



# Financial Statements and Notes

September 2022

Westchester Library System  
Statement of Financial Position - WLS Balance Sheet  
As of 9/30/2022

	<u>9/30/2022</u>	<u>7/31/2022</u>	<u>Prev. Per. Change</u>	<u>Prev. Per. % Change</u>	<u>12/31/2021</u>
<b>Assets</b>					
<b>Current Assets</b>					
<b>Cash &amp; Cash Equivalents</b>					
Operating	4,725,251	4,408,103	317,148	7.19%	3,685,745
Reserves	<u>1,752,246</u>	<u>1,747,350</u>	<u>4,896</u>	<u>0.28%</u>	<u>1,747,107</u>
Total Cash & Cash Equivalents	6,477,497	6,155,453	322,044	5.23%	5,432,852
Unconditional Promises to Give	283,668	791,636	(507,968)	-64.17%	292,070
Accounts Receivable	142,604	860,326	(717,722)	-83.42%	206,860
Prepaid Expenses	592,876	568,387	24,490	4.31%	433,569
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total Current Assets	7,496,646	<u>8,375,802</u>	<u>(879,156)</u>	<u>-10.50%</u>	6,365,351
<b>Long-term Assets</b>					
Property & Equipment	<u>320,704</u>	<u>343,145</u>	<u>(22,441)</u>	<u>-6.54%</u>	<u>421,690</u>
Total Property & Equipment	<u>320,704</u>	<u>343,145</u>	<u>(22,441)</u>	<u>-6.54%</u>	<u>421,690</u>
Total Long-term Assets	<u>320,704</u>	<u>343,145</u>	<u>(22,441)</u>	<u>-6.54%</u>	<u>421,690</u>
Total Assets	<u>7,817,350</u>	<u>8,718,947</u>	<u>(901,597)</u>	<u>-10.34%</u>	<u>6,787,041</u>
<b>Liabilities</b>					
<b>Short-term Liabilities</b>					
Accounts Payable	541,744	832,952	(291,207)	-34.96%	841,006
Deferred Revenue	<u>1,418,482</u>	<u>2,047,088</u>	<u>(628,606)</u>	<u>-30.71%</u>	<u>7,200</u>
Total Short-term Liabilities	1,960,226	2,880,040	(919,814)	-31.94%	848,206
<b>Long-term Liabilities</b>					
Capital Lease Obligations	0	0	0	0.00%	0
Deferred Rent	225,171	230,574	(5,403)	-2.34%	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>5,117,722</u>	<u>5,123,125</u>	<u>(5,403)</u>	<u>-0.11%</u>	<u>5,138,476</u>
Total Liabilities	<u>7,077,948</u>	<u>8,003,164</u>	<u>(925,217)</u>	<u>-11.56%</u>	<u>5,986,682</u>
<b>Net Assets</b>					
Working Capital	5,536,419	5,495,762	40,657	0.74%	5,517,145
Long-term Net Assets	<u>(4,797,018)</u>	<u>(4,779,979)</u>	<u>(17,038)</u>	<u>0.36%</u>	<u>(4,716,786)</u>
Total Net Assets	<u>739,402</u>	<u>715,783</u>	<u>23,619</u>	<u>3.30%</u>	<u>800,359</u>
Total Liabilities and Net Assets	<u>7,817,350</u>	<u>8,718,947</u>	<u>(901,597)</u>	<u>-10.34%</u>	<u>6,787,041</u>

## **NOTES FOR SEPTEMBER 2022 STATEMENT OF FINANCIAL POSITION - WLS BALANCE SHEET**

In the period of August and September WLS's cash position increased by \$322,000 which helped to offset an overall \$901,600 decrease in *Total Assets*. There were also decreases in *Deferred Revenue* by \$628,600 and *Accounts Payable* by \$291,200 which drove a \$925,200 decrease in *Total Liabilities*. The overall effect was a \$23,600 (3%) increase 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 August through September WLS's cash position increased by \$322,000. With \$2,004,500 in receipts, revenues received included \$603,300 from the New York State in aid payments, \$700,900 from Member Libraries in payments for technology services and digital content group purchases and \$322,100 from Westchester County for the 2021 WSOS program and the second quarter of 2022. Aside from rent, payroll and benefits, Internet, and delivery to libraries, the notable expenditures include \$249,700 in NYS aid payments to member libraries, \$60,400 to Dell for cloud security software, and \$57,100 to GovConnection for VDI hardware

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

*Deferred Revenue* – *Funds received which have not yet been earned.* – This figure decreased by \$628,600, the result of recognizing of \$910,600 in revenues from New York State, IT services and eContent group purchases for libraries, eRate and, movie licensing revenues against the deferral of \$282,000 in revenues from New York State and the eRate program.

**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 1% (\$40,600) since the end of July), it has decreased less than 0.5% (\$19,200) from the start of the year.

Westchester Library System  
Statement of Revenues and Expenditures -Comparison to Budget with 2020 and 2021 YTD  
From 9/1/2022 Through 9/30/2022

	Current Period	Current Period	Current Period	9/30/2020 YTD	9/30/2021 YTD	Current Year		YTD Budget	Total Budget
	Actual	Budget	Budget Variance			Actual	YTD Budget	Variance	
Revenue									
State Revenues without Restrictions	223,767	188,750	35,017	1,728,778	1,637,657	1,799,797	1,698,750	101,047	2,265,000
County Revenues without Restrictions	108,560	87,550	21,010	772,300	786,195	893,016	787,950	105,066	1,050,600
Federal Revenues without Restrictions	15,589	12,917	2,672	117,816	681,384	318,744	116,250	202,494	155,000
Member Technology Fees	233,782	230,292	3,490	2,059,000	2,127,524	2,101,603	2,072,625	28,978	2,763,500
Fund Raising & Contributions	42	917	(875)	16,723	1,138	1,049	8,250	(7,201)	11,000
Interest	2,688	333	2,355	13,832	1,805	6,095	3,000	3,095	4,000
WEBS & Other	760	658	102	9,310	6,911	7,135	5,925	1,210	7,900
Government Revenues with Restrictions	20,210	19,158	1,052	170,584	366,379	167,125	172,425	(5,300)	229,900
Other Revenues with Restrictions	7,855	13,208	(5,354)	86,642	241,485	296,667	118,875	177,793	158,500
<b>Total Revenue</b>	<b>613,252</b>	<b>553,783</b>	<b>59,469</b>	<b>4,974,986</b>	<b>5,850,478</b>	<b>5,591,231</b>	<b>4,984,050</b>	<b>607,181</b>	<b>6,645,400</b>
Expenditures									
Salaries	198,921	206,760	7,839	1,718,979	1,727,668	1,769,122	1,860,839	91,717	2,481,119
Fringe Benefits	82,775	111,648	28,873	857,426	842,604	890,183	1,004,837	114,654	1,339,781
Professional Fees	1,972	4,138	2,166	123,580	21,732	11,149	37,238	26,088	49,650
Equipment	17,703	11,500	(6,203)	158,229	212,527	74,990	103,500	28,510	138,000
Library Materials	51,178	57,621	6,443	696,994	550,860	521,721	518,588	(3,133)	691,450
Rent and Utilities	29,639	30,100	461	270,046	249,617	273,674	270,900	(2,774)	361,200
Repairs and Maintenance	43,021	42,625	(396)	338,183	318,936	326,383	383,625	57,242	511,500
Supplies	4,331	3,488	(843)	23,272	17,723	22,873	31,388	8,514	41,850
Telephone and Internet	34,498	36,500	2,002	232,214	284,886	322,574	328,500	5,926	438,000
Printing and Postage	3,471	4,958	1,487	11,202	56,894	69,187	44,625	(24,562)	59,500
Bibliographic Fees	6,790	6,708	(82)	57,799	59,744	60,306	60,375	69	80,500
Professional Development	208	7,718	7,510	34,184	22,007	28,297	69,458	41,160	92,610
Travel	1,705	2,870	1,165	9,478	369	18,342	25,830	7,488	34,440
Memberships	886	1,808	922	6,769	14,371	16,487	16,275	(212)	21,700
Contractual Services	40,536	29,733	(10,803)	168,466	217,257	336,361	267,600	(68,761)	356,800
Delivery Service	40,752	35,750	(5,002)	228,252	320,724	367,276	321,750	(45,526)	429,000
Special Events	0	833	833	1,018	0	0	7,500	7,500	10,000
Insurance	871	2,667	1,796	17,058	20,534	22,433	24,000	1,567	32,000
Miscellaneous	322	2,017	1,695	3,981	4,944	5,037	18,150	13,113	24,200
<b>Total Expenditures</b>	<b>559,579</b>	<b>599,442</b>	<b>39,862</b>	<b>4,957,129</b>	<b>4,943,398</b>	<b>5,136,394</b>	<b>5,394,975</b>	<b>258,581</b>	<b>7,193,300</b>
Net Revenue Before Depreciation	53,673	(45,658)	99,331	17,857	907,079	454,837	(410,925)	865,762	(547,900)
Non-Cash Activity									
Depreciation	11,221	12,021	800	168,673	142,317	100,986	108,187	7,202	144,250
Unrealized Gain/Loss on Investments	(2,060)	0	2,060	(3,321)	116	(2,660)	0	2,660	0
<b>Total Non-Cash Activity</b>	<b>9,161</b>	<b>12,021</b>	<b>2,860</b>	<b>165,352</b>	<b>142,433</b>	<b>98,326</b>	<b>108,187</b>	<b>9,862</b>	<b>144,250</b>
<b>Net Revenue</b>	<b>44,512</b>	<b>(57,679)</b>	<b>102,191</b>	<b>(147,495)</b>	<b>764,646</b>	<b>356,511</b>	<b>(519,113)</b>	<b>875,624</b>	<b>(692,150)</b>

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

Revenues outpaced expenditures before depreciation in September by \$53,700 (9%) and similarly for the YTD by \$452,900 (8%). There are noteworthy positive and negative variances discussed below. All figures in this narrative are approximated to the nearest \$100 or 1%.

**Revenues:**

Total revenue was \$59,500 more than budgeted for September and \$452,900 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 \$35,000 more than budgeted. 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 September. Similarly, to *State Revenues without Restrictions*, this line was also budgeted less than the final allocation from Westchester County. The additional revenue will be recognized through the remainder of the year.

*Other Revenues with Restrictions* was under budget by \$5,400 for September but was \$177,800 above budget for the YTD and has exceeded its target for the year. This highlights that while revenues for grants and fundraising are budgeted evenly across the year, the actual amounts raised monthly will fluctuate. The significant above budget variance for the year to date was primarily due to the March recording of a \$250,000 grant from the Eric & Wendy Schmidt Fund for Strategic Innovation in the *Restricted Contributions* line.

**Expenses:**

Total spending in September was \$53,700 less than revenues and was \$39,900 less than the monthly budget. Spending for the YTD is \$454,800 less than revenues and \$258,600 less than budgeted. Significant variances are discussed below.

*Contractual Services* – This line came in \$10,800 over budget for September and \$68,800 over budget for the year to date. The overage in September was driven by several grant-related expenses including \$7,500 to Student Advocacy toward their work on updating the “101 Answers” guide, \$7,200 to STEM Alliance for their work in the Reconnect with Tech program, and \$3,100 to Events to Remember for their work with WLS’s Digital advocacy and navigation work funded through the American Rescue Plan Act (ARPA).

*Equipment* – While this line was over budget by \$6,100 for September it is under budget by \$28,500 for the YTD. The overage for September was driven by \$10,100 in purchases of laptops for staff. Additionally, it is noteworthy that the majority of equipment spending for 2022 has been part of special project purchases. Please refer to the Income Statement – Capital Expenditures for reporting on these purchases.

*Delivery* – This line came in \$5,000 over budget for the month of September. The overage in this line is due to a surcharge currently being applied to all deliveries due to the increased cost of fuel.

**NOTES FOR 2022 SPECIAL PROJECTS AND CAPITAL EXPENDITURES (SEPTEMBER 2022 AND YTD)**

Total capital expenses thru September 2022 total \$417,468. For this report there are two illustrations. The first chart is a Statement of Capital Expenditures and shows the expenses by category and period (September 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 Special Projects and Capital Expenditures – September 2022 with Comparison to Budget**

	<u>9/30/2022</u>	<u>Current Period Budget</u>	<u>Current Period Budget Variance</u>	<u>9/30/2022 YTD</u>	<u>YTD Budget</u>	<u>YTD Budget Variance</u>	<u>Total Budget</u>
Equipment	14,573	94,083	79,510	329,654	531,752	202,098	814,000
Repairs and Maintenance	2,120	0	-2,120	50,002	0	-50,002	0
Contractual Services	<u>37,813</u>	<u>0</u>	<u>-37,813</u>	<u>37,813</u>	<u>0</u>	<u>-37,813</u>	<u>0</u>
Total Expenditures	<u>54,505</u>	<u>94,083</u>	<u>39,577</u>	<u>417,468</u>	<u>531,752</u>	<u>114,284</u>	<u>814,000</u>

**Summary of Expenditures by Project**

<b>Project</b>	<b>Date Authorized</b>	<b>Expenses thru Sep- 2022</b>	<b>Prepaid Expenses</b>	<b>Project Total to Date</b>	<b>Budget</b>	<b>Budget Variance</b>
Service Vehicle	1/25/2022	\$0	\$0	\$0	\$36,000	\$36,000
Primary Server Hardware Replacement	1/25/2022	\$103,661	\$82,599	\$186,260	\$153,000	(\$33,260)
Library Network Upgrade	4/26/2022	\$234,022	\$0	\$234,022	\$465,000	\$230,978
VDI Terminal / Access Point Replacement	6/28/2022	\$79,785	\$0	\$79,785	\$160,000	\$80,215
<b>Total</b>		<b>\$417,468</b>	<b>\$82,599</b>	<b>\$500,067</b>	<b>\$814,000</b>	<b>\$396,532</b>

Westchester Library System  
Statement of Revenues and Expenditures with Projections  
as of September 30, 2022

	Current Year Actuals (through Sep-2022)	Current Year Projected (Oct -Dec 2022)	CURRENT YEAR TOTAL PROJECTIONS	Current Year Projected vs Budget	
Total Budget					
<b>Revenue</b>					
State Revenues without Restrictions	2,265,000	1,799,797	671,290	2,471,087	206,087
County Revenues without Restrictions	1,050,600	893,016	325,680	1,218,696	168,096
Federal Revenues without Restrictions	155,000	318,744	46,770	365,514	210,514
Member Technology Fees	2,763,500	2,101,603	663,307	2,764,910	1,410
Fund Raising & Contributions	11,000	1,049	350	1,399	(9,601)
Interest	4,000	6,095	5,571	11,666	7,666
WEBS & Other	7,900	7,135	2,370	9,505	1,605
Government Revenues with Restrictions	229,900	167,125	60,592	227,717	(2,183)
Other Revenues with Restrictions	<u>158,500</u>	<u>296,667</u>	<u>17,540</u>	<u>314,207</u>	<u>155,707</u>
<b>Total Revenue</b>	<b><u>6,645,400</u></b>	<b><u>5,591,231</u></b>	<b><u>1,793,470</u></b>	<b><u>7,384,701</u></b>	<b><u>739,301</u></b>
<b>Expenditures</b>					
Salaries	2,481,119	1,769,122	589,707	2,358,829	122,290
Fringe Benefits	1,339,781	890,183	246,020	1,136,203	203,578
Professional Fees	49,650	11,149	30,969	42,118	7,532
Equipment	138,000	74,990	28,404	103,394	34,606
Library Materials	691,450	521,721	173,907	695,628	(4,178)
Rent and Utilities	361,200	273,674	92,541	366,215	(5,015)
Repairs and Maintenance	511,500	326,383	114,092	440,475	71,025
Supplies	41,850	22,873	9,149	32,022	9,828
Telephone and Internet	438,000	322,574	107,525	430,099	7,901
Printing and Postage	59,500	69,187	23,062	92,249	(32,749)
Bibliographic Fees	80,500	60,306	20,102	80,408	92
Professional Development	92,610	28,297	9,432	37,729	54,881
Travel	34,440	18,342	6,114	24,456	9,984
Memberships	21,700	16,487	5,496	21,983	(283)
Contractual Services	356,800	336,361	112,120	448,481	(91,681)
Delivery Service	429,000	367,276	129,568	496,844	(67,844)
Special Events	10,000	0	0	0	10,000
Insurance	32,000	22,433	7,478	29,911	2,089
Miscellaneous	<u>24,200</u>	<u>5,037</u>	<u>1,679</u>	6,716	17,484
<b>Total Expenditures</b>	<b><u>7,193,300</u></b>	<b><u>5,136,395</u></b>	<b><u>1,707,365</u></b>	<b><u>6,843,760</u></b>	<b><u>349,540</u></b>
Net Revenue Before Depreciation	(547,900)	454,836	86,105	540,941	1,088,841
<b>Non-Cash Activity</b>					
Depreciation	<u>144,250</u>	<u>100,986</u>	<u>68,328</u>	<u>169,314</u>	<u>(25,064)</u>
Unrealized Gain/Loss on Investments	<u>0</u>	<u>(2,660)</u>	<u>2,660</u>	<u>0</u>	<u>0</u>
<b>Total Non-Cash Activity</b>	<b>144,250</b>	<b>126,672</b>	<b>70,988</b>	<b>169,314</b>	<b>(25,064)</b>
<b>Net Revenue</b>	<b><u>(692,150)</u></b>	<b><u>690,819</u></b>	<b><u>15,117</u></b>	<b><u>371,627</u></b>	<b><u>1,063,777</u></b>

## Income Statement with Projections for October through December 2022

### Revenues:

On the Revenue side, total revenue is expected to come in at approximately \$739,300 more than budgeted driven primarily by unbudgeted revenue from NYS and grants through the American Rescue Plan Act (ARPA) and the Eric and Wendy Schmidt Foundation. Detail budget lines noted below:

*Federal Revenues without Restrictions* – This line will come in approximately \$210,500 more than budget due to the unbudgeted award of funds from ARPA and eRate revenues being \$10,700 more than budgeted.

*State Revenues without Restrictions* – NYS allocations for 2022 were approximately 8% higher than budget, which assumed flat funding over 2021. The line will close the year more than \$206,000 higher than budgeted.

*Other Revenues with Restrictions* – This line is projected to come in approximately \$155,700 more than budgeted driven primarily by fundraising activities. The revenue projections in this line also include anticipated shortfalls from the Broadband Technology program at New Rochelle Public Library and Library Administration Certificate program.

*Government Revenues with Restrictions* – The projected \$2,200 deficit in this line is primarily driven by the elimination of the Westchester Seniors Out Speaking (WSOS) program and loss of its associated revenue. Also included in this line are revenues from NYS for Coordinated Outreach and services to correctional facilities that will come in more than budgeted as discussed in *State Revenues without Restrictions*.

### Expenses:

On the Expense side, total expenses are projected to come in approximately \$746,200 under budget before depreciation. Notable variances are discussed below:

*Salaries and Fringe Benefits* – The projected surpluses in these lines are driven primarily by positions which were not filled or were open for a period. One full-time position was filled by a part-time worker in combination with contract personnel. A full-time position in the Cataloging department that became open through a retirement has not yet been filled. Positions budgeted for the WSOS program did not incur costs for the entire year. Finally, the 2022 pension payment is expected to be lower than budgeted.

*Contractual Services* – This line will end the year with a deficit of approximately \$91,700 and is primarily driven by using contract services by IT for the development of a data dashboard and services related to unbudgeted grant-funded projects.

*Repairs and Maintenance* – The expenses in this line are currently expected to fall under budget by \$71,000 driven primarily by lower than anticipated costs in software licensing and computer maintenance.

*Delivery* – This line is projected to come in at a deficit of more than \$67,800. This was driven by two key factors: (1) a fuel surcharge that has been applied to the cost of the service since March 2022 and (2) additional deliveries to libraries with pandemic-related supplies including COVID tests for distribution to the public.

*Professional Development and Travel* – These lines are projected to end the year with a combined surplus of \$64,900. This is driven by the COVID-19 pandemic which has limited travel, in-person professional development and costs associated with in-person meetings. The spending in these lines has increased over 2021 and is anticipated to continue to grow as activities return to pre-pandemic levels.

*Equipment* – Equipment expenses are projected to be \$34,600 under budget driven primarily by the fact that most equipment purchased in 2022 was through special projects approved by the Board are included in the Special and Capital Projects Income Statement rather than the Operating Income Statement.

*Printing and Postage* – This line will be projected to end the year nearly \$32,800 over budget. This was primarily driven by expenses related to unbudgeted, grant-funded programs through ARPA, Reconnect with Tech and other Outreach department projects.

*Miscellaneous* – This line is expected to end the year with a surplus of approximately \$17,500. The primary driver of the surplus in this line is the contingency budget of \$15,000 which is expected to close the year without any expenses.

*Special Events* – This line is projected to come in with no expenses for the year as a special event is not planned at this time.