

## WESTCHESTER LIBRARY SYSTEM

### Trustee Meeting

April 26, 2022 – Approval Pending

The Regular Meeting of the Westchester Library System was called to order by Karen Zevin, President, at 6:03 p.m. and held via Zoom. The quorum requirement was met with the following people in attendance:

Board Members present: Andrea Bober, Cathy Draper, Nishat Hydari, Wes Iwanski, Karen Kelley, Jennifer Kothari, Maureen LeBlanc, Jonathan Marshall, Julie Mills-Worthey, Susan Morduch, Francis Okelo, Joseph Puglia, Edris Scherer, Karen Zevin

Board Members absent: Denise Matthews-Serra

Also present from WLS were: Terry Kirchner, Wilson Arana, Patricia Brigham, Elise Burke, Rob Caluori, Joe Maurantonio

Public Library Directors Association (PLDA) Representative: Yvonne Cech, Director, John C. Hart Memorial Library & PLDA Second Vice President

Guests: Greg Wirszyla, Director, Bronxville Public Library; Margaret Mager, Trustee, Bronxville Public Library

### MINUTES

The minutes of the regular meeting of March 29, 2022, required correction to two typographical errors on Page 4, under Other, to Family Services of Westchester and the sentence that begins “The grant was for \$250,000...” to “The grant of \$250,000...”. The Board approved the minutes as revised on a motion by Ms. Draper and seconded by Mr. Marshall. The motion was approved with 13 votes in favor and one abstention [Mr. Iwanski].

### FINANCIAL REPORTS

The financial report through March 2022 was presented by Mr. Caluori, who noted that WLS completed their gold certification with the NYS Retirement System. The financial report was reviewed in detail as well as the Temporarily Restricted Net Assets quarterly report. The Board accepted the financial report on a motion by Ms. Scherer and seconded by Ms. Draper. The motion was approved unanimously.

### INFORMATION ITEM

**WLS Strategy Committee Final Report:** Ms. Okelo, Chair of the Strategy Committee, gave a brief background regarding the overall charge of the committee to provide guidance on strategic directions and broad policy recommendations that will help WLS to support the member libraries and the Westchester community. The Committee was sensitive to the environment that the libraries are working in today and how the library has become the heart of the community and not only a warehouse for library materials. Therefore, strategies need to reflect the needs of the community.

The Committee's work included revising the Mission, Vision and Overview of Services as well as the formulation of three strategic goals recommended for WLS:

- Promotion of Equity and Access;
- Expand Community Engagement among member libraries and patrons; and
- Updating and Improving the overall WLS Infrastructure.

These strategies were meant to be flexible, easy to ready, and well structured. Once the Committee's Final Report (see attached) is approved, the Committee recommends that the statement be widely circulated to various audiences and act a springboard for future activity including establishment of routine procedures for gathering feedback by the Executive Team. Per usual procedures, the document is being brought before the WLS Board as an Information Item with official approval being sought at the next regular board meeting in May. Any questions can be addressed to Mr. Okelo. The Committee was thanked and commended for its work.

## **ACTION ITEMS**

**WLS Bylaws Revision:** Ms. Draper, Chair of the Governance Committee, reported that the Committee met in March and recommended that the new mission and vision statements in the 2022-2026 Plan of Service be incorporated into the Statement of Purpose of the WLS Bylaws as shown below. Per usual procedures, these changes were introduced at the March meeting.

### **STATEMENT OF PURPOSE**

WLS is a cooperative public library service agency having as members the 38 public libraries in Westchester County. The mission of WLS is to ~~ensure that all residents have seamless access to excellent library service throughout Westchester County~~ **empower lives and communities by connecting people in Westchester County with the resources, services and programs available through WLS and the member libraries.** WLS ~~shall~~ **will** serve as a center of innovation for the Westchester County library community. ~~WLS shall~~ **It will** provide model programs, affordable and easy-to-use information technology, and support services that enable libraries to continuously improve service to their communities.

The Board approved the above-mentioned revisions to the WLS Bylaws on a motion by Ms. Draper and seconded by Dr. Morduch. The motion was approved unanimously.

**WLS Whistle-Blower Protection Policy Revision:** Ms. Draper noted that changes to the law required revisions to the current WLS Whistle-Blower Protection Policy to address the new law's broader definition of who is included; expansion of the scope and what is eligible to be reported; and addition of a part regarding retaliatory actions. Per usual procedures, the revised Policy was distributed one month in advance of approval. Other revisions suggested following that distribution were incorporated into the revised Policy presented for approval (see attached).

The Board approved the revised Whistle-Blower Protection Policy (Policy #9) as submitted on a motion by Ms. Draper and seconded by Mr. Iwanski. The motion was approved unanimously.

**WLS System Annual Report to New York State:** Dr. Kirchner reported on WLS's 2021 System Annual Report to New York State. The overall format remained basically the same as in 2020 and was reviewed. The Report format is geared to general library services and does not always capture

the unique system services provided by WLS; however, the Report does reflect the great amount of activity that has taken place over the past year.

The Board accepted the 2021 WLS System Annual Report as submitted on a motion by Mr. Puglia and seconded by Ms. LeBlanc. The motion passed unanimously. Elise Burke was thanked for her efforts in completing the Report.

***WLS Maintenance of Effort Waiver:*** Dr. Kirchner reported that the Board of The Field Library in Peekskill has agreed to serve as the Central Library for the system during the time period of the Maintenance of Effort (MOE) waiver process. The 2022-2026 WLS Plan of Service will need to be updated to reflect this change. Dr. Kirchner will work with NYS Library Division of Library Development (DLD) to submit the waiver and expects to hear in May/June of any questions or issues and whether full funding will be restored. It is not clear how acceptance of the waiver will impact Mount Vernon Public Library. The waiver process goes through 2023-2024, and the status of the Central Library will be re-evaluated at that time, and Mount Vernon Public Library will have the option to be reconsidered.

The Board accepted revision of the 2022-2026 WLS Plan of Service to reflect The Field Library as the Central Library and the waiver submission on a motion by Mr. Marshall and seconded by Dr. Morduch. The motion passed unanimously.

***WLS Library Network Upgrade:*** Dr. Kirchner reported that WLS experienced a ransom ware attack on Friday, 4/22. The extent of the intrusion is still being assessed, but the majority of the network was restored over the weekend. It was a very thorough attack that hit all WLS servers and those libraries that contract with WLS for network services. The IT staff put drastic measures in place to limit outside access to the network and login protocols will be reviewed. A question was raised regarding law enforcement involvement. While there was some downtime, WLS did not lose data and did not pay any ransom. It is unclear whether non-profits are held to the same reporting requirements as public or traded companies for this type of incident. Mr. Arana was asked to verify those requirements and look into putting in place policy guidelines for these types of incidents and sharing of information. Dr. Kirchner noted that WLS is still in the learning and discovery phase of this attack and may not be able to answer all questions at this time.

Mr. Arana noted that the current Capital Budget request for a Network upgrade would address one of the key recommendations made in the audit done in 2021 that suggested replacement of the current private Local Area Network design that carries a single point of failure. A pilot site has been running a new network design to address this issue since November 2020, and the IT staff is looking to replicate this new setup across all member libraries who use WLS IT for their Managed Network Services. The specific firewall and similar switches at all locations fall in line with network audit recommendations for hardware similarity across our environment. The new firewall equipment will have High Availability implemented, which allows for redundancy at all locations. Another factor to support this upgrade is the fact that most of the current Cisco network equipment has been classified as End of Life (EOL) from their manufacturer. Bids will be received for the new SonicWall firewall hardware as part of this process to adhere to WLS's purchasing policy, but costs are not expected to exceed \$465,000.

The Board approved the Capital budget request of \$465,000 for the new network infrastructure on a motion by Dr. Morduch and seconded by Ms. Kelley. The motion passed unanimously.

## PRESIDENT'S REPORT

Ms. Zevin noted that she read an article in *The New York Times* regarding library fines that she will share with the Board. All were encouraged to share any other relevant items they may come across.

## COMMITTEE REPORTS

**Governance Committee:** Ms. Draper noted legislation issues that may require changes to the WLS Sexual Harassment Prevention policy. The law has not yet been signed by the Governor, so the policy will be reviewed after that takes place. The Open Meetings Law has also been revised regarding video conferencing, and the WLS policy will be reviewed in light of these new requirements when more information has been received from the Committee on Open Government. Following receipt of the final report from the Diversity, Equity & Inclusion Audit, the Committee will review the *WLS Employee Handbook*.

**Finance Committee:** Ms. LeBlanc noted that the Committee has been meeting at 5 p.m. prior to the board meetings for a more detailed review of the WLS current month's financials. The Committee will also be reviewing the financially related WLS policies that have not been reviewed for 5 years.

**Nominating & Board Education:** Ms. Kelley, Chair, reported that the Committee met on April 6, 2022, and discussed the following:

- Trustees whose terms are expiring on 12/31/2022: Cathy Draper (District IX: Bronxville, Eastchester, Pelham, Tuckahoe); Karen Kelley (District XII: Peekskill); and Jonathan Marshall (District II: Briarcliff Manor, Ossining, Tarrytown);
- Updating the online WLS Trustee Manual;
- Trustee Institutes for 2022 – five are currently being planned and information will be shared with the libraries when available; all suggestions are welcome.

**Audit Committee:** Mr. Iwanski, Chair, reported that the Committee met with the Ed Balthazar from Dorfman Abrams Music (WLS auditors) at their last meeting to review the FY2021 Financial Statements and Governance Report. The Report was clean with nothing unusual, and only two small adjustments were made. Mr. Balthazar went over the background of the company itself and all the rules and regulations followed for the audit. Mr. Caluori shared a video regarding the WLS year-end procedures. Mr. Caluori was commended for his work in maintaining excellent records. WLS policy recommends changing auditors every five years, but it was noted that when a client becomes familiar with an auditing company, there is much less work involved. Dorfman Abrams Music annually changes the staff members who perform the audit, and Mr. Caluori noted the positive engagement with their staff.

The Board approved the FY2021 Financial Statements and Governance Report as submitted (see attached) on a motion by Ms. Bober and seconded by Ms. Scherer. The motion passed unanimously.

## EXECUTIVE DIRECTOR'S REPORT

A copy of the Executive Director's Report was mailed in advance of the meeting.

Dr. Kirchner reported that DLD had questions regarding Mount Vernon Public Library (MVPL)'s 2020 NYS Annual Report, which WLS is in the process of sharing with the library's staff. The

public hearing process for the Board of Regents decision regarding removal of MVPL's current trustees includes a response period for MVPL until June 1<sup>st</sup>. A hearing will not take place until after that time.

Dr. Kirchner noted that reports on the data dashboard project and The Diversity, Equity and Inclusion audit are expected in May /June.

At the April PLDA meeting, there was discussion regarding the Battle of the Books (BOB) competition for youth Grades 5-8. This question & answer competition about certain books suggested for reading were held in-person until COVID-19 did not allow large gatherings. Some attempts were made to take this to a virtual format but did not succeed. WLS helped with fundraising for the event; and it was clarified that although this event has not been held, WLS will continue to help with fundraising and is waiting for a budget to be submitted by the Chair for the 2022 BOB event.

The Larchmont Public Library is holding an Open House on May 14<sup>th</sup> for their newly renovated lower level which was greatly impacted by flooding due to Hurricane Ida. The next WLS Trustee Institute will be held at the New Rochelle Public Library on *Rethinking the Library's Role as Anchor of the Community*. The event will take place in-person and will be streamed via Zoom.

## **OTHER**

Ms. Brigham spoke about the \$250,000 grant from the Wendy & Eric Schmidt Foundation. WLS was 1 of 5 applications in NYS to be chosen from a statewide Request for Proposal (RFP) to non-profits for Innovative Partnerships to increase the number of people connected to broadband by providing equipment and devices as well as training for digital skills with a focus on vulnerable populations. This project will focus on providing digital equity for those re-entering society after incarceration. WLS will partner with the STEM Alliance, experts with hands-on training, and the County's Reentry Task Force as well as Family Services of Westchester, who will assist with participant identification.

## **PLDA LIAISON'S REPORT**

Ms. Cech reported on the April PLDA meeting, and noted that Dr. Kirchner had already covered most of what was discussed. She added the following:

- Battle of the Books (BOB) discussion included many questions but most were glad for WLS's support because this event does get teens excited about books.
- The ILS Committee continues to review the Equinox contract expiring in 2023 and continuation of Evergreen.
- A PLDA Civil Service Committee was formed.

## **PUBLIC COMMENT**

Mr. Wirszyła asked for confirmation that WLS will provide \$3,000 for BOB and asked about WLS's role regarding the revision of the PLDA Bylaws.

**ADJOURNMENT**

Having completed its agenda, the Board adjourned its meeting at 7:50 p.m. on a motion by Ms. Scherer and seconded by Ms. Kelley that passed unanimously.

Respectfully submitted,

*/s/ Andrea Zuckerman Bober*

Andrea Zuckerman Bober  
Secretary

# Westchester Library System (WLS)

## 2022-2024 Strategy Committee Final Report

### Committee Members:

Karen Zevin (District 1)

Jonathon Marshall (District 2)

Susan Morduch (District 6)

Denise Matthews-Serra (District 11)

Karen Kelley (District 12)

Julie Mills-Worthey (District 13)

Francis Okelo (District 14), Committee Chair

Terry Kirchner, WLS Executive Director

### Committee Charge:

To provide guidance on strategic directions and broad policy recommendations that will help WLS to support the member libraries and the Westchester community.

### Outcomes:

- Overview statement
- Mission Statement
- Vision Statement
- Strategic Plan

### Recommendations:

1. The revised mission, vision and overview statements and the updated strategic goals should be shared with a broad audience to raise awareness. Audiences to be reached include WLS staff, member library directors and trustees, and county and state legislators.
2. The WLS Executive Committee should be charged with ongoing review of strategic goal implementation. The WLS Executive Director will provide quarterly updates on the strategic goals to the full board.
3. The strategic goals should be reviewed and updated no later than early 2025 by a special committee of the Board.
4. Each WLS Board committee should review the strategic goals and explore ways that the committee could best support the strategic goals and actions.

## **WLS Overview, Mission and Vision Statements**

### **Overview:**

A focus on community engagement and outreach provides the framework for programs and services at the Westchester Library System (WLS). It is through partnerships with the member libraries, governmental agencies, service organizations, community members, Westchester County and others that WLS is able to assist them in their efforts to create and grow welcoming, inclusive services and programs for all residents of their community and the County.

WLS works to provide cost-effective approaches for administrative and technology support, cataloging assistance, delivery of materials, training of library staff and trustees, the sharing of digital resources. We do our work with a disciplined focus on equity, diversity and access, which gives our outreach programs and member library activities the broadest reach and relevance. We are committed to providing services for the interest, information and enrichment of all people in the communities we serve.

WLS is one of New York State's 23 public library systems and was established by State Education Law in 1958. WLS is a membership organization comprised of the 38 independent public and association libraries within the geographic boundaries of Westchester County. Each of the member libraries is an independent organization with its own board of trustees, director, staff, policies and chartered service area. WLS strives to help each member library support the specific needs and interests of its community, while also encouraging the development of partnerships that result in more effective and cost-efficient library services throughout the County. To that end, WLS provides ongoing training and professional development for library directors, staff, and library trustees fostering best practices in library services, community engagement, and fiscal responsibility. WLS also provides expert guidance in complying with NYS rules and regulations to member libraries. Additionally, WLS offers robust, community centered outreach programs collaborating with libraries, community agencies and nonprofits to serve the County's most vulnerable populations.

### **Mission Statement:**

The mission of Westchester Library System (WLS) is to empower lives and communities by connecting people in Westchester County with the resources, services and programs available through WLS and the member libraries.

### **Vision Statement:**

Westchester Library System (WLS) will promote the love of learning, discovery of new ideas and opportunities for all in Westchester County. It will strengthen the member libraries of Westchester County by enhancing their ability to share information and resources and by supporting a welcoming environment to everyone in the community.

## **WLS Strategic Goals 2022-2024**

As WLS moves forward on these strategic goals, it recognizes that ongoing communication and engagement is a critical and required activity that must occur within each of the goals to achieve success.

### **Promote Equity and Access**

*Statement:* Hold equity and access as core values and advance those values within WLS and through our partnerships

#### *Action Items:*

Provide equity, diversity, and inclusion (EDI) and trauma-informed professional development opportunities for WLS and member library staff and trustees.

Review existing WLS policies and procedures, as well as programs and services, to identify and remove biases to assist in the attraction and retention of staff and trustees reflective of the diverse populations in Westchester. Ensure a welcoming and supportive work environment for staff.

Advocate for and provide leadership and partnership on digital equity and literacy for all residents of Westchester County.

### **Expand Community / Member Library / Partner Engagement**

*Statement:* Be actively engaged with communities throughout Westchester, especially the unserved and underserved.

#### *Action Items:*

Help create awareness of and connections to services and resources provided by WLS, the member libraries, and partners such as local nonprofits and County government.

Use Census and other data sources to identify community needs and shifts in demographics as a way of developing and sustaining relevant programs and services.

As an organization (trustees, staff and volunteers), communicate and embody the mission and vision statements.

### **Update and Improve our Infrastructure**

*Statement:* Continuously update and improve the WLS operational and technological infrastructure.

#### *Action Items:*

Update and expand the business continuity plans for WLS to incorporate short-term and long-term operations and sustainability of all aspects of the organization.

Consistently review and update the administrative, community engagement, and technology services provided to the member libraries and the communities served.

Maintain and support an agile environment that proactively increases awareness of and responds to trends, external factors and social issues that impact public libraries.

WESTCHESTER LIBRARY SYSTEM

POLICY #9

**Subject:** Whistle-Blower Protection

**Application:** Trustees, current and former employees, independent contractors and volunteers

***Introduction***

Westchester Library System (WLS) requires its trustees, ~~officers,~~ employees (which term, as used in this policy, shall include former employees and individual independent contractors); and volunteers ~~and representatives~~ to observe high standards of business and personnel ethics in the conduct of their duties and responsibilities. Trustees, ~~officers,~~ employees; and volunteers ~~and representatives~~ of WLS must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws, regulations and policies.

Each member of the WLS community has the responsibility to report action that such individual reasonably believes is in violation of any laws, regulations, and/or Code of Ethics, or that such individual reasonably believes poses a substantial and specific danger to public health or safety. In keeping with WLS's commitment to fostering a community of integrity and staff support, employees are expected to report concerns they may have relating to such violations.

Matters which should be reported under this policy include suspected fraud, theft, embezzlement, accounting or auditing irregularities, bribery, kickbacks, misuse of WLS's assets, harassment or suspected regulatory compliance violations.

The WLS Executive Director shall be responsible for the administration of this policy and shall provide a copy of this policy to all trustees, ~~officers~~ and employees, and to all volunteers who provide substantial services to WLS. A notice describing the protections, rights and obligations under this policy shall be posted conspicuously in easily accessible areas frequented by employees and applicants for employment.

***Reporting Infractions***

An employee who suspects wrongdoing by a colleague should first reach out to his/her supervisor to address the matter directly. If the matter cannot be resolved at this level, or if for some reason the employee is uncomfortable with bringing the matter to his/her supervisor's attention, the employee should contact the WLS Executive Director or, if necessary, the Chairperson of the WLS Board of Trustees' Audit Committee. Trustees or

other volunteers may report suspected wrongdoing directly to the Chairperson of the WLS Board of Trustees' Audit Committee.

### ***Investigation***

Ordinarily, the Executive Director or the Chair of the Audit Committee of the Board of Trustees will conduct, or will appoint an individual to conduct, a preliminary investigation. During the preliminary investigation, such investigator will discuss the complaint with the manager responsible for the department named in the complaint. If the preliminary investigation shows no justification for a complaint, the complaint will be closed and the complainant will be notified of this decision.

If the preliminary investigation reveals potential wrongdoing, the investigator will pass on the complaint to the Audit Committee of the Board of Trustees. They, in turn, will decide how the investigation is to be carried out, in consultation with the Executive Director. The complainant will receive general information on the progress of the investigation and its outcome, unless doing so would jeopardize the investigation. The Executive Director and/or Chairperson of the Audit Committee will present the results of all investigations and settlement of all complaints to the Board of Trustees in a timely fashion.

### ***Confidentiality***

All reports made under this policy, and investigations relating thereto, shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Disclosure of such reports to individuals not involved in the investigation will be viewed as a serious disciplinary offense.

### ***Retaliatory Actions Prohibited***

WLS shall not take any retaliatory action against an employee because such individual (i) discusses or threatens to disclose to a supervisor or to a public body an activity, policy or practice of WLS that such individual reasonably believes is in violation of any law, rule or regulation, or that such individual reasonably believes poses a substantial and specific danger to the public health or safety; (ii) provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any such activity, policy or practice by WLS; or (iii) objects to, or refuses to participate in any such activity, policy or practice.

Prohibited retaliatory actions include any intimidation, discrimination, harassment, victimization or other retaliation, including (A) adverse employment actions or threats to take actions against an employee in the terms or conditions of employment, including but not limited to discharge, suspension, and demotion; (B) actions or threats to take actions that would adversely affect a former employee's current or future employment; or (C) contacting or threatening to contact immigration authorities or otherwise reporting or

threatening to report the suspected citizenship or immigration status of an employee or member of an employee’s family or household.

The protection against retaliatory action provided above, to the extent it pertains to disclosure to a public body, shall not apply to an employee unless such employee has made a good faith effort to bring the activity, policy or practice to the attention of a supervisor and has afforded WLS a reasonable opportunity to correct such activity, policy or practice. Such notification is not required where (a) there is an imminent and serious danger to the public health or safety; (b) the employee reasonably believes that reporting to the supervisor would result in the destruction of evidence or other concealment of the activity, policy or practice; (c) such activity, policy or practice could reasonably be expected to lead to endangering the welfare of a minor; (d) the employee reasonably believes that reporting to the supervisor would result in physical harm to the employee or any other person; or (e) the employee reasonably believes that the supervisor is already aware of the activity, policy or practice and will not correct it.

*Last approved:* \_\_\_\_\_, 2022



***REPORT TO THOSE  
CHARGED WITH GOVERNANCE  
FOR THE YEAR ENDED DECEMBER 31, 2021***

To The Board of Trustees  
Westchester Library System  
Elmsford, New York

We have audited the financial statements of Westchester Library System for the year ended December 31, 2021, and have issued our report thereon dated April 4, 2022. Professional standards require that we provide you with certain information related to our audit.

This report summarizes our audit, the scope of our engagement, communications required by our professional standards, communications about internal control related matters identified in our audit, and our observations relating to certain business issues being faced by the Organization. We received the full support and assistance of the Organization's personnel. This report is intended solely for the use of the Board of Trustees and management of Westchester Library System, and is not intended to be, and should not be, used by anyone other than these specified parties.

We will be pleased to discuss this report and the suggestions contained in it with you in further detail and to assist you with their implementation. We appreciate this opportunity to be of continued service to you and would like to thank the entire staff of the Organization for the courtesies extended to us during the audit.

*Dorfman Abrams Music, LLC*

Saddle Brook, New Jersey

April 4, 2022

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## **SUMMARY OF WHAT WE AGREED TO DO**

### **Our Approach**

As discussed with management, our audit plan represented an approach responsive to the assessment of risk for the Organization. Specifically, we designed our audit to:

- Issue an opinion on the financial statements of the Organization
- Issue this Audit Results Summary to management and those charged with governance

### **Areas of Audit Emphasis**

- Management override of controls
- Revenue recognition
- Classification, allocation and appropriation of net assets
- Post-retirement benefit accounting
- Cut off of revenues and expenses
- Investments
- Prepaid expenses
- Functional allocation of expenses
- COVID-19 pandemic impact on current and future procedures and operations
- Refundable advance – Paycheck Protection Program, reporting and disclosure

There were no significant changes to our planned approach of areas of audit emphasis.

## REQUIRED COMMUNICATIONS

Auditing Standards AU-C Section 260, *The Auditor's Communication With Those Charged with Governance*, and other professional standards require the auditor to provide those charged with governance with information pertaining to the planned scope and timing of the audit, representations from management, and significant audit findings that may assist those responsible for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, including the entity's financial reporting process. These required communications are summarized below.

<u>Area</u>	<u>Comments</u>
<p><b>1. Auditors' Responsibilities under U.S. Generally Accepted Auditing Standards</b></p> <p>As stated in our engagement letter dated December 17, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your respective responsibilities.</p> <p>Our responsibilities, as prescribed by professional standards, are to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Organization solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p> <p>We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.</p>	<p>Management will acknowledge its responsibility for the Organization's financial statements by signing the letter of representations addressed to Dorfman Abrams Music, LLC.</p> <p>We will issue an unmodified opinion on the Organization's financial statements as of December 31, 2021 and for the year then ended. Our audit opinion will be dated April 4, 2022.</p>
<p><b>2. Planned Scope and Timing of the Audit</b></p>	<p>We performed the audit according to the planned scope and timing previously communicated to you.</p>

<b>REQUIRED COMMUNICATIONS (continued)</b>
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<u>Area</u>	<u>Comments</u>
<b>3. Qualitative Aspects of the Organization's Significant Accounting Practices – Significant Accounting Policies</b>	
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Westchester Library System are described in Note 2 to the financial statements.	<b>Lack of Authoritative Guidance</b> We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus.  <b>Period of Recognition</b> There were no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.  <b>Significant Unusual</b> There are no significant unusual or nonrecurring accounting transactions.
<b>4. Qualitative Aspects of the Organization's Significant Accounting Practices – Significant Accounting Estimates</b>	
Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.	The most significant estimates affecting the financial statements are: <ul style="list-style-type: none"><li>• Actuarial assumptions which determine the gain recognized for post-retirement benefits</li><li>• Depreciation expense</li><li>• Functional expenses</li><li>• Fair value measurement of investments</li><li>• Availability and liquidity</li></ul>
<b>5. Qualitative Aspects of the Organization's Significant Accounting Practices – Financial Statement Disclosures</b>	
Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to the financial statement users.	The disclosures in the financial statements are neutral, consistent, and clear.
<b>6. Significant Difficulties Encountered During the Audit</b>	We encountered no significant difficulties in performing and completing our audit.

<b>REQUIRED COMMUNICATIONS (continued)</b>
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**Area**

**Comments**

**7. Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

Management has corrected all identified misstatements.

The attached schedule summarizes misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by management.

**8. Fraud and Illegal Acts**

We are to report to the Board of Trustees fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.

There was no fraud or illegal acts noted during our audit.

**9. Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Organization's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such information.

To our knowledge, the Organization's audited financial statements will not be included in any document issued by the Organization.

Our responsibility also includes communicating to you any information, which we believe is a material misstatement of fact.

**10. Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial, accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report.

No such disagreements arose during the course of our audit.

## REQUIRED COMMUNICATIONS (continued)

<u>Area</u>	<u>Comments</u>
<b>11. Management Representations</b>	We have requested certain representations from management that are included in the management representation letter dated April 4, 2022.
<b>12. Management's Consultation with Other Accountants</b>  In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to the Organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.	Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.
<b>13. Other Significant Findings or Issues</b>  In the normal course of our professional association with Westchester Library System, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Organization and business plans and strategies that may affect the risks of material misstatement.	None of the matters discussed resulted in a condition to our retention as the Organization's auditors.
<b>14. Communication of Internal Control Related Matters Identified in an Audit</b>  We are required to communicate in writing to management and those charged with governance control deficiencies identified during an audit that upon evaluation are considered significant deficiencies or material weaknesses.	See <b>Communication of Internal Control Related Matters</b> section.

<b>REQUIRED COMMUNICATIONS (continued)</b>
--

**Area**

**Comments**

**15. Independence**

Generally accepted auditing standards require independence for all audits. The auditor should communicate to those charged with governance circumstances or relationships (for example, financial interests, business or family relationships, or non-audit services provided or expected to be provided) that in the auditor's professional judgment may reasonably be thought to bear on independence and that the auditor gave significant consideration to in reaching the conclusion that independence had not been impaired.

We are not aware of any relationships between Dorfman Abrams Music, LLC and Westchester Library System that, in our professional judgment, may reasonably be thought to bear on our independence.

## COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS

In planning and performing our audit of the financial statements of Westchester Library System as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Westchester Library System's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

During the course of our audit, we noted other items, which, while not constituting significant deficiencies and/or material weaknesses, nonetheless represent areas, which, in our opinion, could be improved upon. A comprehensive description of each item, along with our recommendations for remediation, follows in the **Other Recommendations** section of this report.

This communication is intended solely for the information and use of the Board of Trustees and is not intended to be, and should not be, used by anyone other than these specified parties.

## OTHER RECOMMENDATIONS

### **Cash**

To the extent possible, the Organization should make all reasonable efforts to manage the balances of cash in banks so that the deposits in any one bank do not exceed the federally insured limits of \$250,000. In addition, the Organization should continue to regularly monitor the financial condition of the institutions in which it maintains its bank accounts.

## CORRECTED MISSTATEMENTS

### Adjusting Journal Entries JE # 1

To correct payroll accrual not posted correctly by client

2750	Accrued vacation Payable	4,709.00	
5000	Salaries and Wages		<u>4,709.00</u>
<b>Total</b>		<u><b>4,709.00</b></u>	<u><b>4,709.00</b></u>

<b>ADJUSTMENTS PROVIDED BY CLIENT</b>
---------------------------------------

**Adjusting Journal Entries JE # 1**

PBC - To Correct Net Assets per FY20 financial statements

3100	Net Assets Without Donor Restrictions	294,220.00	
3000	Net Assets		30,204
3200	Net Assets with Donor Restrictions		264,016.00
<b>Total</b>		<u><b>294,220.00</b></u>	<u><b>294,220.00</b></u>

**Adjusting Journal Entries JE # 2**

PBC - To correct account by client

4200	Contributions	754.00	
4880	Restricted Contributions		754.00
<b>Total</b>		<u><b>754.00</b></u>	<u><b>754.00</b></u>

## MANAGEMENT REPRESENTATION LETTER



570 Taxter Road, Suite 400  
Elmsford, NY 10523  
phone 914-674-3600  
fax 914-674-4185  
www.westchesterlibraries.org

April 4, 2022

Dorfman Abrams Music, LLC  
Park 80 West, Plaza Two  
250 Pehle Avenue, Suite 702  
Saddle Brook, New Jersey 07663

This representation letter is provided in connection with your audits of the financial statements of Westchester Library System, which comprise the balance sheets as of December 31, 2021 and 2020 and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 4, 2022, the following representations made to you during your audit.

### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 17, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.
- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 10) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
- 12) With regard to nonaudit services performed by you, we acknowledge our responsibility to:
  - a) Assume all management responsibilities;
  - b) Oversee the services by designating an individual who possesses suitable skill, knowledge, or experience;
  - c) Evaluate the adequacy and results of the services performed; and
  - d) Accept responsibility for the results of the services.

## MANAGEMENT REPRESENTATION LETTER (continued)

Page 2

### Information Provided

- 13) We have provided you with:
- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 14) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 15) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 16) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
- a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 17) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 18) We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effects should be considered when preparing financial statements.
- 19) We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
- 20) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 21) Inventories recorded in the financial statements are stated at the lower of cost or net realizable value, cost being determined on the basis of FIFO. A provision was made to reduce all slow-moving, excess, obsolete, or unusable inventories to their estimated net realizable value.
- 22) Inventory quantities at the statement of financial position dates were determined from physical counts or from the entity's perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees at February 05, 2020. Liabilities for amounts unpaid are recorded for all items included in inventories at statement of financial position dates and all quantities billed to customers at those dates are excluded from the inventory balances.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 24) Westchester Library System is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- 25) We have analyzed the effect of the COVID-19 pandemic on the operations of the Organization and the disclosures in the financial statements reflect our best judgement on the effect the pandemic may have on the Westchester Library System as of the issuance of this report.

Westchester Library System



Terry Kirchner, Executive Director



***FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT***

***YEARS ENDED DECEMBER 31, 2021 AND 2020***

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## INDEPENDENT AUDITORS' REPORT

To The Board of Trustees of  
Westchester Library System  
Elmsford, New York

### **Opinion**

We have audited the accompanying financial statements of Westchester Library System (a nonprofit organization), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westchester Library System as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Westchester Library System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Westchester Library System's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Westchester Library System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Westchester Library System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Dorfman Abrams Incis, LLC*

Saddle Brook, New Jersey

April 4, 2022

WESTCHESTER LIBRARY SYSTEM

BALANCE SHEETS

ASSETS

	December 31,	
	<u>2021</u>	<u>2020</u>
Cash	\$ 4,394,949	\$ 3,496,027
Investments	1,037,903	1,037,654
Grants receivable	292,070	625,078
Accounts and other receivables	206,860	306,783
Prepaid expenses	431,569	495,685
Computer inventory	91,887	254,223
Property and equipment, net	329,803	454,463
Intangible assets, net	<u>2,000</u>	<u>4,000</u>
Total assets	<u>\$ 6,787,041</u>	<u>\$ 6,673,913</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 841,006	\$ 823,867
Deferred revenue	7,200	10,256
Deferred rent	245,925	267,665
Refundable advance - Paycheck Protection Program		564,265
Post-retirement benefit obligation	<u>4,892,551</u>	<u>5,038,065</u>
Total liabilities	<u>5,986,682</u>	<u>6,704,118</u>
Net assets:		
Without donor restrictions	485,984	(294,220)
With donor restrictions	<u>314,375</u>	<u>264,015</u>
Total net assets	<u>800,359</u>	<u>(30,205)</u>
Total liabilities and net assets	<u>\$ 6,787,041</u>	<u>\$ 6,673,913</u>

The accompanying notes are an integral part  
of these financial statements.

WESTCHESTER LIBRARY SYSTEM

STATEMENTS OF ACTIVITIES

	Year ended December 31, 2021		Year ended December 31, 2020	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
				Total
Operating support and revenues:				
Support and revenues:				
Governmental support:				
State grants	\$ 2,134,137	\$ 438,243	\$ 2,114,675	\$ 2,477,914
Government grants	1,068,114	770,396	1,047,460	1,047,460
County grants				
Total governmental support	3,202,251	1,208,639	3,162,135	3,525,374
Private support:				
Contributions	770	264,677	13,921	195,460
Total governmental and private support	3,203,021	1,473,316	3,176,056	3,720,834
Revenues:				
Member technology fees	2,820,801		2,694,635	2,694,635
Interest income	2,069		7,148	7,148
Investment income	421		14,731	14,731
Other revenue	8,930		12,502	12,502
Total revenues	2,832,221		2,729,016	2,729,016
Net assets released from restrictions	1,422,956	(1,422,956)	520,124	(520,124)
Total operating support and revenues	7,458,198	50,360	6,425,196	6,449,850
Operating expenses:				
Program services:				
Technology	2,389,912		3,012,636	3,012,636
Public service	2,888,285		2,488,076	2,488,076
Total program services	5,278,197		5,500,712	5,500,712
Supporting services:				
Management and general Fundraising	1,510,983		1,282,416	1,282,416
Total supporting services	1,665,722		1,459,835	1,459,835
Total expenses	6,943,919		6,960,547	6,960,547
Change in net assets from operations	514,279	50,360	(535,351)	(510,697)
Nonoperating activities:				
Investment return - realized and unrealized loss	(173)		(3,279)	(3,279)
Post-retirement benefit obligation other than periodic costs	266,098		(725,411)	(725,411)
Total nonoperating activities	265,925		(728,690)	(728,690)
Change in net assets	780,204	50,360	(1,264,041)	(1,239,387)
Net assets, beginning of year	(294,220)	264,015	969,821	1,209,182
Net assets, end of year	\$ 485,984	\$ 314,375	\$ (294,220)	\$ (30,205)

The accompanying notes are an integral part of these financial statements.

WESTCHESTER LIBRARY SYSTEM

STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 830,564	\$ (1,239,387)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	204,367	225,940
Amortization of intangible asset	2,000	2,000
Pension and post-retirement related changes other than net periodic pension costs	(266,098)	725,411
Deferred rent	(21,740)	(14,622)
Unrealized loss on investments	173	3,279
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Grants receivable	333,008	(344,640)
Accounts and other receivables	99,923	(170,998)
Prepaid expenses	64,116	(32,367)
Computer inventory	162,336	(223,014)
Increase (decrease) in:		
Accounts payable and accrued expenses	17,139	385,940
Deferred revenue	(3,056)	10,256
Post-retirement benefits payable	120,584	143,451
Refundable advance - Paycheck Protection Program	(564,265)	564,265
Net cash provided by operating activities	<u>979,051</u>	<u>35,514</u>
Cash flows from investing activities:		
Purchase of investments	(422)	(14,731)
Purchases of property and equipment	(79,707)	(21,424)
Net cash used in investing activities	<u>(80,129)</u>	<u>(36,155)</u>
Net increase (decrease) in cash	898,922	(641)
Cash, beginning of year	<u>3,496,027</u>	<u>3,496,668</u>
Cash, end of year	<u>\$ 4,394,949</u>	<u>\$ 3,496,027</u>

The accompanying notes are an integral part of these financial statements.

WESTCHESTER LIBRARY SYSTEM  
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2021 and 2020

	Program services					
	Technology		Public service		Total	
	2021	2020	2021	2020	2021	2020
Salaries	\$ 754,257	\$ 766,360	\$ 919,232	\$ 924,431	\$ 1,673,489	\$ 1,690,791
Fringe benefits	292,960	294,793	183,062	317,173	476,022	611,966
<b>Total salaries and related expenses</b>	<b>1,047,217</b>	<b>1,061,153</b>	<b>1,102,294</b>	<b>1,241,604</b>	<b>2,149,511</b>	<b>2,302,757</b>
Periodicals		297,240	499,845	172,709	499,845	469,949
Delivery service			423,702	336,106	423,702	336,106
Hardware and software maintenance	385,654	372,659	5,508	5,016	391,162	377,675
Equipment	230,198	291,857	140,511	17,831	370,709	309,688
Rent and utilities	138,949	110,392	131,367	154,443	270,316	264,835
Database	400	10,000	302,088	340,508	302,488	350,508
Contractual services	161,191	159,349	112,836	115,629	274,027	274,978
Telephone and internet	203,738	165,224	42,605	1,074	246,343	166,298
Printing and postage	132	32	56,525	13,457	56,657	13,489
Professional fees	14,116	116,222	2,721	632	16,837	116,854
Books, film, etc.		176,065	28,871	33,932	28,871	209,997
Insurance	10,520	11,808	2,724	13,244	13,244	11,808
Professional development	437	14,644	19,250	36,320	19,687	50,964
Supplies	3,613	2,882	11,038	12,313	14,651	15,195
Memberships	2,490	2,767	3,693	3,633	3,693	3,633
Miscellaneous	336	6,929	2,188	35	4,678	2,802
Travel			519	2,834	855	9,763
Depreciation	188,921	211,413			188,921	211,413
Intangible asset amortization	2,000	2,000			2,000	2,000
<b>Total operating expenses</b>	<b>\$ 2,389,912</b>	<b>\$ 3,012,636</b>	<b>\$ 2,888,285</b>	<b>\$ 2,488,076</b>	<b>\$ 5,278,197</b>	<b>\$ 5,500,712</b>

The accompanying notes are an integral part of these financial statements.

WESTCHESTER LIBRARY SYSTEM

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2021 and 2020

	Management and general		Supporting services		Total		Total program and supporting services	
	2021	2020	2021	2020	2021	2020	2021	2020
Salaries	\$ 573,012	\$ 444,607	\$ 101,212	\$ 123,171	\$ 674,224	\$ 567,778	\$ 2,347,713	\$ 2,258,569
Fringe benefits	748,270	635,225	38,467	41,533	786,737	676,758	1,262,759	1,288,724
Total salaries and related expenses	1,321,282	1,079,832	139,679	164,704	1,460,961	1,244,536	3,610,472	3,547,293
Periodicals	286	104			286	104	500,131	470,053
Delivery service		120				120	423,702	336,226
Hardware and software maintenance	14,219	23,186	828	813	15,047	23,999	406,209	401,674
Equipment	15,997	14,248			15,997	14,248	386,706	323,936
Rent and utilities	48,652	70,376	13,306	10,726	61,958	81,102	332,274	345,937
Database		1,083				1,083	302,488	351,591
Contractual services	21,655	6,626			21,655	6,626	295,682	281,604
Telephone and internet	12,102	5,427	96	293	12,198	5,720	246,343	166,298
Printing and postage	26,402	32,967		70	26,402	33,037	68,855	19,209
Professional fees							43,239	149,891
Books, film, etc.							28,871	209,997
Insurance	12,414	9,281			12,414	9,281	25,658	21,089
Professional development	1,894	1,965	665	488	2,559	2,453	22,246	53,417
Supplies	5,533	10,027			5,533	10,027	20,184	25,222
Memberships	11,976	4,713	165	325	12,141	5,038	15,834	8,671
Miscellaneous	1,927	4,384			1,927	4,384	6,605	7,186
Travel	1,198	3,550			1,198	3,550	2,053	13,313
Depreciation							204,367	225,940
Intangible asset amortization	15,446	14,527			15,446	14,527	2,000	2,000
Total operating expenses	\$ 1,510,983	\$ 1,282,416	\$ 154,739	\$ 177,419	\$ 1,665,722	\$ 1,459,835	\$ 6,943,919	\$ 6,960,547

The accompanying notes are an integral part of these financial statements.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

1. Nature of the Organization

The Westchester Library System (the Organization) coordinates the efforts of a cooperative of the 38 public libraries serving Westchester County. Its purpose is to provide cost-effective centralized services that reflect economies of scale or specialized expertise, which the individual member library cannot afford. The Organization encourages the coordination and sharing of resources among members, provides and supports the technological infrastructure used by member libraries, offers staff development and training for Organization and member library staff and provides advocacy at the local, county, state, and national levels to improve awareness of funding for libraries.

2. Summary of significant accounting policies

Basis of presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Measure of operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and post-retirement benefit obligations other than periodic costs, and other activities considered to be of a more unusual or nonrecurring nature.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash

Cash consists of demand deposit accounts with maturities of three months or less. Money market funds, held as a portion of the Organization's investment portfolio, are classified as investments and are not considered to be cash equivalents for purposes of the statement of cash flows.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values on the balance sheet. Unrealized gains and losses are included in the changes in net assets without donor restriction for the gains and losses that are unrestricted and in the changes in net assets with donor restriction for the gains and losses that are restricted for the support of certain programs. Investment fees are netted against the investment income.

Fair value measurement

U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under U.S. GAAP are as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly, including inputs that are not considered to be active;

Level 3 - Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad criteria data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Organization's perceived risk of that investment.

Accounts receivable

Accounts receivable consist of amounts unpaid from member libraries. All accounts receivable are expected to be collected within one year.

Grants receivable

Grants receivable consist of amounts unpaid from the New York State and Westchester County. All grants receivable are expected to be collected within one year.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Allowance for doubtful receivables

The Organization determines whether an allowance for uncollectible receivables should be provided, based on management's assessments of the age of the Organization's receivables, current economic conditions and historical experience. As of December 31, 2021 and 2020, the Organization determined that an allowance was not necessary.

Prepaid expenses

Funds disbursed for expenses that will be incurred in future periods are recorded as prepaid expenses.

Computer inventory

Inventories consist of personal computers and other types of computer equipment that are purchased by the Organization for its members. The items are carried at cost, determined on a first-in, first-out basis. Computers for additional member workstations are sold to the members at the Organization's cost. Computers, which are provided as replaced items to members, are provided at no cost.

Property and equipment

Property and equipment are stated at cost. Depreciation is provided on the straight-line method at rates based on the following estimated useful lives:

Furniture and equipment	3 - 10 years
Leasehold improvements	7 - 10 years
Software - online catalog	5 years

The cost of assets sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts and the resulting gain or loss is reflected in income except for assets traded where no cash is received. Expenditures for maintenance and repairs are charged to expenses as incurred; replacements and betterments in excess of \$5,000 that extend the useful lives are capitalized.

Intangible assets

Intangible assets consist of a mobile library application with an estimated useful life of five years. Amortization is computed using the straight-line method. The mobile library application was put in service in 2018.

Deferred revenue

Funds received that have not been earned as of the year-end dates are reflected as deferred revenue.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Revenue and revenue recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. A portion of the Organization's revenue is derived from state and county contracts and grants, which are considered contributions when received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The Organization recognizes revenue from conference and seminar events when the event takes place. Amounts received prior to the commencement of the conference and seminar events, including deposits, are deferred to the applicable period. Financial aid is provided to certain attendees and are recorded as a reduction to fees at the time revenue is recognized.

Member technology fees, which are nonrefundable, are comprised of an exchange element based on the value of benefits. The Organization recognizes the exchange portion of member technology over the membership period.

Functional allocation of expenses

The costs of providing various programs and support services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort and square footage.

Income taxes

The Organization is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 presentation.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

3. Risks and uncertainties

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, investments, and accounts and grants receivable. The Organization maintains its cash in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. In order to limit their exposure, the Organization and the bank have entered into a collateral and control agreement. Under that agreement, the bank has agreed to secure funds not insured by the Federal Deposit Insurance Corporation by pledging securities as defined in New York State statutes. Investments are exposed to various risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported on the financial statements. Concentrations of credit risk with respect to accounts receivable are limited due to the number of libraries comprising the Organization's member base and the generally short payment terms. Credit risk with respect to grants receivable are limited due to the fact that grants are received from governmental organizations. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

The Organization has reviewed its operations in light of the COVID-19 pandemic. Based on that review, it does not anticipate that the COVID-19 pandemic will have a material impact on its ongoing operations. In response to the pandemic, management has modified certain business and workforce practices and implemented new protocols to promote social distancing and enhance health and safety measures when required. Prior to the Pandemic, the Organization held various onsite training events, which have been continued on a virtual platform since April 2020 and are held in-person when practical or required. Events surrounding Federal and State responses to the COVID-19 virus, and changes to those responses may continue to change that analysis, and that change could be material.

4. Availability and liquidity

The following represents the Organization's financial assets at December 31, 2021:

Financial assets at year end

Cash	\$ 4,394,949
Investments	1,037,903
Grants receivable	292,070
Accounts and other receivables	<u>206,860</u>
 Total financial assets	 <u>5,931,782</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	314,375
Less net assets with purpose restrictions to be met in less than a year	<u>(265,000)</u>
	<u>49,375</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 5,882,407</u>

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

4. Availability and liquidity (continued)

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,700,000). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. In addition to these available financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including grants, fees for services, and contributions.

The Organization also has a line of credit available to meet short-term needs in the amount of \$500,000 (see Note 14).

5. Investments

Investments are stated at fair value and summarized as follows at December 31:

	2021		2020	
	Cost	Fair value	Cost	Fair value
Cash equivalents	\$ 118	\$ 118	\$ 842	\$ 842
United States Treasuries	1,037,815	1,037,785	1,036,670	1,036,812
	<u>\$ 1,037,933</u>	<u>\$ 1,037,903</u>	<u>\$ 1,037,512</u>	<u>\$ 1,037,654</u>

The following schedule summarizes the investment return at December 31. All investment earnings are available for the unrestricted use of the Organization:

	2021	2020
Dividends and interest	\$ 421	\$ 14,731
Realized and unrealized loss	(173)	(3,279)
	<u>\$ 248</u>	<u>\$ 11,452</u>

6. Fair value measurement

The classification of the Organization's investment securities at fair value is as follows at December 31, 2021:

	Level 1	Level 2	Level 3	Total
Cash	\$ 118	\$	\$	\$ 118
United States Treasury bills	1,037,785			1,037,785
	<u>\$ 1,037,903</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,037,903</u>

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

6. Fair value measurement (continued)

The classification of the Organization's investment securities at fair value is as follows at December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 842	\$	\$	\$ 842
United States Treasury bills	<u>1,036,812</u>	<u></u>	<u></u>	<u>1,036,812</u>
	<u>\$ 1,037,654</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,037,654</u>

7. Property and equipment

Property and equipment consist of the following:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 1,772,093	\$ 1,692,384
Leasehold improvements	108,437	108,437
Software - online catalog	<u>121,337</u>	<u>121,337</u>
	2,001,867	1,922,158
Less accumulated depreciation	<u>1,672,064</u>	<u>1,467,695</u>
	<u>\$ 329,803</u>	<u>\$ 454,463</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$204,368 and \$225,940, respectively.

8. Intangible assets

Intangible assets consist of the following:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Mobile library application	\$ 10,000	\$ 10,000
Less accumulated amortization	<u>8,000</u>	<u>6,000</u>
	<u>\$ 2,000</u>	<u>\$ 4,000</u>

Amortization expense for the years ended December 31, 2021 and 2020 was \$2,000 for both years.

Estimated amortization expense for December 31, 2022 is \$2,000.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

9. Deferred rent

During the year 2016, the Organization moved to a new facility and entered into an operating lease that has escalations throughout the term of the lease. The Organization received twelve months of free rent in year one. The Organization records rent expense on a straight-line basis and the difference between rent expense and the lower rental amounts actually paid to the landlord is reported as deferred rent in the accompanying statement of financial position. As of December 31, 2021, and 2020, deferred rent amounted to \$245,925 and \$267,665, respectively.

10. Refundable advance - Paycheck Protection Program

In April 2020, the Organization was granted a loan in the amount of \$564,265 pursuant to the Paycheck Protection Program (the PPP), established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times a company's average monthly payroll expenses of the qualifying business. The loans and related interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, employee benefits, rent and utilities, and maintains its payroll levels.

The Organization has determined the PPP to be a government grant, and as such it has recorded this grant as government grant income as of December 31, 2021, which is when the conditions were met and the loan was fully forgiven by the Small Business Administration. The loan and related interest were fully forgiven on May 26, 2021.

11. Post-retirement benefit obligation

The Organization provides post-retirement health care benefits to eligible past and present employees. Eligibility includes those who have retired or will retire at age 55 or thereafter, and who have been employed by the Organization for at least ten years of service prior to retirement. Effective December 15, 2007, the employer subsidy has been capped and frozen at the 2008 annual premiums.

The accumulated post-retirement benefit obligation is calculated using discount rates of 2.67% and 2.28% for the years ended December 31, 2021 and 2020, respectively.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

11. Post-retirement benefit obligation (continued)

The following table presents the changes in the accumulated benefit obligation.

	December 31,	
	2021	2020
Changes in accumulated post-retirement benefit obligation:		
Accumulated post-retirement benefit obligation at January 1	\$ 5,038,065	\$ 4,169,103
Service cost	114,406	88,073
Interest cost	115,327	136,438
Plan participant contributions	6,979	24,981
Actuarial (gain) loss	(132,040)	844,972
Benefits paid	(250,186)	(225,502)
Accumulated post-retirement benefit obligation, December 31	\$ 4,892,551	\$ 5,038,065
Change in plan assets:		
Fair value of plan assets, January 1		
Employer contributions	\$ 222,349	\$ 152,789
Employee contributions	6,979	24,981
Medicare Part B reimbursement paid to retirees	20,858	47,732
Benefits paid	(250,186)	(225,502)
Fair value of plan assets, December 31	\$	\$
Funded status:		
Unfunded benefit obligation	\$ 4,892,551	\$ 5,038,065
Components of net periodic benefit cost:		
	December 31,	
	2021	2020
Service cost	\$ 114,406	\$ 88,073
Interest cost	115,327	136,438
Amortization of actuarial loss	134,058	119,561
	\$ 363,791	\$ 344,072

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
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11. Post-retirement benefit obligation (continued)

The following are the actuarial assumptions and effects:

	December 31,	
	2021	2020
Medical trend rate next year	7.0% / 5.00%	7.0% / 5.00%
Ultimate trend rate	5.00%	5.00%
Year ultimate trend rate is achieved	2025 / 2009	2024 / 2009
Discount rate used to value end of year accumulated post-retirement benefit obligations	2.67%	2.28%
Discount rate used to value end of year net periodic post-retirement benefit costs	2.28%	3.07%
Effect of a 1% increase in healthcare cost trend rate on:		
a. Interest cost plus service cost	\$ 54,501	\$ 42,446
b. Accumulated post-retirement benefits	395,722	422,400
Effect of a 1% decrease in health:		
a. Interest cost plus service cost	\$ (25,773)	\$ (20,261)
b. Accumulated post-retirements benefits	(303,956)	(323,076)

The Organization's estimate of future benefit payments, net of employee contributions, are as follows:

Year ending December 31:	
2022	\$ 237,234
2023	240,734
2024	241,977
2025	238,371
2026	249,746
2027 - 2031	1,207,256

12. Commitments and contingencies

Office lease

The Organization leases its office facilities under an operating lease expiring on June 30, 2027. The lease provides for minimum annual rental payments as follows:

Year ending December 31:	
2022	\$ 319,263
2023	326,382
2024	333,500
2025	340,619
2026	347,737
Thereafter	<u>175,649</u>
	<u>\$ 1,843,150</u>

The Organization's rent expense, including escalation charges, for the years ended December 31, 2021 and 2020 was \$330,626 and \$330,629, respectively.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS

December 31, 2021 and 2020

12. Commitments and contingencies (continued)

Copier lease

In June 2016, the Organization entered into a four-year lease expiring May 31, 2021. The monthly lease payments for the equipment was \$760.

In September 2021, the Organization entered into a four-year lease expiring August 31, 2025. The monthly lease payments for the equipment are \$882. Minimum lease payments for the subsequent years are as follows:

Year ending December 31:	
2022	\$ 10,584
2023	10,584
2024	10,584
2025	<u>7,056</u>
	<u>\$ 38,808</u>

13. Government grants and contracts and advances under government grants

The Organization operates under various contracts with government agencies, which generally cover a one-year period, subject to annual renewals. The terms of these contracts allow the grantors the right to audit the costs incurred thereunder and adjust contract funding based upon the amount of program income received. Any costs disallowed by the grantor would be absorbed by the Organization and any adjustments by grantors would be recorded when amounts are known, however, it is the opinion of management that disallowances, if any, would be immaterial and adjustments, if any, would not have a material adverse effect on the financial position of the Organization. Funds received in period prior to the cost being incurred are deferred until future period.

14. Letter of credit and line of credit

During the years ended December 31, 2021 and 2020, the Organization had an Irrevocable Stand-by Letter of Credit with a financing institution in the amount of \$5,000,000 and \$3,500,000. The Irrevocable Stand-by Letter of Credit expires on April 5, 2022, and is expected to be renewed quarterly. The full amount is available in one withdrawal only. There were no borrowings during the years and no amounts were outstanding at both December 31, 2021 and 2020.

The Organization has a \$500,000 revolving Line of Credit agreement with a financing institution with a maturity date of August 31, 2022. The interest rate on the line is 3.75%. There were no borrowings during the years and no amounts were outstanding at both December 31, 2021 and 2020.

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

15. Net assets

Net assets were as follows for the years ended December 31, 2021 and 2020:

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	\$ 485,984	\$	\$ 485,984	\$ (294,220)	\$	\$ (294,220)
Specific purpose:						
Gates Staying Connected Training Program		5,094	5,094		5,094	5,094
Bruni Verges Memorial Fund People and Stories		23	23		973	973
MiniGrants		2,096	2,096		2,096	2,096
TASC Connect		7,358	7,358		11,581	11,581
Marketing and Professional Development		3,113	3,113		3,113	3,113
Early Literacy				15,174		15,174
Library and Training		8,979	8,979		9,595	9,595
Spanish Adult Literacy		62,856	62,856		83,564	83,564
Xprize		23,539	23,539			
Digital Resources		4,085	4,085		6,575	6,575
Music & Memory		19,584	19,584		25,000	25,000
Outreach and Career		1,450	1,450		1,500	1,500
Digital Equity - Local		26,680	26,680		34,578	34,578
Digital Equity - WCF		9,099	9,099		47,000	47,000
Vision Labs		43,081	43,081			
Rosen Fund for Snr Svcs		5,498	5,498		14,237	14,237
Broadband Technology Opportunities Program (BTOP)		788	788		3,385	3,385
Coned-Stem					550	550
NYS Gia-Database		15,000	15,000			
NYS Gia-Spanish Adult Literacy		50,000	50,000			
Learning Ambassador		25,000	25,000			
Hope for Youth		100	100			
		952	952			
Total net assets	\$ 485,984	\$ 314,375	\$ 800,359	\$ (294,220)	\$ 264,015	\$ (30,205)

WESTCHESTER LIBRARY SYSTEM  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

15. Net assets (continued)

Releases from net assets with donor restrictions are as follows at December 31:

	2021	2020
Satisfaction of purpose restrictions:		
Broadband Technology Opportunities Program	\$ 17,245	\$ 14,300
LIU Certificate	16,850	22,350
Learning Ambassadors	3,120	1,394
MiniGrants	4,223	23,519
Marketing and Professional Development	15,174	18,043
2020 Census		65,396
Xprize	2,490	3,660
Bruni	950	125
Early Literacy	616	405
Vision Labs	8,738	765
Outreach and Career	6,492	1,762
Library and Training	383,951	368,405
Hope for Youth	4,049	
Digital Recourses	5,416	
Spanish Adult Literacy	18,461	
Digital Equity - Local	46,719	
Digital Equity - WCF	115,419	
Music and Memory	50	
Rosen Fund Snr SVCS	2,597	
Paycheck Protection Program	564,265	
Cares Act Program	65,927	
Project Hope Program	140,204	
	\$ 1,422,956	\$ 520,124

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16. Pass-through grants

The Organization is a party to certain agency transactions whereby grants are passed through the Organization to their intended beneficiaries. Pass-through grants were as follows:

	December 31,	
	2021	2020
Local Library Services Aid	\$ 256,065	\$ 275,324
Westchester Community College Grants in Aid	365,000	327
	\$ 621,065	\$ 275,651

17. Significant source of support

During the years ended December 31, 2021 and 2020, the Organization received approximately 34% and 38%, respectively, of its total support and revenues from grants from the State of New York and approximately 14% and 16%, respectively, from Westchester County grants.

18. Subsequent events

Subsequent events have been evaluated through April 4, 2022, which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events.