

Call to Meeting
June 27, 2023

The next Regular Meeting of the Westchester Library System (WLS) is **Tuesday, June 27, 2023, at 6:00 p.m.** PLEASE NOTE: This meeting will take place at the WLS Headquarters, 570 Taxter Rd, Ste 400, Elmsford, NY 10523. (Masks may be required.)

Regular Meeting Agenda

Minutes: May 30, 2023

Finances

President's Report

WLS Committee Reports

Executive Director's Report

- Strategic Plan Update

PLDA Report – Yvonne Cech, Director, John C. Hart Memorial Library (Yorktown)

NEXT MEETING: The next Regular Meeting will be held on Tuesday, September 26, at 6:00 p.m.

WESTCHESTER LIBRARY SYSTEM
Trustee Meeting
May 30, 2023 – Approval Pending

REGULAR MEETING

The Regular Meeting of the Westchester Library System was called to order by Karen Zevin at 6:00 p.m. The quorum requirement was met with the following people in attendance:

Board members present: Andrea Bober, Robert Cartolano, Nishat Hydari, Wes Iwanski, Alice Joselow, Karen Kelley, Julie Mills-Worthy, Susan Morduch, Francis Okelo, Edris Scherer, Diane Tabakman, Karen Zevin

Board Members absent: Maureen LeBlanc, Joseph Puglia

Also present from WLS were: Terry Kirchner, Rob Caluori, Pat Brigham, Kate Meyer

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

Karen Kelley, Chair of the Nominating & Board Education Committee, introduced Anthony Amiano, who has agreed to fill the vacancy for District V: [Armonk, Bedford Village, Mount Pleasant, Pound Ridge]. The Board approved the appointment of Anthony Amiano on a motion by Ms. Kelley and seconded by Ms. Scherer. The motion passed unanimously.

The Oath of Office required by New York State for public library system trustees was administered to the new-elected trustee Mr. Amiano.

MINUTES

The minutes of the April 25, 2023, meeting were approved on a motion by Ms. Morduch and seconded by Mr. Cartolano. The motion passed unanimously.

FINANCIAL REPORTS

The financial report through April 2023 was presented by Mr. Caluori noting the addition of a top-level summary which is now being included with the reports. He made note of the decrease in cash balances as the organization is at the time of year when the most negative cash flow occurs. Mr. Caluori noted that the Audit Committee recently met with the team from Dorfman, Abrams & Music to review and accept the FY2022 financial audit. The auditors discussed in detail the work done to implement new accounting standards both for leases and the use of space which can now be seen on the Balance Sheet included in the financial report. The audit will be discussed further during committee reports. Mr. Caluori also noted that the check register reflects several stale checks voided and reissued as part of maintaining WLS's financial records. The Board accepted the financial report on a motion by Ms. Scherer and seconded by Ms. Morduch. The motion passed unanimously.

PRESIDENT'S REPORT

Ms. Zevin reminded the Board to please return the conflict-of-interest papers. She also noted new Board members with WLS should be educated on the relationship between WLS and the member libraries.

COMMITTEE REPORTS

Nominating & Board Education: Ms. Kelley, Chair, reported that the committee met prior to this meeting and is pleased to recruit Anthony Amiano to fill the vacancy for District V [Armonk, Bedford Village, Mount Pleasant, Pound Ridge]. Ms. Kelley stated that the nominating committee is surveying current Board members in anticipation of the next vacancies coming up.

Audit Committee: Mr. Iwanski reported that the committee met with the team from Dorfman, Abrams & Music to review and accept the FY2022 financial audit. He also noted that the committee discussed changing the auditors periodically and are exploring the option of an RFP for new financial audit providers.

Governance Committee: Ms. Morduch reported that the committee has been working behind the scenes finalizing the draft employee handbook. Ms. Morduch noted that the WLS attorney was very helpful in the process. The committee expects the employee handbook to be finalized in June 2023.

Budget Committee: Ms. Scherer reported that the Budget Committee's next meeting will be in September 2023.

EXECUTIVE DIRECTOR'S REPORT

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

Dr. Kirchner discussed the evolution of the Service Level Agreement between WLS and the member libraries. Dr. Kirchner noted that the document is a working document that can be adjusted yearly.

PLDA LIASON'S REPORT

Ms. Cech reported on the May 2023 PLDA meeting where the following was discussed:

- Aspen Discovery has gotten a lot of feedback, and libraries are working with Allison Pryor, Technology Trainer, to update their websites.
- PLDA would like to know how to best support newly arrived asylum seekers. For now, this issue mainly affects the Yonkers Public. To better coordinate the ability to serve newly arrived individuals and families, Westchester County has asked that organizations interested in supporting this effort complete an online registration form that will allow the County to reach out to the registered organizations as needed.
- The E-Content Committee discussed OverDrive e-book purchases which are currently on a shared model. PLDA discussed changing the configuration for OverDrive, so that only the purchasing library's users can access titles purchased under this leasing model.

ADJOURNMENT

Having completed its agenda, the Board adjourned its meeting at 7:45 p.m. on a motion by Ms. Kelley and seconded by Ms. Hydari that passed unanimously.

Respectively submitted,

Andrea Zuckerman Bober
Secretary

Item: WLS Service Level Agreement (SLA) / IT Billing Structure

Background: As part of the Information Technology (IT) audits that took place in 2020, it was suggested to have new service level agreements created to assist with understanding needs and expectations. A Service Level Agreement (SLA) focused on the online catalog/ILS was developed by the WLS IT Audit Working Group and reviewed by the Public Library Directors Association (PLDA), whose feedback was incorporated into the latest draft (see attached).

This proposed SLA offers more flexible service options to the member libraries that required review of the factors to be used in the billing structure that will determine the pricing for the following categories of service: ILS Maintenance; Network Managed Services; Device Support and Maintenance; and Wireless Service.

A number of recommendations for the proposed IT billing structure were developed by WLS staff in conjunction with the PLDA Finance Committee, which was originally based on an 18-month period (July 1, 2021-December 31, 2022) in which each library would need to approve to continue receiving services from WLS as of July 1, 2021. During discussion of the proposed billing structure, concerns were raised about the resulting 11.5% increase to fees.

To help reduce the financial impact on member libraries during this transition to the SLA approach of contracting for IT-related services, two options (Option A and Option B) were presented to PLDA at their May General Membership Meeting—each using different factors in the framework to determine how related expenses would be allocated to each member library. Option A focuses on activities at the home library and Option B uses the current model with the base membership and ILS maintenance factors combined.

Status: No PLDA vote was taken on selecting Option A or B concerning the ILS invoicing for the proposed IT billing structure. WLS was asked to find a way to lower the overall increase, and it was recommended that the 2019 IT Funding Model continue to be used for the July-December 2021 IT services invoicing period.

The following recommendations:

- Implement the 2019 IT Funding Model with a 4% increase (excluding digital content) for the July-December 2021 IT invoicing.
- Continue discussions on the billing components to be included in the proposed IT billing structure concerning Option A or B to be part of the Service Level Agreement (SLA) that would be implemented beginning January 1, 2022.
 - In order to implement the billing in a timely manner, Option A or B for the ILS column would need to be determined by PLDA at their next scheduled meeting on May 27, 2021, or no later than June 17, 2021. If no decision is made, Option A based on the home library activities would be the default option.
 - Member libraries interested in using WLS IT services will need to sign the SLA agreement by September 30, 2021, and indicate what level of services are requested for the January-December 2022 time frame. WLS will host information workshops for library trustees and staff to review the SLA and to answer questions.

Recommended Action:

Staff recommends the acceptance of the above-noted recommendations for the remaining 2021 invoicing and implementation of the proposed SLA and IT Billing Structure for 2022.

May 25, 2021

Name: Option A – WLS IT ILS Billing Proposal

The ILS portion of the new billing structure would take into consideration 4 categories.

- Circulation - Includes all circulation transactions, which are: anonymized (older than 30 days) checkouts, current checkouts, and renewals of all types (patron via the OPAC, staff, and auto).
- Users - Includes all non-deleted patron, staff, and library use Evergreen user accounts.
- Holdings - Includes all non-deleted item records.
- Holds placed by home library - Includes all hold requests (individual holds placed) and is counted by the hold request patron's home library.

The time frame measured is one full year or the average of two years if possible.

Libraries will be billed based on their usage/activity on the ILS.

Name: Option B – PLDA model modified

The ILS bill portion of the new billing structure could be generated by taking into consideration the two columns that cover the expense of running the ILS from the current PLDA model.

- Base Membership - the total square footage of a library (or libraries for libraries with branches) as reported in the current issue of Member Library Statistics.
- ILS Maintenance and Support - the number of items the library has in its collection, rounded up to the nearest thousand items.

The metrics would use the current issue of the Member Library Statistics.

Libraries will be bill based on the total of their physical spacing and their ILS holdings.

- The financial obligation for both options will be the same.

- This billing will take effect for the calendar year 2022.



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

YEARS ENDED DECEMBER 31, 2022 AND 2021

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DRAFT

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, 2022 and 2021, 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, 2022 and 2021, 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.

Saddle Brook, New Jersey

May XX, 2023

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WESTCHESTER LIBRARY SYSTEM

BALANCE SHEETS

ASSETS

	December 31,	
	<u>2022</u>	<u>2021</u>
Cash	\$ 3,973,017	\$ 4,394,949
Investments	1,051,364	1,037,903
Grants receivable	333,377	292,070
Accounts and other receivables	126,397	206,860
Prepaid expenses	723,226	431,569
Computer inventory	44,346	91,887
Property and equipment, net	572,228	329,803
Operating lease right-of-use assets, net	1,155,488	
Intangible assets, net		<u>2,000</u>
Total assets	<u>\$ 7,979,443</u>	<u>\$ 6,787,041</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 699,491	\$ 841,006
Deferred revenue	6,686	7,200
Operating lease obligations	1,372,554	
Deferred rent		245,925
Post-retirement benefit obligation	<u>3,856,991</u>	<u>4,892,551</u>
Total liabilities	<u>5,935,722</u>	<u>5,986,682</u>
Net assets:		
Without donor restrictions	1,620,493	485,984
With donor restrictions	<u>423,228</u>	<u>314,375</u>
Total net assets	<u>2,043,721</u>	<u>800,359</u>
Total liabilities and net assets	<u>\$ 7,979,443</u>	<u>\$ 6,787,041</u>

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

WESTCHESTER LIBRARY SYSTEM
STATEMENTS OF ACTIVITIES

	Year ended December 31, 2022		Year ended December 31, 2021	
	Without donor restrictions	With donor restrictions	Without donor restrictions	With donor restrictions
Operating support and revenues:				
Support and revenues:				
Governmental support:				
State grants	\$ 2,323,299	\$ 375,554	\$ 2,698,853	\$ 438,243
Government grants		199,250	199,250	770,396
County grants	1,218,696		1,218,696	
Total governmental support	3,541,995	574,804	4,116,799	1,208,639
Private support:				
Contributions of cash and other financial assets	1,113	335,044	336,157	264,677
Total governmental and private support	3,543,108	909,848	4,452,956	1,473,316
Revenues:				
Member technology fees	2,776,740		2,776,740	2,820,801
Interest income	15,903		15,903	2,069
Investment income	4,804		4,804	421
Other revenue	26,831		26,831	8,930
Total revenues	2,824,278		2,824,278	2,832,221
Net assets released from restrictions	800,995	(800,995)		(1,422,956)
Total operating support and revenues	7,168,381	108,853	7,277,234	50,360
Operating expenses:				
Program services:				
Technology	2,629,876		2,629,876	2,389,912
Public service	3,149,857		3,149,857	2,888,285
Total program services	5,779,733		5,779,733	5,278,197
Supporting services:				
Management and general	1,379,446		1,379,446	1,510,983
Fundraising	108,164		108,164	154,739
Total supporting services	1,487,610		1,487,610	1,665,722
Total expenses	7,267,343		7,267,343	6,943,919
Change in net assets from operations	(98,962)	108,853	9,891	50,360
Nonoperating activities:				
Investment return - realized and unrealized gains (losses)	8,658		8,658	(173)
Gain on disposal of property and equipment	13,000		13,000	
Post-retirement benefit obligation other than periodic costs	1,211,813		1,211,813	266,098
Total nonoperating activities	1,233,471		1,233,471	265,925
Change in net assets	1,134,509	108,853	1,243,362	50,360
Net assets, beginning of year	485,984	314,375	800,359	264,015
Net assets, end of year	\$ 1,620,493	\$ 423,228	\$ 2,043,721	\$ 314,375
				\$ 800,359

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

WESTCHESTER LIBRARY SYSTEM

STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 1,243,362	\$ 830,564
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	172,410	204,367
Amortization of intangible asset	2,000	2,000
Amortization of operating leases right-of-use assets	220,174	
Pension and post-retirement benefit obligations other than net periodic pension costs	(1,211,813)	(266,098)
Deferred rent	(245,925)	(21,740)
Unrealized (gain) loss on investments	(8,658)	173
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Grants receivable	(41,307)	333,008
Accounts and other receivables	80,463	99,923
Prepaid expenses	(291,657)	64,116
Computer inventory	47,541	162,336
Increase (decrease) in:		
Accounts payable and accrued expenses	(141,515)	17,139
Deferred revenue	(514)	(3,056)
Operating lease liability obligations	(3,108)	
Post-retirement benefits payable	176,253	120,584
Refundable advance - Paycheck Protection Program		(564,265)
Net cash provided (used) by operating activities	(2,294)	979,051
Cash flows from investing activities:		
Purchase of investments	(4,803)	(422)
Purchases of property and equipment	(414,835)	(79,707)
Net cash used in investing activities	(419,638)	(80,129)
Net increase (decrease) in cash	(421,932)	898,922
Cash, beginning of year	4,394,949	3,496,027
Cash, end of year	\$ 3,973,017	\$ 4,394,949
Supplemental Disclosure of Non-Cash Operating Activities		
Right-of-use asset acquired from incurring lease obligation	\$ 1,375,662	\$

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

WESTCHESTER LIBRARY SYSTEM
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2022 and 2021

	Program services				
	Technology		Public service		Total
	2022	2021	2022	2021	2022
Salaries	\$ 834,640	\$ 754,257	\$ 1,060,253	\$ 919,232	\$ 1,894,893
Fringe benefits	312,732	292,960	317,454	183,062	630,186
Total salaries and related expenses	<u>1,147,372</u>	<u>1,047,217</u>	<u>1,377,707</u>	<u>1,102,294</u>	<u>2,525,079</u>
Periodicals			549,407	499,845	549,407
Delivery service			484,359	423,702	484,359
Hardware and software maintenance	448,215	385,654	5,517	5,508	453,732
Contractual services	252,787	161,191	164,592	112,836	417,379
Rent and utilities	133,815	138,949	124,823	131,367	258,638
Telephone and internet	283,118	203,738	22,044	42,605	305,162
Database		400	202,658	302,088	202,658
Equipment	160,277	230,198	12,670	140,511	172,947
Printing and postage	197	132	100,638	56,525	100,835
Professional development	580	437	46,517	19,250	47,097
Professional fees	10,442	14,116	2,995	2,721	13,437
Travel	10,415	336	8,158	519	18,573
Books, film, etc.			31,075	28,871	31,075
Insurance	13,252	10,520		2,724	13,252
Supplies	5,024	3,613	10,584	11,038	15,608
Memberships	333		5,886	3,693	6,219
Miscellaneous	4,859	2,490	227	2,188	5,086
Depreciation	157,190	188,921			157,190
Intangible asset amortization	2,000	2,000			2,000
Total operating expenses	<u>\$ 2,629,876</u>	<u>\$ 2,389,912</u>	<u>\$ 3,149,857</u>	<u>\$ 2,888,285</u>	<u>\$ 5,779,733</u>
					<u>\$ 5,278,197</u>

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

WESTCHESTER LIBRARY SYSTEM
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2022 and 2021

	Management and general		Supporting services		Total	Total program and supporting services	
	2022	2021	2022	2021		2022	2021
Salaries	\$ 432,523	\$ 573,012	\$ 68,180	\$ 101,212	\$ 500,703	\$ 674,224	\$ 2,395,596
Fringe benefits	674,066	748,270	24,208	38,467	698,274	786,737	1,328,460
Total salaries and related expenses	1,106,589	1,321,282	92,388	139,679	1,198,977	1,460,961	3,724,056
Periodicals	615	286			615	286	550,022
Delivery service		14,219	649	828	20,716	15,047	484,359
Hardware and software maintenance	20,067	21,655			39,900	21,655	474,448
Contractual services	39,900	48,652	12,727	13,306	98,331	61,958	457,279
Rent and utilities	85,604	1,955			1,955		356,969
Telephone and internet	1,955						307,117
Database		15,997			18,051	15,997	202,658
Equipment	18,051	12,102	637	96	2,392	12,198	190,998
Printing and postage	1,755	1,894			3,809	2,559	103,227
Professional development	3,809	26,402			31,566	26,402	50,906
Professional fees	31,566	1,198	1,173		18,810	1,198	45,003
Travel	17,637						37,383
Books, film, etc.		12,414			16,064	12,414	31,075
Insurance	16,064	5,533	85		5,773	5,533	29,316
Supplies	5,688	11,976	505	165	13,527	12,141	21,381
Memberships	13,022	1,927			1,904	1,927	19,746
Miscellaneous	1,904	15,446			15,220	15,446	6,990
Depreciation	15,220						172,410
Intangible asset amortization							2,000
Total operating expenses	\$ 1,379,446	\$ 1,510,983	\$ 108,164	\$ 154,739	\$ 1,487,610	\$ 1,665,722	\$ 7,267,343
							\$ 6,943,919

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

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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, coordinates outreach to the underserved population, 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, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021

2. Summary of significant accounting policies (continued)

Recently adopted accounting standards - Leases

In 2022, The Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized right-of-use assets of \$1,375,662 and lease liabilities totaling \$1,375,662 in its balance sheet as of January 1, 2022. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2021.

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less) and leases below the ROU assets capitalization policy of \$50,000. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Revenue and revenue recognition

The Organization recognizes contributions when cash, securities or other financial 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.

A portion of the Organization's revenue is derived from one federal grant, which is conditioned upon certain performance requirements and/or the incurrence of qualifying expenses. Amounts received are recognized as revenue when the Organization receives the funds.

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.

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

2. Summary of significant accounting policies (continued)

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 2021 financial statements to conform to the 2022 presentation.

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.

WESTCHESTER LIBRARY SYSTEM
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2022 and 2021

4. Availability and liquidity

The following represents the Organization's financial assets at December 31, 2022:

Financial assets at year end

Cash	\$ 3,973,017
Investments	1,051,364
Grants receivable	333,377
Accounts and other receivables	<u>126,397</u>
 Total financial assets	 <u>5,484,155</u>
 Less amounts not available to be used within one year:	
Net assets with donor restrictions	423,228
Less net assets with purpose restrictions to be met in less than a year	<u>(314,250)</u>
	<u>108,978</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 5,375,177</u></u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,800,000). 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).

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

5. Investments

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

	2022		2021	
	Cost	Fair value	Cost	Fair value
Cash equivalents	\$ 602	\$ 602	\$ 118	\$ 118
United States Treasuries	1,042,135	1,050,762	1,037,815	1,037,785
	<u>\$ 1,042,737</u>	<u>\$ 1,051,364</u>	<u>\$ 1,037,933</u>	<u>\$ 1,037,903</u>

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

	2022	2021
Dividends and interest	\$ 4,804	\$ 421
Realized and unrealized gain (loss)	8,658	(173)
	<u>\$ 13,462</u>	<u>\$ 248</u>

6. Fair value measurement

The classification of the Organization's investment securities at fair value is as follows at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Cash	\$ 602	\$	\$	\$ 602
United States Treasury bills	1,050,762			1,050,762
	<u>\$ 1,051,364</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,051,364</u>

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, 2022 and 2021

7. Property and equipment

Property and equipment consist of the following:

	December 31,	
	2022	2021
Furniture and equipment	\$ 1,541,235	\$ 1,772,093
Leasehold improvements	108,437	108,437
Automobile	36,751	
Software - online catalog	121,337	121,337
	1,807,760	2,001,867
Less accumulated depreciation	1,235,532	1,672,064
	\$ 572,228	\$ 329,803

Depreciation expense for the years ended December 31, 2022 and 2021 was \$172,410 and \$204,368, respectively. During the year ended December 31, 2022, the Organization wrote off \$608,943 of fully depreciated assets that were no longer in service.

8. Intangible assets

Intangible assets consist of the following:

	December 31,	
	2022	2021
Mobile library application	\$ 10,000	\$ 10,000
Less accumulated amortization	10,000	8,000
	\$ -	\$ 2,000

Amortization expense for the years ended December 31, 2022 and 2021 was \$2,000 for both years.

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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. Up to December 31, 2021, the Organization recorded 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 balance sheet. As of December 31, 2021, deferred rent amounted to \$245,925. Effective January 1, 2022, the Organization adopted ASU No. 2016-02 and has recorded this lease in accordance with that guidance (see Note 12).

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"), provided 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 loan and related interest were fully forgiven in December 2021.

The Organization has determined the PPP to be a government grant, and, as such, has recorded the proceeds of the loan as government grant income as of May 2021, when the conditions were met and the loan was fully forgiven by the Small Business Administration.

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 4.96% and 2.67% for the years ended December 31, 2022 and 2021, respectively.

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

11. Post-retirement benefit obligation (continued)

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

	December 31,	
	2022	2021
Changes in accumulated post-retirement benefit obligation:		
Accumulated post-retirement benefit obligation at January 1	\$ 4,892,551	\$ 5,038,065
Service cost	100,177	114,406
Interest cost	135,068	115,327
Plan participant contributions	50,861	6,979
Actuarial gain	(1,085,659)	(132,040)
Benefits paid	(236,007)	(250,186)
Accumulated post-retirement benefit obligation, December 31	\$ 3,856,991	\$ 4,892,551
Change in plan assets:		
Fair value of plan assets, January 1		
Employer contributions	\$ 111,453	\$ 222,349
Employee contributions	50,861	6,979
Medicare Part B reimbursement paid to retirees	73,692	20,858
Benefits paid	(236,006)	(250,186)
Fair value of plan assets, December 31	\$ -	\$ -
Funded status:		
Unfunded benefit obligation	\$ 3,856,991	\$ 4,892,551
	December 31,	
	2022	2021
Components of net periodic benefit cost:		
Service cost	\$ 100,177	\$ 114,406
Interest cost	135,067	115,327
Amortization of actuarial loss	126,214	134,058
	\$ 361,458	\$ 363,791

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

11. Post-retirement benefit obligation (continued)

The following are the actuarial assumptions and effects:

	December 31,	
	2022	2021
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	2026 / 2009	2025 / 2009
Discount rate used to value end of year accumulated post-retirement benefit obligations	4.96%	2.67%
Discount rate used to value end of year net periodic post-retirement benefit costs	2.67%	2.28%
Effect of a 1% increase in healthcare cost trend rate on:		
a. Interest cost plus service cost	\$ 37,367	\$ 54,501
b. Accumulated post-retirement benefits	259,363	395,722
Effect of a 1% decrease in health:		
a. Interest cost plus service cost	\$ (26,601)	\$ (25,773)
b. Accumulated post-retirements benefits	(206,890)	(303,956)

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

Year ending December 31:	
2023	\$ 246,886
2024	251,331
2025	249,516
2026	258,609
2027	262,042
2028 - 2032	1,252,459

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

12. Commitments and contingencies

Operating leases

The Organization operating leases consist primarily of real estate leases for the use of its office facilities. The Organization evaluated current contracts to determine which contracts met the criteria of a lease. A contract is (or contains) a lease if it conveys the right to control the use of an identified asset for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms, including renewal periods that are considered reasonably certain.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2022:

Operating lease right-of-use assets	<u>\$ 1,155,488</u>
Operating lease liabilities	<u>\$ 1,372,554</u>

The components of operating lease expenses that are included in the statement of activities for the year ended December 31, 2022 are as follows:

Operating lease cost	<u>\$ 290,405</u>
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The following summarizes the cash flow information related to operating leases for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows for operating leases	<u>\$ 319,263</u>
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The weighted-average lease term and discount rate applied to calculate lease liabilities as of December 31, 2022 are as follows:

Weighted average remaining lease term	54 months
Weighted average discount rate	4.75%

There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2.

The maturities of operating lease payments for the years ending December 31 are as follows:

2023	\$ 326,382
2024	333,500
2025	340,619
2026	347,737
2027	<u>175,648</u>
Total lease payments	1,523,886
Less present value discount	<u>(151,332)</u>
Total lease obligations	<u>\$ 1,372,554</u>

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

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 periods prior to the cost being incurred are deferred until future periods.

14. Letter of credit and line of credit

During the years ended December 31, 2022 and 2021, the Organization had an Irrevocable Stand-by Letter of Credit with a financing institution in the amount of \$5,000,000. The Irrevocable Stand-by Letter of Credit expires on June 30, 2023, 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 Decembers 31, 2022 and 2021.

The Organization has a \$500,000 revolving Line of Credit agreement with a financing institution which is due on demand. The interest rate on the line is 4.75%. There were no borrowings during the years and no amounts were outstanding at both December 31, 2022 and 2021.

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

15. Net assets

Net assets were as follows for the years ended December 31, 2022 and 2021:

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Undesignated	\$1,620,493	\$	\$1,620,493	\$ 485,984	\$	\$ 485,984
Specific purpose:						
Gates Staying Connected Training Program				5,094		5,094
Bruni Verges Memorial Fund		23	23	23		23
People and Stories		2,096	2,096	2,096		2,096
MiniGrants		2,358	2,358	7,358		7,358
TASC Connect		3,113	3,113	3,113		3,113
Reconnect with Tech		177,107	177,107			
Early Literacy		7,360	7,360	8,979		8,979
Library and Training		136,182	136,182	62,856		62,856
Spanish Adult Literacy		16,784	16,784	23,539		23,539
Xprize				4,085		4,085
Digital Resources		11,078	11,078	19,584		19,584
Music and Memory		1,450	1,450	1,450		1,450
Outreach and Career		7,619	7,619	26,680		26,680
Digital Equity - Local		8,911	8,911	9,099		9,099
Digital Equity - WCF				43,081		43,081
Vision Labs				5,498		5,498
Rosen Fund for Snr Svcs		30	30	788		788
HSE Connect		5,000	5,000			
Coned - Stem		1,895	1,895	15,000		15,000
NYS Gia - Database		16,968	16,968	50,000		50,000
NYS Gia - Spanish Adult Literacy		17,802	17,802	25,000		25,000
Learning Ambassador				100		100
Career Service		5,000	5,000			
101 Answers		1,500	1,500			
Hope for Youth		952	952	952		952
Total net assets	\$1,620,493	\$ 423,228	\$2,043,721	\$ 485,984	\$ 314,375	\$ 800,359

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

15. Net assets (continued)

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

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions:		
Broadband Technology Opportunities Program	\$ 19,110	\$ 17,245
LIU Certificate	39,300	16,850
Learning Ambassadors	1,450	3,120
MiniGrants	5,000	4,223
Marketing and Professional Development		15,174
ARPA Digital inclusion	199,250	
Xprize	4,085	2,490
Bruni		950
Early Literacy	1,619	616
Vision Labs	5,498	8,738
Outreach and Career	32,810	6,492
Library and Training	302,229	383,951
Hope for Youth		4,049
Digital Recourses	8,506	5,416
Spanish Adult Literacy	6,755	18,461
Digital Equity - Local	222	46,719
Digital Equity - WCF	43,081	115,419
Music and Memory		50
Rosen Fund Snr Svcs	758	2,597
Paycheck Protection Program		564,265
Cares Act Program		65,927
Project Hope Program		140,204
Reconnect with Tech	72,893	
NYS Gia - Spanish Adult Literacy	7,198	
NYS Gia - Databases	33,032	
Coned - Stem	13,105	
Gates Staying Connected Training Program	5,094	
	<u>\$ 800,995</u>	<u>\$ 1,422,956</u>

WESTCHESTER LIBRARY SYSTEM
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

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,	
	2022	2021
Local Library Services Aid	\$ 277,408	\$ 256,065
Grants in Aid	157,084	365,000
	\$ 434,492	\$ 621,065

17. Significant source of support

During the years ended December 31, 2022 and 2021, the Organization received approximately 37% and 34%, respectively, of its total support and revenues from grants from the State of New York and approximately 17% and 14%, respectively, from Westchester County grants.

18. Subsequent events

Subsequent events have been evaluated through May XX, 2023, which is the date the financial statements were available to be issued. The Organization is not aware of any material subsequent events.

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***REPORT TO THOSE
CHARGED WITH GOVERNANCE
FOR THE YEAR ENDED DECEMBER 31, 2022***

DRAFT

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, 2022, and have issued our report thereon dated April xx, 2023. 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.

Saddle Brook, New Jersey

April xx, 2023

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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
- Completeness and accuracy of financial statement disclosure
- Compliance with new pronouncement

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>1. Auditors' Responsibilities under U.S. Generally Accepted Auditing Standards</p> <p>As stated in our engagement letter dated January 30, 2023, 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, 2022 and for the year then ended. Our audit opinion will be dated April xx, 2023.</p>
<p>2. Planned Scope and Timing of the Audit</p>	<p>We performed the audit according to the planned scope and timing previously communicated to you.</p>

REQUIRED COMMUNICATIONS (continued)
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<u>Area</u>	<u>Comments</u>
3. Qualitative Aspects of the Organization's Significant Accounting Practices – Significant Accounting Policies	
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.	New Accounting Policies There was a new lease accounting pronouncement, ASC 842, affecting the December 31, 2022 financial statements. Lack of Authoritative Guidance We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. Period of Recognition There were no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. Significant Unusual There are no significant unusual or nonrecurring accounting transactions.
4. Qualitative Aspects of the Organization's Significant Accounting Practices – Significant Accounting Estimates	
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">• Actuarial assumptions which determine the gain recognized for post-retirement benefits• Depreciation expense• Functional expenses• Fair value measurement of investments• Availability and liquidity• Lease accounting under ASC 842
5. Qualitative Aspects of the Organization's Significant Accounting Practices – Financial Statement Disclosures	
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.
6. Significant Difficulties Encountered During the Audit	We encountered no significant difficulties in performing and completing our audit.

REQUIRED COMMUNICATIONS (continued)
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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.

Management has corrected all identified misstatements.

These included adjustments related to the implementation of the new lease accounting: ASC 842 standard.

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.

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)
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<u>Area</u>	<u>Comments</u>
11. Management Representations	We have requested certain representations from management that are included in the management representation letter dated April xx, 2023.
12. Management's Consultation with Other Accountants 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.
13. Other Significant Findings or Issues 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.
14. Communication of Internal Control Related Matters Identified in an Audit 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 Communication of Internal Control Related Matters section.

REQUIRED COMMUNICATIONS (continued)
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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.

DRAFT

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, 2022, 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.

Accounting for Leases – ASC 842

The Financial Accounting Standards Board (FASB) has issued a new Accounting Standards Update (ASU), No. 2016-02, "Leases (Topic 842)," which had a significant effect on the accounting for leases. While Dorfman assisted in the calculation for this update, management should be ready to continue to maintain and update future adjustments to the general ledger accounts required by this update and evaluate any future lease changes.

DRAFT

ADJUSTMENTS PROVIDED BY CLIENT

Adjusting Journal Entries JE # 1

PBC - To Correct Net Assets per FY2022 financial statements

1610	Accum Dep – Furniture & Equipment	1,520.00	
3200	Net Assets with Donor Restrictions		1,520.00
Total		1,520.00	1,520.00

Adjusting Journal Entries JE # 2

To Correct deferred rent base on the new ASC 842t

7001	Rent	28,859.00	
2610	Deferred Rent		28,859.00
Total		28,859.00	28,859.00

Adjusting Journal Entries JE # 3

To record the lease liability base on new ROU ASC 842

1381	ROU Asset	1,155,488.00	
2610	Deferred Rent	28,859.00	
2610	Deferred Rent	217,066.00	
7001	Rent	290,404.00	
2900	ST Lease Liability		268,208.00
2910	LT Lease Liability		1,104,346.00
7001	Rent		319,263.00
Total		1,691,817.00	1,691,817.00

DRAFT

MANAGEMENT REPRESENTATION LETTER

MANAGEMENT REPRESENTATION LETTER (continued)

DRAFT



Financial Statements and Notes

May 2023

WESTCHESTER LIBRARY SYSTEM – FINANCIAL STATEMENTS WITH NOTES – SUMMARY – MAY 2023

All of the figures in the accompanying notes are approximated to the nearest \$100 or 1%. The figures in the financial statements are rounded to the nearest dollar and percentages are to two decimal places.

The December 2022 figures included in this statement are now consistent with the audited financial statements. This reflects adjusting entries from the audit process as well as the application of ASC 842 (Accounting Standards Codification) which changes the way the lease for WLS's office space is recorded.

Please also note that work continues to upgrade WLS's financial management system (currently MIP) to Sage Intacct. The go-live date has been set for 8/1/2023.

Balance Sheet Highlights:

The key changes to the Balance Sheet are a decrease in WLS's cash position (combined operating and reserves), which is lower by \$92,100 and a decrease in Deferred Revenue of \$223,600.

Income Statement Highlights:

Net revenue before depreciation was more than budgeted for May (\$67,400) and for the year-to-date (YTD) (\$225,600). Noteworthy variances discussed below.

Total revenue was essentially within the budget for May and the YTD. This continues to be primarily driven by monthly recurring offsetting variances in *Interest* and the negative variance in *Other Revenues with Restrictions*.

Total spending in May was less than revenues by \$39,200 and came in \$62,300 less than the monthly budget.

Westchester Library System
Statement of Financial Position - WLS Balance Sheet
As of 5/31/2023

	<u>5/31/2023</u>	<u>4/30/2023</u>	<u>Current Period</u> <u>Change</u>	<u>Current Period</u> <u>% Change</u>	<u>12/31/2022</u>
Assets					
Current Assets					
Operating Cash & Cash Equivalents	974,090	1,066,219	(92,129)	-8.64%	2,261,909
Reserve Cash & Cash Equivalents	2,797,194	2,787,589	9,606	0.34%	2,762,472
Unconditional Promises to Give	1,403,929	1,381,800	22,129	1.60%	333,377
Accounts Receivable	114,924	111,254	3,671	3.30%	126,397
Prepaid Expenses	825,999	896,923	(70,923)	-7.91%	723,226
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	0
Total Current Assets	6,116,137	6,243,784	(127,647)	-2.04%	6,207,381
Long-term Assets					
Property & Equipment	544,109	558,602	(14,493)	-2.59%	616,574
Right of Use	<u>1,155,488</u>	<u>1,155,488</u>	<u>0</u>	<u>0.00%</u>	1,155,488
Total Long-term Assets	<u>1,699,597</u>	<u>1,714,090</u>	<u>(14,493)</u>	<u>-0.85%</u>	1,772,062
Total Assets	<u><u>7,815,734</u></u>	<u><u>7,957,874</u></u>	<u><u>(142,140)</u></u>	<u><u>-1.79%</u></u>	7,979,443
Liabilities					
Short-term Liabilities					
Accounts Payable	393,112	330,598	62,514	18.91%	699,492
Deferred Revenue	231,041	454,646	(223,605)	-49.18%	6,686
Short-Term Right of Use	<u>268,208</u>	<u>268,208</u>	<u>0</u>	<u>0.00%</u>	268,208
Total Short-term Liabilities	892,360	1,053,452	(161,091)	-15.29%	974,385
Long-term Liabilities					
Long-Term Right of Use	1,104,346	1,104,346	0	0.00%	1,104,346
Deferred Rent	0	0	0	0.00%	0
Post-Retirement Benefits Payable	<u>3,856,991</u>	<u>3,856,991</u>	<u>0</u>	<u>0.00%</u>	3,856,991
Total Long-term Liabilities	<u>4,961,337</u>	<u>4,961,337</u>	<u>0</u>	<u>0.00%</u>	4,961,337
Total Liabilities	<u><u>5,853,697</u></u>	<u><u>6,014,789</u></u>	<u><u>(161,091)</u></u>	<u><u>-2.68%</u></u>	5,935,722
Net Assets					
Working Capital	5,223,777	5,190,332	33,445	0.64%	5,232,996
Long-Term Net Assets	<u>(3,261,740)</u>	<u>(3,247,247)</u>	<u>(14,493)</u>	<u>0.45%</u>	<u>(3,189,275)</u>
Total Net Assets	<u><u>1,962,037</u></u>	<u><u>1,943,086</u></u>	<u><u>18,951</u></u>	<u><u>0.98%</u></u>	2,043,721
Total Liabilities and Net Assets	<u><u>7,815,734</u></u>	<u><u>7,957,874</u></u>	<u><u>(142,140)</u></u>	<u><u>-1.79%</u></u>	7,979,443

NOTES FOR MAY 2023 STATEMENT OF FINANCIAL POSITION - WLS BALANCE SHEET

The key changes to the Balance Sheet are a decrease in WLS's cash position (combined operating and reserves), which is lower by \$82,500 and a decrease in Deferred Revenue of \$223,600.

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 May, WLS's operating cash decreased by \$92,100 while reserves increased \$9,600 for a net decrease of \$82,500. With \$336,900 in receipts, activity included \$326,000 from Westchester County for the first quarter of 2023. Aside from rent, payroll and benefits, Internet, and delivery to libraries, the notable expenditures included \$28,100 to Hoopla for Pay Per Use electronic content for library patrons and \$8,500 to STEM Alliance for their work with the *Reconnect with Tech* program.*

Unconditional Promises (These are promises to give money to WLS without any restrictions attached.): The figure in this line increased by \$22,100 in May. This is the result of recording \$348,100 in receivable revenue from New York State, Westchester County and eRate for 2023 aid which is offset by the receipt of \$326,000 in earned revenue from Westchester County for the first quarter of 2023.

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 \$223,600, the result of recognizing revenues from IT, eContent, and movie licensing.

Westchester Library System
Statement of Revenues and Expenditures - Comparison to Budget with 2021 and 2022 YTD
From 5/1/2023 Through 5/31/2023

	Current Period		Budget	5/31/2020 YTD	5/31/2022 YTD	5/31/2023 YTD	YTD Budget		Total Budget
	5/31/2023	Budget	Variance				YTD Budget	Variance	
Revenue									
State Revenues without Restrictions	205,910	205,921	(11)	968,762	940,491	1,029,551	1,029,604	(53)	2,471,050
County Revenues without Restrictions	109,515	106,008	3,507	429,000	458,776	536,855	530,042	6,813	1,272,100
Federal Revenues without Restrictions	13,750	13,750	0	68,750	264,380	68,750	68,750	0	165,000
Member Technology Fees	223,386	224,833	(1,448)	1,185,879	1,169,739	1,115,758	1,124,167	(8,408)	2,698,000
Fund Raising & Contributions	93	0	93	13,113	508	211	0	211	0
Interest	15,628	417	15,211	9,277	1,064	47,606	2,083	45,523	5,000
WEBS & Other	1,065	208	857	10,110	3,995	5,973	1,042	4,931	2,500
Government Revenues with Restrictions	18,955	18,958	(3)	89,257	88,720	94,775	94,792	(17)	227,500
Other Revenues with Restrictions	<u>1,359</u>	<u>14,417</u>	<u>(13,058)</u>	<u>13,258</u>	<u>274,943</u>	<u>26,326</u>	<u>72,083</u>	<u>(45,757)</u>	<u>173,000</u>
Total Revenue	<u>589,660</u>	<u>584,512</u>	<u>5,148</u>	<u>2,787,407</u>	<u>3,202,616</u>	<u>2,925,805</u>	<u>2,922,562</u>	<u>3,243</u>	<u>7,014,150</u>
Expenditures									
Salaries	183,614	197,935	14,322	951,437	969,144	884,523	989,676	105,153	2,375,223
Fringe Benefits	94,774	112,350	17,576	480,858	512,316	491,135	561,751	70,616	1,348,202
Professional Fees	471	4,275	3,804	58,819	5,486	11,548	21,375	9,827	51,300
Equipment	6,618	15,833	9,215	138,640	57,999	11,264	79,167	67,903	190,000
Library Materials	67,309	59,202	(8,108)	371,816	301,293	332,610	296,008	(36,602)	710,420
Rent and Utilities	30,428	29,656	(772)	139,361	161,378	152,183	148,279	(3,904)	355,870
Repairs and Maintenance	44,130	46,617	2,487	161,113	181,145	287,672	233,083	(54,589)	559,400
Supplies	137	3,796	3,659	9,680	12,106	1,350	18,979	17,629	45,550
Telephone and Internet	38,592	38,925	333	143,973	184,007	208,851	194,625	(14,226)	467,100
Printing and Postage	2,583	6,242	3,658	8,384	37,470	31,265	31,208	(57)	74,900
Bibliographic Fees	7,482	7,458	(23)	31,533	32,891	35,400	37,292	1,892	89,500
Professional Development	625	8,171	7,546	28,667	24,949	23,255	40,854	17,600	98,050
Travel	1,379	4,200	2,821	9,077	5,568	11,312	21,000	9,688	50,400
Memberships	0	2,333	2,333	2,918	10,913	12,687	11,667	(1,020)	28,000
Contractual Services	29,135	32,942	3,807	74,042	208,107	170,169	164,708	(5,461)	395,300
Delivery Service	40,173	37,583	(2,590)	87,428	202,373	188,280	187,917	(363)	451,000
Special Events	0	0	0	1,018	0	0	0	0	0
Insurance	2,580	2,917	337	9,973	16,438	16,113	14,583	(1,530)	35,000
Miscellaneous	<u>401</u>	<u>2,250</u>	<u>1,849</u>	<u>3,622</u>	<u>2,265</u>	<u>2,349</u>	<u>11,250</u>	<u>8,901</u>	<u>27,000</u>
Total Expenditures	<u>550,432</u>	<u>612,685</u>	<u>62,253</u>	<u>2,712,357</u>	<u>2,925,849</u>	<u>2,871,963</u>	<u>3,063,423</u>	<u>191,460</u>	<u>7,352,215</u>
Net Revenue Before Depreciation	<u>39,229</u>	<u>(28,172)</u>	<u>67,401</u>	75,050	<u>276,768</u>	<u>53,842</u>	<u>(140,860)</u>	<u>194,702</u>	<u>(338,065)</u>
Non-Cash Activity									
Depreciation	14,493	14,083	(410)	<u>93,707</u>	56,103	72,466	70,417	(2,049)	169,000
Unrealized Gain/Loss on Investments	<u>5,784</u>	<u>0</u>	<u>(5,784)</u>	<u>(6,508)</u>	<u>(169)</u>	<u>1,956</u>	<u>0</u>	<u>(1,956)</u>	<u>0</u>
Total Non-Cash Activity	<u>20,277</u>	<u>14,083</u>	<u>(6,194)</u>	<u>87,199</u>	<u>55,935</u>	<u>74,421</u>	<u>70,417</u>	<u>(4,004)</u>	<u>169,000</u>
Net Revenue	<u>18,951</u>	<u>(42,255)</u>	<u>61,207</u>	<u>(12,149)</u>	<u>220,833</u>	<u>(20,579)</u>	<u>(211,277)</u>	<u>190,698</u>	<u>(507,065)</u>

**NOTES FOR MAY 2023 (INCOME STATEMENT) STATEMENT OF REVENUE AND EXPENDITURES –
COMPARISON TO BUDGET WITH 2021 AND 2022 YTD**

Net revenue before depreciation was more than budgeted for May (\$67,400) and for the year-to-date (YTD) (\$225,600). Noteworthy variances discussed below.

Revenues:

Total revenue was essentially within the budget for May and the YTD. This continues to be primarily driven by monthly recurring offsetting variances in *Interest* and the negative variance in *Other Revenues with Restrictions* and is discussed in greater details below.

Interest for May was significantly higher than budgeted. At the time the budget was created, interest rates were beginning to rise but could not be fully anticipated. Interest earned on WLS's cash balances is based on the excess balance, which is the average collected balance less minimum balance requirements.

Other Revenues with Restrictions was under budget by 91% (\$13,100) driven primarily by a shortfall in the Restricted Contributions line. This is consistent with years past and while the budget assumes that approximately \$14,400 would be earned in this line each month, the monies raised will fluctuate monthly.

Expenses:

Total spending in May was less than revenues by \$39,200 and came in \$62,300 less than the monthly budget. Significant positive and negative variances are discussed below.

Fringe Benefits – This line ended the month \$17,600 under budget. The variance is attributed to the vacancies discussed in the *Salaries* line as well as contributions from retirees for health insurance.

Salaries – Spending in this line was \$14,300 under budget for May. This is primarily due to one part-time and three full-time positions in the budget that are currently vacant. Three positions are in the process of being filled, one is currently being filled by a temporary contractor, expenses for which appear in *Contractual Services*.

Equipment – This line was underspent by \$9,200 compared to the budget for May and included \$5,500 for equipment related to the *Reconnect with Tech* program. Other expenses budgeted in this line, in addition to traditional IT expenses for equipment replacement, includes laptops for staff as part of WLS's effort to create a more mobile-enabled and security-aware work environment. While there is some spending in this line monthly, most purchases (for both IT and the laptop project) will typically occur as larger purchases in a given period.

Library Materials – This line was over budget by \$8,100 for the month. This was driven by greater than anticipated activity in Pay Per Use services like Kanopy and Hoopla.

Executive Director's Report June 2023

Mount Vernon Public Library – Registration Update

Earlier this month, the Division of Library Development (DLD) provided the Mount Vernon Public Library Board of Trustees (four of the five members are newly elected) with an update on the registration review process.

On the positive side:

- The board currently has a full complement of five library trustees
- The required policies were approved by the board and submitted to DLD for review.
- The required bylaws revisions were submitted to DLD. These amended bylaws required MVPL board approval at a regularly scheduled meeting
- The board identified \$269,000 of miscellaneous expenses in MVPL's 2020 Annual Report which had been a major obstacle in reconciling financial reports.

While progress was made, neither an approvable registration application nor approvable annual reports have been submitted to DLD. At this point, MVPL continues to be ineligible to receive local and State funding. To complete the registration process, the MVPL board must:

- Approve the bylaws reviewed by DLD as part of the re-registration process. As per the MVPL bylaws, this approval process must occur during a regularly scheduled board meeting.
- Formally reconcile the starting and ending balances of the library's 2020 Annual Report. The starting balance for 2020 is \$1.3 million more than the ending cash balance from the prior year.
- Complete the Library's 2021 and 2022 Annual Reports. The timely submission of Annual Reports is required for compliance with Minimum Standards for Public Libraries in New York.

Due to its failure to complete its registration and submit an approvable Annual Report by the State Education Department's deadline of March 31, 2022, MVPL is currently unable to receive public funding. To date, MVPL has lost \$63,057 of its Local Library Services Aid for 2021, 2022 and 2023, and has had \$100,000 in State Aid for Public Library Construction held back. MVPL is also ineligible to collect local public funding. Therefore, MVPL could be ineligible to receive its local school district tax levy in September if the library board does not complete its registration and submit approvable 2020, 2021, and 2022 Annual Reports.

MVPL must successfully complete its registration and submit approvable Annual Reports by September 1, 2023, to be eligible to receive local and State public funds.

Failure to meet this September 1, 2023, deadline may lead to denial of registration. Denial or loss of registration can lead to the loss of system services, the loss of public funding for MVPL and the revocation of the library's charter.

When possible, WLS staff will continue to provide support to MVPL staff and board members during this process. Most of the activities that need to be accomplished are outside of the purview of WLS and are within the control of the MVPL staff and board.

WLS Trustee Institute – “Understanding Mass Communication and Today’s Challenges”

“Understanding Mass Communication and Today’s Challenges” is the theme of the WLS Trustee Institute on Thursday, July 20, 2023. A light supper will be served at 6 PM followed by the presentation. This is an in-person event designed to help library directors and trustees to:

- Deal with controversial issues and disruptive behavior
- Effectively respond to crisis and reputation management issues
- Prepare for future challenges

Key take-aways from the event include:

- How to prepare for a crisis – before it becomes a crisis
- Understand core components of good policy and how policies help define the communication actions taken in a crisis

This presentation will be facilitated by representatives from the Harrison Edwards Crisis Communications Team: Lisa Buchman, Executive Vice President and Adam Brill, Sr., Communications Director.

There is no charge to attend the event, but space is limited. Register to attend at <https://westchesterlibraries.evanced.info/signup/EventDetails?EventId=6856>.

Information Technology (IT) Services

After an extensive search, two qualified individuals that bring a strong blend of technology and people skills are scheduled to join the IT team in July. The recruitment process included job postings promoted on the WLS website, through social media and on Indeed.com. The new team members will provide direct support of services provided to libraries as part of the Service Level Agreements (SLA). Filling these open positions will enable the IT department to better align staff skill sets with the evolving requirements of technology trends and the needs of libraries today and tomorrow.

Current IT services will be reviewed in the upcoming weeks and new service options may be explored as part of the process of developing the 2024 SLA. All existing services are expected to continue to be provided in 2024.

Training remains an important discussion at PLDA (Public Library Directors Association) and PLDA technology committee meetings. The need to have trained staff has become evident as innovative technologies and software are introduced. New options to develop staff skills will be tested and implemented over the next few months. Regional and local training sessions are being considered following requests from several libraries.

Public Innovation and Engagement (PIE) | Outreach Highlights - June 2023

RECONNECT WITH TECH

WLS's reentry-directed digital equity program - Reconnect with Tech - will have 6 cohorts this year. This is an increase in the number of cohorts originally planned, made possible by some careful stewardship of our funds, and applying what we've learned to date. These additional cohorts will help us reach our goal of serving up to 120 formerly incarcerated individuals. The Department of Corrections, WEOC, FSW and other local organizations are excited to continue collaborating with us.



Our reentry coordinator, Linda Smith, has registered 90 individuals for the program as of this June. Linda's role in the project includes confirming the ability of individuals to attend, securing reliable transportation when needed, addressing participant concerns, and setting expectations. 60 registrants have attended the program, with 50 individuals completing the full 15 hours. This kind of drop-off is expected in adult education programming- especially with so many participants living in shelters. Still, our better than 50% completion rate is a notable success.

We've had a couple of success stories from students who have finished the program. One student from the first cohort was approached by the STEM Alliance to apply to be a tech assistant. More recently, another student who completed the program has started working as a custodian at a library in Westchester. We hear about these successes when students reconnect with Linda; this happens because she continues to provide resource navigation once participants have completed the program. They can reach her by using the same phone number for registration: 914-467-8017.

OUTREACH EVENTS

- **White Plains Pride.** On June 4th, Westchester Library System joined forces with the White Plains Public Library for the annual PRIDE event held in downtown White Plains.



The event proved to be a tremendous success, attracting more than 7500 attendees, with more than 650 individuals actively interacting with staff members from both White Plains and WLS. A noteworthy aspect of the event was the distribution of 70 books, including titles from ALA's Office of Intellectual



Freedom's most challenged books of 2022, with a

special focus on promoting awareness about LGBTQIA+ issues and perspectives. This initiative served to foster inclusivity, educate the community, and encourage dialogue surrounding LGBTQIA+ topics.

PARTNERSHIP

- **Senior Law Day Collaborative.** The English-Spanish simulcast series concluded in May, marking the end of a successful test run of live-translation programming. Recordings of all events from the series are now available on the web site and will be actively promoted throughout the year.

Following the conclusion of the simulcast series, we jumped back into our regular biweekly webinars. One notable webinar, "Myths and Realities of Asking for Help in 2023: A Presentation in Honor of World Elder Abuse Awareness Day" served as a captivating kickoff for the new schedule. Panelists from Family Services of Westchester, Pace Women's Justice Center, Adult Protective Services, and the Westchester's District Attorney's Office joined forces to shed light on the process of addressing elder abuse; Outreach's Krishna Brodigan served as the moderator. Overwhelming feedback to the webinar proved that the subject matter and case study left a lasting impression on participants. The information presented during the session inspired many attendees to take meaningful action, furthering the cause of raising awareness about elder abuse and encouraging individuals to seek assistance when needed.

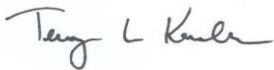


- **Battle of the Books (BoB).** WLS has been working in collaboration with the BoB board and has purchased books for both the grade 4-7 and the grade 6-12 teams to fulfill the remaining identified need. The books will be distributed to the requesting libraries upon arrival. WLS has hosted and assisted in the scheduling of several informational meetings throughout May & June. Dana Hysell (Outreach Services Specialist) is also working closely with the Board as she has been asked to serve as the "teen question expert" at this year's in-person battle in October. She has met with the BoB Board President to offer feedback and ideas for new outreach strategies for future year's battles.

PROFESSIONAL DEVELOPMENT FOR LIBRARY STAFF:

- **Renovating for the Missing Patron.** 30 participants (librarians, library staff, directors) joined NYU professor David Vinjamuri for a 3-hour workshop on planning our library spaces to meet the hidden needs of our patrons- particularly the unexpressed needs of community members who are often steamrolled by more vocal library users. Participants from WLS and RCLS learned strategies to analyze their patron behavioral patterns to think critically about redesigning library spaces. We would like to provide this training again for trustees, as David's examples highlighted the importance of looking beyond our own assumptions and using data to drive planning.

Sincerely,

A handwritten signature in black ink that reads "Terry L Kirchner". The signature is written in a cursive style with a large initial 'T' and a distinct 'K'.

Terry L. Kirchner, PhD
Executive Director