)</u> | <u>7,917</u> | <u>168,091</u> | <u>269,681</u> | <u>52,833</u> | <u>216,847</u> | <u>158,500</u> |
| Total Revenue | <u>547,867</u> | <u>553,783</u> | <u>(5,917)</u> | <u>2,224,776</u> | <u>2,205,481</u> | <u>2,434,515</u> | <u>2,215,133</u> | <u>219,382</u> | <u>6,645,400</u> |
| Expenditures | | | | | | | | | |
| Salaries | 190,169 | 206,760 | 16,591 | 769,717 | 747,943 | 762,427 | 827,038 | 64,611 | 2,481,119 |
| Fringe Benefits | 99,925 | 111,648 | 11,723 | 389,782 | 363,670 | 404,617 | 446,596 | 41,979 | 1,339,781 |
| Professional Fees | 1,351 | 4,138 | 2,787 | 18,764 | 13,665 | 4,947 | 16,550 | 11,603 | 49,650 |
| Equipment | 12,015 | 11,500 | (515) | 135,359 | 153,558 | 46,825 | 46,000 | (825) | 138,000 |
| Library Materials | 57,800 | 57,621 | (180) | 287,161 | 252,711 | 243,903 | 230,483 | (13,420) | 691,450 |
| Rent and Utilities | 27,552 | 30,100 | 2,548 | 111,809 | 111,857 | 110,209 | 120,400 | 10,192 | 361,200 |
| Repairs and Maintenance | 31,510 | 42,625 | 11,115 | 135,746 | 149,552 | 150,735 | 170,500 | 19,765 | 511,500 |
| Supplies | 6,035 | 3,488 | (2,548) | 9,277 | 21,594 | 9,216 | 13,950 | 4,734 | 41,850 |
| Telephone and Internet | 33,370 | 36,500 | 3,130 | 114,632 | 124,197 | 128,225 | 146,000 | 17,775 | 438,000 |
| Printing and Postage | 12,888 | 4,958 | (7,930) | 8,384 | 23,822 | 24,058 | 19,833 | (4,225) | 59,500 |
| Bibliographic Fees | 6,605 | 6,708 | 104 | 24,428 | 26,880 | 26,366 | 26,833 | 467 | 80,500 |
| Professional Development | 630 | 7,718 | 7,088 | 31,911 | 3,074 | 24,015 | 30,870 | 6,855 | 92,610 |
| Travel | 1,515 | 2,870 | 1,355 | 8,502 | 123 | 2,329 | 11,480 | 9,151 | 34,440 |
| Memberships | 2,797 | 1,808 | (989) | 1,265 | 9,317 | 10,913 | 7,233 | (3,680) | 21,700 |
| Contractual Services | 23,659 | 29,733 | 6,075 | 33,916 | 96,119 | 181,691 | 118,933 | (62,758) | 356,800 |
| Delivery Service | 48,844 | 35,750 | (13,094) | 87,428 | 144,466 | 162,544 | 143,000 | (19,544) | 429,000 |
| Special Events | 0 | 833 | 833 | 1,018 | 0 | 0 | 3,333 | 3,333 | 10,000 |
| Insurance | 1,704 | 2,667 | 963 | 9,008 | 12,401 | 15,614 | 10,667 | (4,947) | 32,000 |
| Miscellaneous | <u>442</u> | <u>2,017</u> | <u>1,575</u> | <u>3,502</u> | <u>1,391</u> | <u>1,859</u> | <u>8,067</u> | <u>6,208</u> | <u>24,200</u> |
| Total Expenditures | <u>558,812</u> | <u>599,442</u> | <u>40,630</u> | <u>2,181,608</u> | <u>2,256,339</u> | <u>2,310,494</u> | <u>2,397,767</u> | <u>87,273</u> | <u>7,193,300</u> |
| Net Revenue Before Depreciation | <u>(10,945)</u> | <u>(45,658)</u> | <u>34,713</u> | 43,168 | <u>(50,859)</u> | <u>124,021</u> | <u>(182,634)</u> | <u>306,655</u> | <u>(547,900)</u> |
| Non-Cash Activity | | | | | | | | | |
| Depreciation | 11,221 | 12,021 | 800 | 74,966 | 63,252 | 44,883 | 48,083 | 3,201 | 144,250 |
| Unrealized Gain/Loss on Investments | <u>0</u> | <u>0</u> | <u>0</u> | <u>(6,571)</u> | <u>(21)</u> | <u>349</u> | <u>0</u> | <u>(349)</u> | <u>0</u> |
| Total Non-Cash Activity | <u>11,221</u> | <u>12,021</u> | <u>800</u> | 68,394 | 63,231 | <u>45,232</u> | <u>48,083</u> | <u>2,852</u> | <u>144,250</u> |
| Net Revenue | <u>(22,166)</u> | <u>(57,679)</u> | <u>35,513</u> | <u>(25,226)</u> | <u>(114,090)</u> | <u>78,789</u> | <u>(230,717)</u> | <u>309,507</u> | <u>(692,150)</u> |

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

While expenditures outpaced revenues in April by 2% (\$11,000), there is a positive variance of 5% (\$124,000) for the YTD. There are noteworthy positive and negative variances discussed below. All figures in this narrative are approximated to the nearest \$100 or 1%.

Revenues:

Total revenue was \$5,900 under budget for April but \$219,400 above budget for the year-to-date (YTD). While most revenue lines are essentially within budget, the significant variance was primarily driven by *Other Revenues with Restrictions* and is discussed in greater details below.

Other Revenues with Restrictions was under budget by \$7,400 for April, but \$216,800 above budget for the YTD and has exceeded its target for the year. This highlights that while revenues for grants and fundraising are budgeted evenly across the year, the actual amounts raised monthly will fluctuate. The significant above budget variance for the year to date was primarily due to the March recording of a \$250,000 grant from the Eric & Wendy Schmidt Fund for Strategic Innovation in the *Restricted Contributions* line.

Expenses:

Total spending in April was \$11,000 more than revenues but was \$40,600 less than the monthly budget. Spending for the YTD is \$124,000 less than revenues and \$87,300 less than budgeted. Significant variances are discussed below.

Delivery – This line was over budget which, while anticipated, was driven by two key factors. The overages because there are 5 billing cycles for the delivery system in April which are compounded by the surcharges due to the ongoing increased fuel costs.

Printing and Postage – This line was overspent by \$7,900 in April and was primarily driven by the printing of materials to support outreach programs. The printings were funded by grants from previous years.

Supplies – This line was overspent by \$2,500 in April and was primarily driven by two large purchases. The first was \$2,300 purchase of network cables for use in member libraries; the other was an \$1,800 purchase of supplies to support ongoing digital inclusion programs. The line is underspent by \$4,700 for the YTD.

NOTES FOR 2022 CAPITAL EXPENDITURES (APRIL 2022 YTD)

Total capital expenses for the period of January thru April 2022 total \$75,237

All of the expenses illustrated below are related to the Server Replacement project approved for a total of \$153,000. The project is still in progress and to date has incurred a total cost of \$140,876, including prepaid expenses.

It is important to note that the illustration below is for expenses approved and incurred as part of the capital budget. However, prepaid expenses, while paid are yet to be incurred and therefore do not appear on this Statement of Capital Expenditures. From the current Server Replacement project there was an additional \$65,639 in maintenance expenses that were recorded as prepaid expenses on the Balance Sheet. Those expenses will be recognized against the operating budget over the next three years as the expenses are incurred.

Statement of Capital Expenditures – Jan thru Apr 2022

| | <u>4/30/2022 YTD</u> | <u>YTD Budget</u> | <u>YTD Budget Variance</u> | - | <u>Total Budget</u> |
|---------------------------|-----------------------------|--------------------------|---------------------------------------|---|----------------------------|
| Expenditures | | | | | |
| Equipment | 49,990 | 114,667 | 64,677 | | 654,000 |
| Repairs and Maintenance | <u>25,247</u> | <u>0</u> | <u>(25,247)</u> | - | <u>0</u> |
| Total Expenditures | <u>75,237</u> | <u>114,667</u> | <u>39,430</u> | - | <u>654,000</u> |

Quarterly Investment Account Report

Summary

| Assets | Value |
|--------------------------|---------------------|
| Cash | \$ 637 |
| U.S. Treasury Securities | \$ 1,037,007 |
| Total Value | \$ 1,037,644 |

Cash Detail

| Activity | | |
|----------------------------|----------|--------------|
| Activity | Date | Amount |
| Opening Balance | 1/1/2022 | \$ 118 |
| Sale of Treasury Bills | | \$ 512,898 |
| Interest | | \$ 102 |
| Purchase of Treasury Bills | | \$ (512,471) |
| Fees | | \$ (10) |
| End Balance | | \$ 637 |

U.S. Treasury Securities Detail

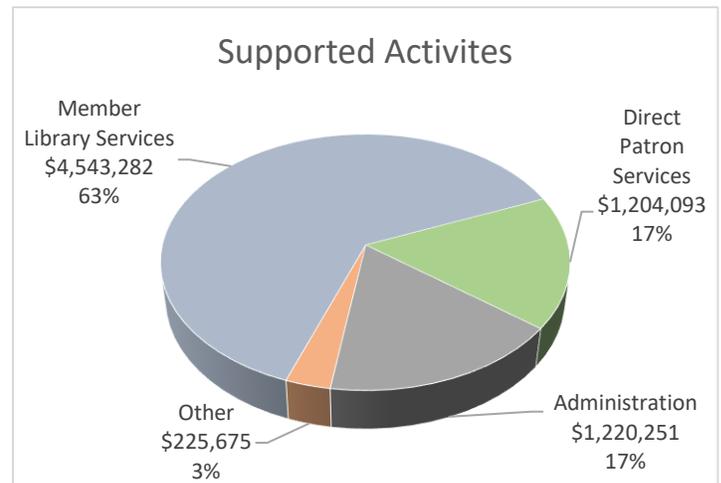
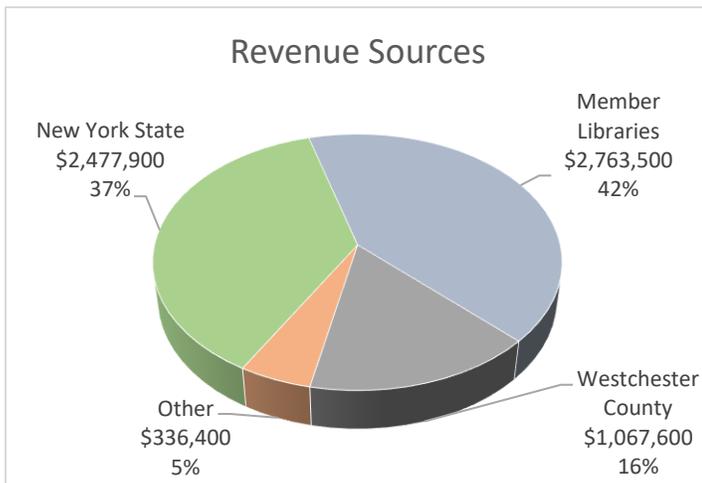
| Current Holdings | | | | |
|------------------|---------------|---------------------|---------------------|---------------------|
| Purchase Date | Maturity Date | Value at Maturity | Current Value | Orig. Cost Basis |
| 11/4/2021 | 5/19/2022 | \$ 525,000 | \$ 524,827 | \$ 524,918 |
| 2/24/2022 | 8/25/2022 | \$ 514,000 | \$ 512,180 | \$ 512,471 |
| Total | | \$ 1,039,000 | \$ 1,037,007 | \$ 1,037,389 |

| Activity during period | | | | |
|-------------------------|-----------|------------|-------------|------------|
| Activity Type | Date | Amount | Gain/(Loss) | Total |
| Sold Treasury Bills | 2/24/2022 | \$ 512,898 | \$ 102 | \$ 513,000 |
| Purchase Treasury Bills | 2/24/2022 | \$ 512,471 | | \$ 512,471 |
| Fees | 2/28/2022 | \$ (10) | \$ (10) | \$ (10) |

Westchester Library System
Approved FY 2022 Operating Budget

Budget Spotlight

Total Budget Funding



2022 Budget Highlights:

✓ **Revenue**

- Approximately \$6.6 million from all sources
 - A decrease of roughly \$92,000 over the 2021 revenue budget
- eRate funding of \$155,000 (compared to \$150,000 budgeted for 2021)
- Restructuring of IT member fees fully implemented in 2022
 - A decrease of roughly \$97,000 over the 2021 revenue budget
 - Introduction of new Service Level Agreements with each library for IT services

✓ **Expenses**

- Operational changes intended to increase value and streamline expenses including:
 - Promoted two part-time employees to full-time
 - Elimination of one open position
 - Funding for outside printing to reduce use of in-house copying
- Budgeted expenses exceed revenues by \$547,900 before depreciation (compared to \$645,250 budgeted for 2021)
 - Appropriated unrestricted assets to meet its projected expenditures for 2022
 - Restricted assets (grants) earned in prior years will also be spent in 2022
- Projected depreciation of \$144,250 is included in the Operating budget
- Member Library Services includes member-funded IT services, and additionally includes, but is not limited to, cataloging, interlibrary loan, training, and delivery services