



Financial Statements and Notes

July 2022

Westchester Library System
Statement of Financial Position - WLS Balance Sheet
As of 7/31/2022

	<u>7/31/2022</u>	<u>5/31/2022</u>	<u>Prev. Per. Change</u>	<u>Prev. Per. % Change</u>	<u>12/31/2021</u>
Assets					
Current Assets					
Cash & Cash Equivalents					
Operating	4,408,103	2,297,892	2,110,211	91.83%	3,685,745
Reserves	<u>1,747,350</u>	<u>1,747,657</u>	(307)	-0.02%	<u>1,747,107</u>
Total Cash & Cash Equivalents	6,155,453	4,045,549	2,109,904	52.15%	5,432,852
Unconditional Promises to Give	791,636	1,606,330	(814,694)	-50.72%	292,070
Accounts Receivable	860,326	93,279	767,047	822.31%	206,860
Prepaid Expenses	568,387	573,652	(5,266)	-0.92%	433,569
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total Current Assets	8,375,802	<u>6,318,810</u>	<u>2,056,991</u>	<u>32.55%</u>	6,365,351
Long-term Assets					
Property & Equipment	<u>343,145</u>	<u>365,587</u>	(22,441)	-6.14%	<u>421,690</u>
Total Property & Equipment	<u>343,145</u>	<u>365,587</u>	(22,441)	-6.14%	<u>421,690</u>
Total Long-term Assets	<u>343,145</u>	<u>365,587</u>	(22,441)	-6.14%	<u>421,690</u>
Total Assets	<u>8,718,947</u>	<u>6,684,397</u>	<u>2,034,550</u>	<u>30.44%</u>	<u>6,787,041</u>
Liabilities					
Short-term Liabilities					
Accounts Payable	832,952	374,863	458,088	122.20%	841,006
Deferred Revenue	<u>2,047,088</u>	<u>235,644</u>	<u>1,811,444</u>	<u>768.72%</u>	<u>7,200</u>
Total Short-term Liabilities	2,880,040	610,507	2,269,532	371.75%	848,206
Long-term Liabilities					
Capital Lease Obligations	0	0	0	0.00%	0
Deferred Rent	230,574	235,383	(4,810)	-2.04%	245,925
Post-Retirement Benefits Payable	<u>4,892,551</u>	<u>4,892,551</u>	<u>0</u>	<u>0.00%</u>	<u>4,892,551</u>
Total Long-term Liabilities	<u>5,123,125</u>	<u>5,127,934</u>	(4,810)	-0.09%	<u>5,138,476</u>
Total Liabilities	<u>8,003,164</u>	<u>5,738,442</u>	<u>2,264,723</u>	<u>39.47%</u>	<u>5,986,682</u>
Net Assets					
Working Capital	5,495,762	5,708,303	(212,541)	-3.72%	5,517,145
Long-term Net Assets	<u>(4,779,979)</u>	<u>(4,762,348)</u>	(17,631)	0.37%	<u>(4,716,786)</u>
Total Net Assets	<u>715,783</u>	<u>945,955</u>	<u>(230,173)</u>	<u>-24.33%</u>	<u>800,359</u>
Total Liabilities and Net Assets	<u>8,718,947</u>	<u>6,684,397</u>	<u>2,034,550</u>	<u>30.44%</u>	<u>6,787,041</u>

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

In the period of June and July WLS's cash position was higher by \$2,109,900 which contributed to an overall \$2,034,600 increase in *Total Assets*. There were also related increases in *Deferred Revenue* by \$1,811,400 and *Accounts Payable* by \$458,088 which drove a \$2,264,723 increase in *Total Liabilities*. The overall effect was a \$230,200 (24%) decrease in WLS's *Total Net Assets*. Details of the Balance Sheet activity are discussed below.

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

Current Assets: *This section indicates the organization's liquidity by showing what assets WLS holds in cash and what assets will be available in cash in the near future.*

Cash & Cash Equivalents – *This line shows the total cash in WLS's bank accounts, investment accounts and petty cash.* – In the period from June through July WLS's cash position increased by \$2,109,900. With \$3,314,700 in receipts, revenues received included \$2,345,500 from the New York State in aid payments, \$583,300 from Member Libraries in payments for technology services and digital content group purchases and \$357,200 from Westchester County for the final payment of 2021 and the first quarter of 2022. Aside from rent, payroll and benefits, Internet, and delivery to libraries, the notable expenditures include \$206,600 to GovConnection for hardware in connection with two capital projects, and \$68,300 to OCLC for Cataloging and ILL software and database access through June 2023.

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

Deferred Revenue – *Funds received which have not yet been earned.* – This figure increased by \$1,811,400, the result of recognizing of \$232,800 in revenues from IT services and eContent group purchases for libraries and movie licensing revenues against the deferral of \$1,118,300 in revenues from IT services and eContent group purchases for libraries and \$925,900 in revenues from New York State.

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

Working Capital – *WLS's Current Assets less Short-Term Liabilities* – While this figure fluctuates slightly from period-to-period (down 4% (\$212,500) since the end of May) , it has decreased less than 0.5% (\$21,400) from the start of the year.

Westchester Library System
Statement of Revenues and Expenditures - Comparison to Budget
From 7/1/2022 Through 7/31/2022

	Current Period 7/31/2022	Current Period Budget	Current Period Budget Variance	7/31/2022 YTD	YTD Budget	YTD Budget Variance	Total Budget
Revenue							
State Revenues without Restrictions	223,699	188,750	34,949	1,352,263	1,321,250	31,013	2,265,000
County Revenues without Restrictions	108,560	87,550	21,010	675,896	612,850	63,046	1,050,600
Federal Revenues without Restrictions	12,925	12,917	8	290,230	90,417	199,813	155,000
Member Technology Fees	231,607	230,292	1,316	1,634,811	1,612,042	22,769	2,763,500
Fund Raising & Contributions	0	917	(917)	1,007	6,417	(5,410)	11,000
Interest	179	333	(155)	1,363	2,333	(970)	4,000
WEBS & Other	665	658	7	5,425	4,608	816	7,900
Government Revenues with Restrictions	20,245	19,158	1,087	126,705	134,108	(7,403)	229,900
Other Revenues with Restrictions	<u>7,181</u>	<u>13,208</u>	<u>(6,027)</u>	<u>284,058</u>	<u>92,458</u>	<u>191,600</u>	<u>158,500</u>
Total Revenue	<u>605,061</u>	<u>553,783</u>	<u>51,278</u>	<u>4,371,757</u>	<u>3,876,483</u>	<u>495,274</u>	<u>6,645,400</u>
Expenditures							
Salaries	183,174	206,760	23,586	1,359,054	1,447,319	88,264	2,481,119
Fringe Benefits	109,334	111,648	2,314	721,381	781,540	60,159	1,339,781
Professional Fees	1,609	4,138	2,529	7,727	28,963	21,235	49,650
Equipment	405	11,500	11,095	55,475	80,500	25,025	138,000
Library Materials	57,621	57,621	(0)	412,051	403,346	(8,705)	691,450
Rent and Utilities	26,959	30,100	3,141	215,889	210,700	(5,189)	361,200
Repairs and Maintenance	36,514	42,625	6,111	254,778	298,375	43,597	511,500
Supplies	1,674	3,488	1,813	17,672	24,413	6,741	41,850
Telephone and Internet	34,839	36,500	1,661	255,372	255,500	128	438,000
Printing and Postage	2,738	4,958	2,220	44,422	34,708	(9,714)	59,500
Bibliographic Fees	7,020	6,708	(311)	46,436	46,958	523	80,500
Professional Development	2,185	7,718	5,532	28,034	54,023	25,988	92,610
Travel	6,938	2,870	(4,068)	15,201	20,090	4,889	34,440
Memberships	2,350	1,808	(542)	13,848	12,658	(1,190)	21,700
Contractual Services	24,467	29,733	5,266	263,711	208,133	(55,578)	356,800
Delivery Service	44,087	35,750	(8,337)	284,881	250,250	(34,631)	429,000
Special Events	0	833	833	0	5,833	5,833	10,000
Insurance	1,708	2,667	959	19,854	18,667	(1,187)	32,000
Miscellaneous	<u>411</u>	<u>2,017</u>	<u>1,606</u>	<u>3,109</u>	<u>14,117</u>	<u>11,008</u>	<u>24,200</u>
Total Expenditures	<u>544,033</u>	<u>599,442</u>	<u>55,408</u>	<u>4,018,896</u>	<u>4,196,092</u>	<u>177,196</u>	<u>7,193,300</u>
Net Revenue Before Depreciation	<u>61,028</u>	<u>(45,658)</u>	<u>106,686</u>	<u>352,862</u>	<u>(319,609)</u>	<u>672,470</u>	<u>(547,900)</u>
Non-Cash Activity							
Depreciation	11,221	12,021	800	78,544	84,146	5,601	144,250
Unrealized Gain/Loss on Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>93</u>	<u>0</u>	<u>(93)</u>	<u>0</u>
Total Non-Cash Activity	<u>11,221</u>	<u>12,021</u>	<u>800</u>	<u>78,638</u>	<u>84,146</u>	<u>5,508</u>	<u>144,250</u>
Net Revenue	<u>49,807</u>	<u>(57,679)</u>	<u>107,486</u>	<u>274,224</u>	<u>(403,755)</u>	<u>677,979</u>	<u>(692,150)</u>

**NOTES FOR JULY 2022 (INCOME STATEMENT) STATEMENT OF REVENUE AND EXPENDITURES –
COMPARISON TO BUDGET**

Revenues outpaced expenditures before depreciation in July by \$61,000 (11%) and similarly for the YTD by \$352,900 (9%). There are noteworthy positive and negative variances discussed below. All figures in this narrative are approximated to the nearest \$100 or 1%. Please note that historical YTD data is not included as financial statements were not prepared in July 2021 or 2020.

Revenues:

Total revenue was \$51,300 more than budgeted for July and \$495,300 above budget for the year-to-date (YTD). While most revenue lines are essentially within budget, the significant variances were primarily driven by *State Revenues without Restrictions* and *County Revenues without Restrictions* and is discussed in greater details below.

State Revenues without Restrictions came in nearly \$35,000 more than budgeted. WLS recognizes revenues from New York State (NYS) based on its budget until the NYS budget is finalized and actual allocations are released which usually occurs in June. At that time the revenue recognition scheduled is updated to reflect the actual allocations. WLS was allocated more aid from NYS than was budgeted, resulting in the positive variance which will continue through the remainder of the year.

County Revenues without Restrictions was \$21,000 more than budgeted for July. Similarly to *State Revenues without Restrictions*, this line also was also budgeted less than the final allocation from Westchester County. Now that the contract with the County is fully executed (May), the additional revenue will be recognized through the remainder of the year.

Other Revenues with Restrictions was under budget by \$6,000 for July but was \$191,600 above budget for the YTD and has exceeded its target for the year. This highlights that while revenues for grants and fundraising are budgeted evenly across the year, the actual amounts raised monthly will fluctuate. The significant above budget variance for the year to date was primarily due to the March recording of a \$250,000 grant from the Eric & Wendy Schmidt Fund for Strategic Innovation in the *Restricted Contributions* line.

Expenses:

Total spending in July was \$61,000 less than revenues and was \$55,400 less than the monthly budget. Spending for the YTD is \$352,900 less than revenues and \$177,200 less than budgeted. Significant variances are discussed below.

Equipment – While this line was under budget by \$11,100 for July and \$25,000 for the YTD, it is noteworthy that the majority of equipment spending was done through capital purchases. Please refer to the Income Statement – Capital Expenditures for reporting on these purchases.

Delivery – This line came in \$8,300 over budget for the month of July. The overage in this line is due to extra deliveries scheduled to distribute COVID materials to libraries as well as a surcharge currently being applied to all deliveries due to the increased cost of fuel.

Travel – This line was over budget by \$4,100 for July. This was primarily driven by expenses related to staff attendance at the American Library Association annual conference. The line was also \$4,900 under budget for the YTD and is expected to come in under budget for the year.

NOTES FOR 2022 CAPITAL EXPENDITURES (JULY 2022 AND YTD)

Total capital expenses thru July 2022 total \$358,801. For this report there are two illustrations. The first chart is a Statement of Capital Expenditures and shows the expenses by category and period (July 2022 and YTD) with comparison to budget. The second chart is a Project Summary and shows expenses by project with comparison to budget. Budget figures in each illustration includes all capital projects authorized to date.

It is important to note that the Income Statement illustration is for expenses approved and incurred as part of the capital budget. However, prepaid expenses, while paid are yet to be incurred and therefore do not appear on the Statement of Capital Expenditures. There are additional expenses that are recorded as prepaid expenses on the Balance Sheet and will be recognized against the operating budget as they are incurred. The Project Summary chart includes ALL expenses, including prepaid expenses.

Statement of Capital Expenditures – July 2022 with Comparison to Budget

	<u>7/31/2022</u>	<u>Current Period Budget</u>	<u>Current Period Budget Variance</u>	<u>7/31/2022 YTD</u>	<u>YTD Budget</u>	<u>YTD Budget Variance</u>	-	<u>Total Budget</u>
Expenditures								
Equipment	59,564	94,087	34,523	310,919	343,587	32,668		814,000
Repairs and Maintenance	<u>22,635</u>	<u>0</u>	<u>(22,635)</u>	<u>47,882</u>	<u>0</u>	<u>(47,882)</u>		<u>0</u>
Total Expenditures	<u>82,199</u>	<u>94,087</u>	<u>11,888</u>	<u>358,801</u>	<u>343,587</u>	<u>(15,214)</u>		<u>814,000</u>

Project Summary of Capital Expenditures

Project	Date Authorized	Expenses thru Jul- 2022	Prepaid Expenses	Project Total to Date	Budget	Budget Variance
Service Vehicle	<u>1/25/2022</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$36,000</u>	<u>\$36,000</u>
Primary Server Hardware Replacement	<u>1/25/2022</u>	<u>\$75,237</u>	<u>\$65,639</u>	<u>\$140,876</u>	<u>\$153,000</u>	<u>\$12,124</u>
Library Network Upgrade	<u>4/26/2022</u>	<u>\$203,779</u>	<u>\$25,812</u>	<u>\$229,591</u>	<u>\$465,000</u>	<u>\$235,409</u>
VDI Terminal / Access Point Replacement	<u>6/28/2022</u>	<u>\$79,785</u>	<u>\$0</u>	<u>\$79,785</u>	<u>\$160,000</u>	<u>\$80,215</u>
Total		<u>\$358,801</u>	<u>\$91,451</u>	<u>\$450,252</u>	<u>\$814,000</u>	<u>\$455,199</u>

Temporarily Restricted Net Assets
as of July 31, 2022

Code	Asset Title	Asset Description	Temporarily Restricted Net Assets December 31, 2021	2022 Revenue	2022 Expenses	Temporarily Restricted Net Assets Jul. 31, 2022
70120	Schmidt Innovation	Digital inclusion for reentry populations	\$0	\$250,000	\$7,878	\$242,122
30004	Central Library	Library materials, services & training	\$58,472	\$203,334	\$59,867	\$201,939
40006	Metro / ARPA Digital Inclusion	Digital inclusion funded by subaward from Metro through American Rescue Plan Act	\$0	\$199,855	\$117,139	\$82,716
70118	NYS GIA - Databases	Grant from NYS to support database purchases and advertising	\$50,000	\$0	\$21,687	\$28,313
70116	Adult Literacy for Spanish Speakers	Activities to further literacy for Spanish speaking adults	\$23,539	\$0	\$3,408	\$20,131
70119	NYS GIA - Adult Literacy for Spanish Speakers	Activities to further literacy for Spanish speaking adults	\$25,000	\$0	\$7,198	\$17,802
70111	Digital Resources	Educational equity through access to resources & information	\$19,584	\$0	\$2,365	\$17,219
70113	HW Wilson/Outreach/Career	Support libraries meeting needs of COVID-19, Outreach to vulnerable pop., Job and Career Counseling	\$23,247	\$0	\$7,894	\$15,353
70117	STEM ConEd	STEM Programming	\$15,000	\$0	\$0	\$15,000
80008	Outreach Fundraising	Fundraising to support outreach activities	\$3,433	\$7,578	\$1,729	\$9,282
70114	Digital Equity - RXR and Fundraising	Equipment, services and supports to bridge the digital divide. Funded by RXR Reality and individual contributions.	\$9,099	\$34	\$222	\$8,911
70108	Early Literacy/Private Contributions	Early literacy activities	\$8,979	\$0	\$1,619	\$7,360
70005	Gates	Computer equipment & training	\$5,094	\$0	\$0	\$5,094
70102	TASC - Private contributions	Private monies for adult literacy programs	\$3,113	\$0	\$0	\$3,113
70101	Mini-Grants	Competitive grants to member libraries	\$7,358	\$0	\$5,000	\$2,358
30006	People and Stories	Literacy support program	\$2,096	\$0	\$0	\$2,096
80007	Music & Memory	Music and Memory project funded by M&T Bank.	\$1,450	\$0	\$0	\$1,450
70110	Xprize	Digital Learning	\$4,085	\$0	\$2,915	\$1,170
70100	Hope for Youth	Teen programming	\$951	\$0	\$0	\$951
42030	Broadband Technology Opportunities Program	Contract with New Rochelle Library to provide tech-related workshops	\$0	\$10,920	\$10,400	\$520
80020	P. Rosen Fund for Senior Svcs	Donations made in honor of Phyllis Rosen for Senior Services	\$788	\$0	\$399	\$389
70001	Bruni Verges	Children's programs celebrating cultural diversity	\$23	\$0	\$0	\$23
20005	WSPS/WSOS	Health Information for Senior Adults	\$4,384	\$0	\$4,384	\$0
44001	Learning Ambassadors	Youth internships at member libraries	\$100	\$0	\$100	\$0
70115	Digital Equity - WCF Grant	Equipment, services and supports to bridge the digital divide funded by the Westchester Community Foundation	\$43,081	\$0	\$43,081	\$0
70112	Vision Labs	Resources for Westchester Residents with Low or Declining Vision	\$5,498	\$0	\$5,498	\$0
	TOTALS		\$314,374	\$671,721	\$302,783	\$683,313