

**TOWN OF WATERFORD
GENERAL FUND
2023 - 2024 PROPOSED BUDGET**

DEPT/AGENCY:

10136

WATERFORD PUBLIC LIBRARY

LINE ITEM	DESCRIPTION	2021/2022 ACTUAL EXPENDED	2022/2023 RTM APPROP.	2022/2023 ADDITIONAL/ TRANSFERS	ACTUAL EXPEND & ENCUMB AS OF 1/1/23	2023/2024 DEPT/ AGENCY REQUEST	2023/2024 APPROVED BD/COMM (12/12/22)	2023/2024 RECOMMENDED BD OF SELECTMEN (2/1/23)	2023/2024 RECOMMENDED BD OF FINANCE (3/1/23)	BOF Approved \$ Increase	BOF Approved % Increase
PERSONNEL COSTS											
51110	ADMINISTRATION	94,457	94,461		48,476	96,212	96,212	96,212	96,212	1,751	1.85%
51210	CLERICAL/TECHNICAL	670,449	699,135		333,040	693,918	693,918	693,918	693,918	(5,217)	-0.75%
51220	CUSTODIAL-MAINTENANCE	81,211	85,843		41,512	87,131	87,131	87,131	87,131	1,288	1.50%
51810	OVERTIME	6,215	250		0	250	250	8,250	8,250	8,000	3200.00%
51910	FRINGE BENEFITS	2,620	0		0	0	0	0	0	0	0.00%
51920	FICA	62,166	67,296		30,948	67,130	67,130	67,130	67,130	(166)	-0.25%
	SUBTOTAL	917,118	946,985	0	453,976	944,641	944,641	952,641	952,641	5,656	0.60%
SERVICES											
52020	POSTAGE	330	325		176	366	366	366	366	41	12.62%
52040	SERVICE CONT & REPAIRS	2,160	0		0	0	0	0	0	0	0.00%
52070	REIMBURSABLE EXPENSE	716	690		208	830	830	830	830	140	20.29%
52090	FUEL OIL								0	0	0.00%
52100	ELECTRICITY								0	0	0.00%
52110	WATER								0	0	0.00%
52120	SEWER								0	0	0.00%
	SUBTOTAL	3,206	1,015	0	384	1,196	1,196	1,196	1,196	181	17.83%
MATERIALS & SUPPLIES											
53010	OFFICE SUPPLIES	3,997	3,750		3,007	4,000	4,000	4,000	4,000	250	6.67%
53020	OTHER SUPPLIES	2,907	3,725		1,726	4,000	4,000	4,000	4,000	275	7.38%
	SUBTOTAL	6,904	7,475	0	4,733	8,000	8,000	8,000	8,000	525	7.02%
EQUIPMENT											
54160	BOOKS/RELATED MATERIAL	44,999	44,000		43,999	45,000	45,000	45,000	45,000	1,000	2.27%
	SUBTOTAL	44,999	44,000	0	43,999	45,000	45,000	45,000	45,000	1,000	2.27%
	DEPARTMENT TOTAL	972,227	999,475	0	503,092	998,837	998,837	1,006,837	1,006,837	7,362	0.74%

**TOWN OF WATERFORD
FY2024 BUDGET REQUEST**



DEPARTMENT: Waterford Public Library

WATERFORD PUBLIC LIBRARY, INC. BUDGET

**THE WATERFORD PUBLIC LIBRARY, INC.
501c3 Account**

FY2024 Budgeted Library Support

Auditor	\$4,500
Books & materials	\$80,047
Building equipment & supplies	\$2,000
Dues, conferences, education	\$2,500
Furniture & building improvements	\$2,500
Innovation & Miscellaneous	\$1,000
Insurance	\$191
Office equipment & supplies	\$4,500
On-line subscriptions	\$27,000
Programs & community relations	\$11,000
Public copier lease & fees	\$3,800
Special Projects	\$2,500
TOTAL EXPENDITURES	\$141,538

FUNDS ANTICIPATED FY2023 **\$169,471**

FUNDS APPROPRIATED FY2022/FUNDS RECEIVED FY2022 **\$142,043/\$70,000**

TOWN OF WATERFORD
FY2024 BUDGET REQUEST
DEPARTMENT: Waterford Public Library



GRANTS RECEIVED

In FY2022, the Library received the following programming grants:

Name of Grant	Funder	Amount	Purpose
ALA NEH ARP Grant	American Library Association	\$10,000	All Are Welcome @WPL diverse summer youth programming grant
ARPA Grant	CT State Library	\$17,367	To support COVID safe library initiatives including technology and PPE.
Children's STEAM Grant	Waterford Rotary	\$500	To support science, technology, engineering, art & mathematics programs for children.
Community Conversations Grant	American Library Association	\$3,0000	To support "Talk About Town Waterford" conversation series
CT Humanities Quick Grant	CT Humanities	\$1,834.04	To support "Great Decisions: Global Topics for Local Discussion" program series.
Let's Talk About It: Women's Suffrage Grant	American Library Association	\$1,000	To support book discussion series on women's suffrage movement in the U.S.
New England Small & Rural Libraries Grant	Association of Rural & Small Libraries	\$4,700	Citizen Science grant to support the creation of a circulating collection and programming support for science based activities
Public Library Grant	Turn to the Wonderful Foundation	\$500	To support library service for underserved populations.
		\$38,901.04	

CURRENT INITIATIVES

Presently, the library's trust is providing funding to replace the carpeting on the library's mezzanine.

Staff is working on the following grant proposals:

A submission to the Community Foundation of Eastern CT to fund a youth collection of Spanish language and bilingual materials including, print, audio and new Vox and/or Wonderbooks. This initiative will be supported with bilingual programming for children and parents/caregivers.

The development of a 1,000 books before kindergarten early literacy support reading program.

In May, the library will be celebrating its 100th anniversary. Beginning in January we will be celebrating this anniversary with book displays and special programs culminating with a planned outdoor library fair on the library's side lawn in May.

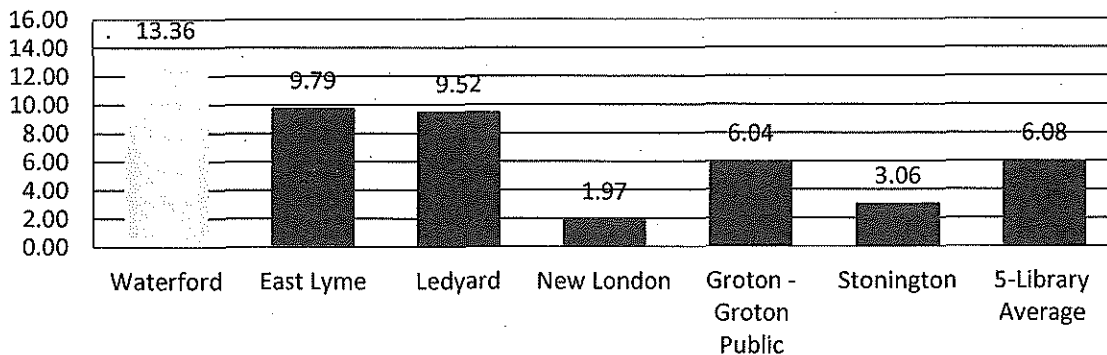
Long-term, the library is seeking grant funds to provide ADA elevator access to all three levels of our building and to update the lower level restrooms to make them accessible.

Thank you for your attention to this report.

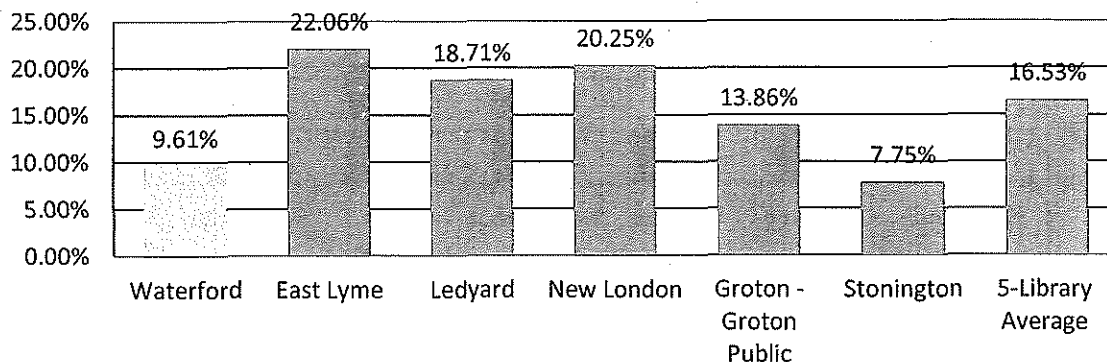
TOWN OF WATERFORD
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DEPARTMENT: Waterford Public Library



Children's & YA Circulation Per Capita, FY2021
 (using a population of under age 18 only)

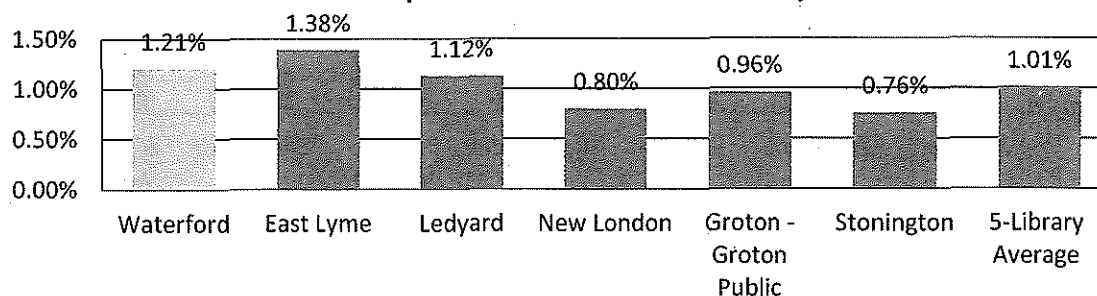


E-Book Circulation as a % of All Book Circulation, FY2021



Community Commitment Index, FY2021

A measure of a community's financial commitment to the library,
 dividing the library's total operating expenditures by the total
 municipal revenue of the town or city.

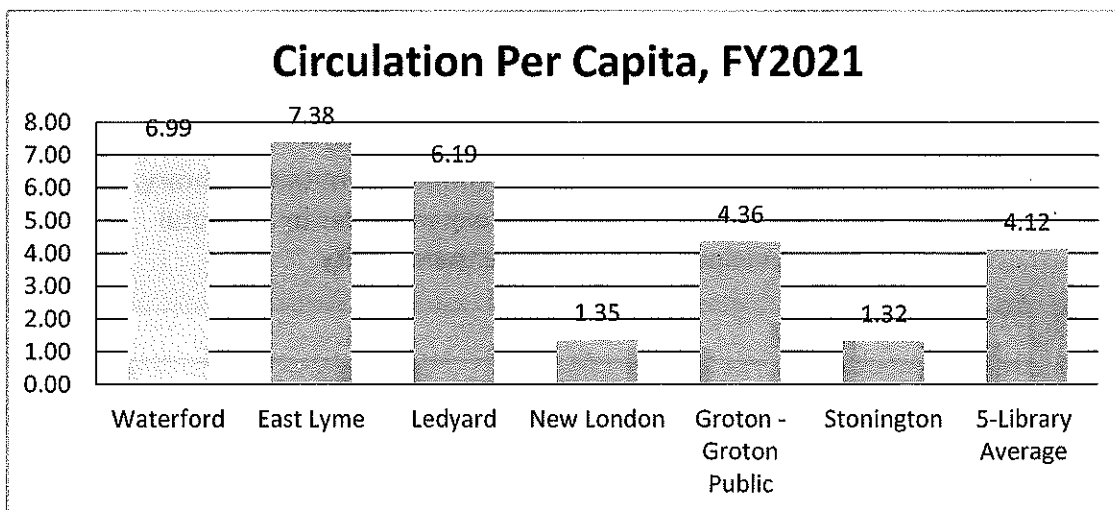
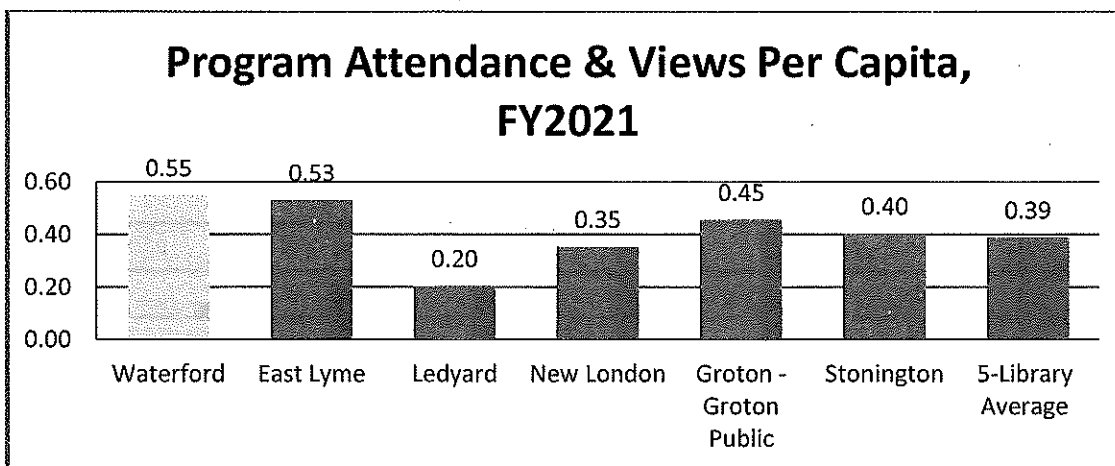
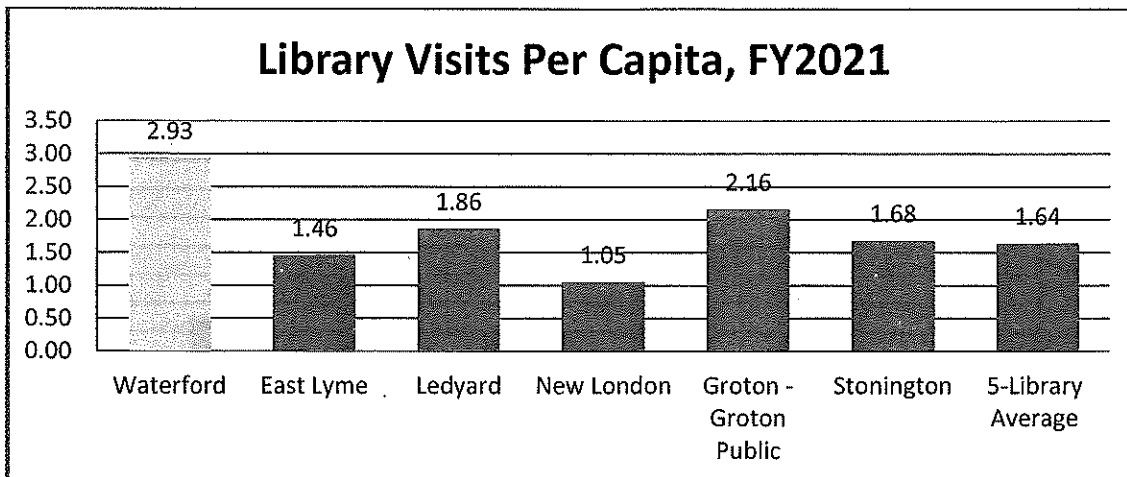


TOWN OF WATERFORD FY2024 BUDGET REQUEST

DEPARTMENT: Waterford Public Library



CT STATE LIBRARY STATISTICAL COMPARISON CHARTS FOR FISCAL YEAR 2021*



*Latest data available, will provide updated data once it is released in January

TOWN OF WATERFORD
FY2024 BUDGET REQUEST
DEPARTMENT: Waterford Public Library



ADULT QUESTIONS	15,210	14,203	7%
CHILDREN'S QUESTIONS	2,925	3,592	-19%
CIRCULATION DESK QUESTIONS	9,464	6,692	41%
WIFI LOGINS	19,723	10,560	87%
COMPUTER USE			
ADULT	5,190	4,000	30%
CHILDREN	1,011	89	1036%
INTERLIBRARY LOAN			
TO WATERFORD			
GPL, MN, BILL	4,933	6,947	-29%
OTHER LIBRARIES	758	569	33%
TOTAL	5,691	7,516	-24%
FROM WATERFORD			
GPL, MN, BILL	3,722	5,058	-26%
OTHER LIBRARIES	574	336	71%
TOTAL	4,296	5,394	-20%
CUSTOMER DOOR COUNT	82,368	57,204	44%
borrowIT (C-Card) CIRCULATION	37,047	33,243	11%
PROGRAMS			
ADULT			
SESSIONS	239	134	78%
ATTENDANCE	3,106	1,538	102%
CHILDREN			
SESSIONS	207	148	40%
ATTENDANCE	8,410	4,062	107%
TEEN			
SESSIONS	26	22	18%
ATTENDANCE	298	224	33%
LIBRARY CARD REGISTRATION	1,077	724	49%
COMMUNITY USE OF MEETING ROOMS	306	0	n/a

TOWN OF WATERFORD

FY2024 BUDGET REQUEST

DEPARTMENT: Waterford Public Library



FY2022 ANNUAL STATISTICS

		FY2022	FY2021	% CHANGE
CIRCULATION	ADULT	96,865	90,994	6%
	CHILDREN	47,227	41,701	13%
	TEEN	3,384	3,752	-10%
	TOTAL	147,476	136,447	8%
ADULT	BOOKS	57,946	55,789	4%
	MAGAZINES	1,708	1,555	10%
	VIDEOS	10,573	11,141	-5%
	BOOKS-on-CD	2,211	2,215	0%
	PLAYAWAY	962	898	7%
	MUSIC CDs	1,360	1,344	1%
	MUSEUM PASSES	133	43	209%
	DOWNLOADS	21,463	17,706	21%
	GAMES/LAUNCHPADS	440	303	45%
	EQUIPMENT/HOTSPOTS	69	N/A	N/A
	TOTAL	96,865	90,994	6%
CHILDREN	BOOKS	43,806	38,740	13%
	MAGAZINES	98	106	-8%
	VIDEOS	2,326	2,004	16%
	AUDIOBOOKS	675	545	24%
	MUSIC CDs	322	306	5%
	TOTAL	47,227	41,701	13%
TEEN	BOOKS	3,384	3,752	-10%
DOWNLOADS	E-BOOKS	10,748	9,970	8%
	E-AUDIOBOOKS	8,248	6,247	32%
	E-MAGAZINES	1,321	659	100%
	E-VIDEOS	1,105	804	37%
	E-MUSIC	41	26	58%
	TOTAL	21,463	17,706	21%
CHECK-INS		113,732	105,229	8%
WEBSITE HITS		61,830	63,434	-3%
ONLINE SEARCHES		3,068	1,208	154%

**TOWN OF WATERFORD
FY2024 BUDGET REQUEST**



DEPARTMENT: Waterford Public Library

2022 YEAR AT-A-GLANCE / ANNUAL STATISTICS



WATERFORD
public library

Discovery begins here.

**2022 YEAR
AT A GLANCE**

147,476

Total Items Borrowed

21,463

Digital Downloads

472

Programs

11,814

Attended/Participated

306

Meetings Hosted

**41 Different Grab & Go Kits & Crafts
distributed to 3,430 patrons**

7,087

Active Cardholders

6,201

Public Computer
Sessions

82,368

Library Visits



Over
27,500
Questions
Answered

www.waterfordpubliclibrary.org
61,830 Website Visits

**888 E-News Subscribers
2,500 Facebook Likes
699 Instagram Followers**



TOWN OF WATERFORD
FY2024 BUDGET REQUEST
DEPARTMENT: Waterford Public Library



REVENUE NARRATIVE

The library suspended all accrual and collection of overdue fines in March of 2020 due to the COVID-19 shutdown and ongoing pandemic service interruptions.

At the Annual Meeting of the Library Board of Trustees on July 12, 2022, a new fines policy was approved to eliminate most categories of fines with the exception of the following high demand categories of materials:

Materials Types	Description	Daily Fine	Maximum Fine
Red Hot Reads	7 Day Loan Bestsellers	25 cents	\$5.00
Red Hot DVDs	3 Day Loan New Films	50 cents	\$5.00
Museum Passes	Free or discounted access to area museums	\$5.00	\$25.00
Wi-Fi Hotspots	Free access to internet for up to 5 devices	\$5.00	\$25.00

Borrowers remain responsible for the replacement cost of any lost or damaged materials. An item is considered lost after it is one month overdue. Lost items that are returned will have the replacement cost waived, minus fines accrued for the above-specified categories.

In recent years, libraries, both large and small, throughout the United States and Canada have been going "fine free" in support of enabling greater access and equity. Studies have shown that fines impact more heavily those who are least likely to be able to afford to pay them. Often children and teens are the ones to lose access to library materials either due to fine accumulation or a parent or guardian's fear of fine accumulation. As of November of 2022, a total of 117 public library locations in CT are now mostly or fully fine free.

On November 1, our library introduced this new fine structure. As we only have a few weeks of data upon which to base our revenue estimates for FY2024, we are conservatively estimating approximately \$20 in fines collection each week.

TOWN OF WATERFORD FY2024 BUDGET REQUEST



DEPARTMENT: Waterford Public Library

REVENUE PROJECTION

TOWN OF WATERFORD PROPOSED REVENUE BY DEPARTMENT GENERAL FUND 2023-2024 FISCAL YEAR

All revenues from each department must be listed in the following categories. Please add any revenue lines that are not listed below.

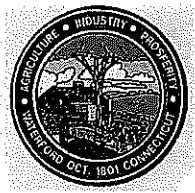
DEPARTMENT: Library

LINE ITEM	2020-2021 ACTUAL	2021-2022 ACTUAL	2022-2023 YTD	2023-2024 PROPOSED	VARIANCE
Alarm Monitoring					0
Alarm Penalties					0
Ambulance Subsidy					0
Beach Admission Fees					0
Benefit Assessments					0
Bulky Waste Fees					0
Conveyance Tax					0
Copy Fees					0
East Lyme Animal Control Fee					0
Enhanced E 9-1-1					0
Fines/Penalties					0
Hazardous Household Waste					0
Inspection Fees					0
Interest/Lien Fees					0
Inter-Municipal Revenues					0
Library Fines	\$0.00	\$0.00	\$39.35	\$1,050.00	\$1,010.65
Miscellaneous					0
Permitting/Licensing Fees					0
Program/Registration Fees					0
Recording Fees					0
Regional Communications Fees					0
Rentals					0
Sale of Recyclables					0
State Operational Grants					0
Tipping Fees					0
Versa Kart/Blue Box Purchases					0
TOTALS	\$0.00	\$0.00	\$39.35	\$1,050.00	\$1,010.65

TOWN OF WATERFORD

FY2024 BUDGET REQUEST

DEPARTMENT: Waterford Public Library



DATE OF HIRE	EMPLOYEE	HOURS WORKED/ WEEK	HOURLY RATE FY24	SALARY 2022/2023	SALARY 2023/2024	LONGEVITY FY24	TOTAL EMPLOYEE SALARY	PAYR(TAXES (F.I.C.A)
09/23/2019	PT Information /Reference Assistant - Adult	15	\$25.4469	\$19,476.60	\$19,848.60	N/A	\$19,848.60	\$1,518.42
08/20/12	PT Technician I	16	\$24.9446	\$20,317.44	\$20,753.92	N/A	\$20,753.92	\$1,587.67
08/07/2017	PT-Technician I	12	\$22.0488	\$13,465.92	\$13,758.48	N/A	\$13,758.48	\$1,052.52
11/25/22	PT-Technician I	12	\$19.3502	\$11,899.68	\$12,074.52	N/A	\$12,074.52	\$923.70
04/25/2022	PT-Library Page I	6	\$15.0000	\$4,368.00	\$4,680.00	N/A	\$4,680.00	\$358.02
05/17/2022	PT-Library Page I	6	\$15.0000	\$4,368.00	\$4,680.00	N/A	\$4,680.00	\$358.02
09/26/2022	PT-Library Page I	6	\$15.0000	\$4,094.00	\$4,680.00	N/A	\$4,680.00	\$358.02
VACANT	PT-Library Page I	6	\$15.0000	\$4,094.00	\$4,680.00	N/A	\$4,680.00	\$358.02
	TOTALS			\$683,719.14	\$689,462.76	\$4,454.67	\$693,917.43	\$53,084.68
51220 - CUSTODIAL MAINTENANCE								
09/14/2015	Buildings & Grounds Manager	40	\$31.0700	\$62,494.40	\$64,625.60	N/A	\$64,625.60	\$4,943.86
06/21/2001	PT-Custodian II	3	\$26.8406	\$4,187.13	\$4,187.13	N/A	\$4,187.13	\$320.32
02/15/2022	PT-Custodian II	17	\$20.7223	\$17,871.08	\$18,318.52	N/A	\$18,318.52	\$1,401.37
	TOTALS			\$84,552.61	\$87,131.25	\$0.00	\$87,131.25	\$6,665.54
51810 - OVERTIME								
				\$250.00	\$250.00	\$0.00	\$250.00	\$19.13
	FRINGE F.I.C.A.							\$0.00
	TOTALS			\$864,734.24	\$873,056.50	\$4,454.67	\$877,511.16	\$67,129.60
	BUDGET TOTAL F.I.C.A						944,640.77	

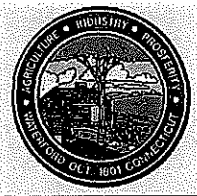
WORKDAYS
2023/2024

260

WEEKS TO BUDGET

52

TOWN OF WATERFORD FY2024 BUDGET REQUEST



DEPARTMENT: Waterford Public Library

PERSONNEL WORKSHEET

TOWN OF WATERFORD PERSONNEL WORKSHEET - 36 WATERFORD PUBLIC LIBRARY 2023-2024 FISCAL YEAR

								LINE 51920
DATE OF HIRE	EMPLOYEE	HOURS WORKED/ WEEK	HOURLY RATE FY24	SALARY 2022/2023	SALARY 2023/2024	LONGEVITY FY24	TOTAL EMPLOYEE SALARY	PAYROLL TAXES (F.I.C.A)
51110 - ADMINISTRATION								
12/14/2020	Library Director	40	\$46.2560	\$96,212.48	\$96,212.48	N/A	\$96,212.48	\$7,360.25
	TOTALS			\$96,212.48	\$96,212.48	\$0.00	\$96,212.48	\$7,360.25
51210 - CLERICAL TECHNICAL								
09/15/2008	Dept Head Adult services	40	\$35.1765	\$73,167.12	\$73,167.12	\$1,097.51	\$74,264.63	\$5,681.24
08/15/2022	Department Head - Youth Services	40	\$32.6923	\$67,999.88	\$67,999.88	N/A	\$67,999.88	\$5,201.99
06/28/2007	Department Head - Technical & Circulation Services	40	\$38.6910	\$80,477.28	\$80,477.28	\$1,207.16	\$81,684.44	\$6,248.86
10/27/97	Technical/Department Assistant, Adult & Technical & Circulation Services	40	\$31.9158	\$66,384.76	\$66,384.76	N/A	\$66,384.76	\$5,078.43
05/30/2006	Secretary II	35	\$31.1863	\$56,759.07	\$56,759.07	350.00	\$57,109.07	\$4,368.84
04/04/2022	Information/Reference & Technical Assistant – Children's Services	35	\$24.0450	\$42,205.80	\$43,761.90	N/A	\$43,761.90	3,347.79
03/09/1992	Technician II	35	\$28.2926	\$51,492.53	\$51,492.53	\$600.00	\$52,092.53	\$3,985.08
11/22/1993	Technician II	35	\$28.2926	\$51,492.53	51,492.53	\$600.00	\$52,092.53	\$3,985.08
01/04/1988	Technician II	35	\$28.2926	\$51,492.53	\$51,492.53	\$600.00	\$52,092.53	\$3,985.08
10/31/22	PT Tech I - Graphics	14	\$19.3773	\$13,882.96	\$14,106.68	N/A	\$14,106.68	\$1,079.16
10/17/22	PT Information/Reference Assistant - Adult	22	\$23.5708	\$26,529.36	\$26,964.96	N/A	\$26,964.96	\$2,062.82
08/09/21	PT Information/Reference Assistant - Children's Services	16	\$24.2885	\$19,751.68	\$20,208.00	N/A	\$20,208.00	\$1,545.91

TOWN OF WATERFORD
FY2024 BUDGET REQUEST
DEPARTMENT: Waterford Public Library



54160 BOOKS/RELATED MATERIAL

\$45,000

This line item is the town's contribution, approximately 30% of the total planned FY2024 expenditure, for the purchase of the following items:

- Books, DVDs, audio books (mp3 and on CD), magazines, newspapers, music CDs, puzzles and video games for adults, children and teens.
- The library now offers Wi-Fi hotspots and CD players for check-out.
- *Coming Soon*: New grant-funded *Citizen Science* collection including a telescope, microscope, metal detectors and MOBY kits for children and families to explore "My Own Backyard."
- Access to: downloadable e-books, e-magazines, e-audio books, streaming videos and streaming music for adults, children and teens.
- Online resources include: *Ancestry*, *Bookflix* (Scholastic e-books for grades K-3), *hoopla* (movies, TV, music and more), *JobNow* (resume writing, test prep, career resources), *Kanopy* (film streaming including documentaries, the Great Courses, and international films), *Overdrive* (downloadable e-books and e-audiobooks using the *Libby* app), *Transparent Language*, *TrueFlix* (Scholastic e-books for grades 3-6), and *Tumblebooks* (animated picture books for children).

The library's professionally trained staff continually monitors how the collections are used and looks for new formats, collections and resources to ensure that the community has what it wants and needs. Each year a larger percentage of this budget is allocated for e-content. This investment was especially beneficial to Waterford cardholders who were able to access quality content online from the safety of their homes during the ongoing pandemic.

Monies are spent on high-demand subjects, best sellers and new books, DVDs, audio books and new formats and collections. Expenditures are reduced or eliminated on categories of minimal use or interest. Similarly, the library continues to review its purchases of materials in response to the availability of information online through either the Internet or statewide and proprietary databases.

The library continues to focus on resource sharing with our local library partners at Groton Public Library, Mystic & Noank Library and Bill Memorial Library. Books and other library materials available at these libraries are shipped to Waterford within a few days of online requests. Library materials from the collections of hundreds of public, academic, school, and special libraries across the State can be requested, picked up and returned to Waterford, thanks to the state-funded interlibrary loan system comprised of *BorrowIT* (formerly Connecticard) and *Deliver It!* (formerly Connecticar). Additionally, Waterford customers can use their library cards in any of the 192 public libraries throughout Connecticut. The cooperation among libraries and the vast interlibrary loan network in Connecticut greatly expands what an individual library can offer its customers and accounts for savings to a library's materials budget.

The library's goal is to be as responsive as possible to the public while operating in an efficient and cost effective manner. The library Board partners with the town and will continue to fund over 70% of the total library books, materials and services purchased. In FY2023, we reduced this line item by \$1,000, we have increased our request back to \$45,000, which is the amount that the Town has funded since 2010. With rising inflation, this amount funds about 30% fewer items than it did in 2010.

Expended FY2022 - \$44,999

Expended FY2021 - \$45,000

Expended FY2020 - \$45,000

TOWN OF WATERFORD
FY2024 BUDGET REQUEST
DEPARTMENT: Waterford Public Library



BUDGET EXPLANATIONS BY CATEGORY (CONTINUED)

52020 POSTAGE

\$366

Postage costs include:

- In FY22, we mailed 609 pieces comprised of 334 overdue notices and 275 pieces of library business mail (bill payments, etc.). At this point 95% of our overdue notices are transmitted via email. We are continuing to collect email addresses from the small minority of library patrons who have yet to provide us with one, but as we know, not everyone is digital.
- To date, in FY23, we have mailed 193 pieces of mail, 157 of which are overdue notices.
- For FY24, we are anticipating mailing 610 pieces at the new rate of 60 cents.

Expended FY2022 - \$330

Expended FY2021 - \$324

Expended FY2020 - \$347

52070 REIMBURSABLE EXPENSE

\$830

This line item is used to reimburse the building and grounds manager for work-related mileage, i.e., trips to the Quaker Hill book drop, vendors, courier runs, etc. Mileage for the last three years has averaged 1,167/year. However, for much of that time, our Quaker Hill book drop was closed due to COVID restrictions. For the first quarter of FY23, 332 miles have been logged. Therefore, for FY2024, we are anticipating 1,328 miles using the current federal reimbursement rate of 62.5 cents, to calculate our requested amount of \$830.

Expended FY2022 - \$716

Expended FY2021 - \$632

Expended FY2020 - \$656

53010 OFFICE SUPPLIES

\$4,000

This line item covers library-specific office supplies, which include vendor pre-processing of books, item and customer barcodes, spine labels, repair tape, book covers, video and audio jewel cases, and receipt paper for the circulation desk and self-check station. With the library's membership in a cooperative for purchasing library supplies at discounted prices, the support of the town's purchasing agent and streamlined processes and procedures, we have been able to maintain this line item at the current level for the last fourteen budgets. Our vendors have increased the processing cost per book by 35 cents, which is a 39% cost increase, therefore we are increasing our request by \$250 over FY23.

Expended FY2022 - \$4,000

Expended FY2021 - \$3,957

Expended FY2020 - \$4,000

53020 OTHER SUPPLIES

\$4,000

Items purchased in this line item include consumables and cleaning products of all types including paper products, furniture and carpet cleaners, stain removers, lawn and ground supplies, etc. As with everything else, we have seen an increase in costs for our basic supply needs. Our FY2024 request is \$275 higher than FY23.

Expended FY2022 - \$2,907*

Expended FY2021 - \$3,977

Expended FY2020 - \$3,954

*our FY2022 total is artificially low due to the request to suspend spending in April of 2022.

TOWN OF WATERFORD
FY2024 BUDGET REQUEST
DEPARTMENT: Waterford Public Library



BUDGET EXPLANATIONS BY CATEGORY

51000 SALARIES SERIES

Detailed information on salaries can be found in the *Personnel Worksheet* included in the packet. Personnel costs are calculated for a fiscal year with 260 working days (52 weeks) for FT staff. Calculations were made based on the RTM approved wage schedules in effect July 1, 2022. The minimum wage/library page rate reflects the state minimum wage.

We are committed to controlling personnel costs. We analyze staffing and usage patterns to make efficient and effective use of personnel at all levels. We re-evaluate all positions as staff members resign or retire, update job descriptions and replace staff only when necessary. Over the past several years, we eliminated positions, zeroed out the clerical and technical substitute budget, reclassified positions and reallocated duties and responsibilities. Additionally, cross training has enabled us to fill short-term gaps due to illness, vacation, attendance at off-site meetings, programs and professional development.

51110 ADMINISTRATION

\$96,212

This line reflects the compensation for the director based on the current non-union management professionals wage schedules.

51210 CLERICAL/TECHNICAL

\$693,918

This line reflects the compensation for professional librarians (MP) and clerical/technical staff (AS) – full time and regularly scheduled part-time staff, and library pages. Also included are longevity increases for six full-time employees. Seven part-time AS staff will receive annual half-step increases.

51220 CUSTODIAL/MAINTENANCE

\$87,131

This line includes the full-time building and grounds manager and two part-time custodians. These employees are responsible for cleaning and maintaining the library building, grounds, and mechanical systems and ensuring a safe, clean, sound, secure environment for customers and staff with increased sanitizing public and staff areas and workstations and periodic deep cleaning.

51810 OVERTIME/SUNDAY HOURS

\$250

Overtime support of \$250 is requested for maintenance and/or custodial work in case of a building, natural disaster, or weather related emergency. For FY2024, we will not be providing Sunday service.

51920 FICA

\$67,130

FICA has been calculated at 7.65%, per Board of Finance guidelines, and is included in the Personnel Worksheet – *Payroll Taxes*.

TOWN OF WATERFORD
FY2024 BUDGET REQUEST
DEPARTMENT: Waterford Public Library



BUDGET SUMMARY

TOWN OF WATERFORD
GENERAL FUND
2023 -2024

DEPT/AGENCY: WATERFORD PUBLIC LIBRARY

LINE ITEM	DESCRIPTION	2022/2023 DEPT/AGENCY REQUEST	2023/2024 DEPT/AGENCY REQUEST
PERSONNEL COSTS			
51110	ADMINISTRATION	94,461	96,212
51210	CLERICAL/TECHNICAL	699,135	693,918
51220	CUSTODIAL-MAINTENANCE	85,843	87,131
51810	OVERTIME-SUNDAY	250	250
51910	FRINGE BENEFITS	0	0
51920	FICA (7.65%)	67,296	67,130
SUBTOTAL		946,985	944,641
SERVICES			
52020	POSTAGE	325	366
52070	REIMBURSABLE EXPENSE	690	830
SUBTOTAL		1,015	1,196
MATERIALS & SUPPLIES			
53010	OFFICE SUPPLIES	3,750	4,000
53020	OTHER SUPPLIES	3,725	4,000
SUBTOTAL		7,475	8,000
EQUIPMENT			
54160	BOOKS/RELATED MATERIAL	44,000	45,000
SUBTOTAL		44,000	45,000
DEPARTMENT TOTAL		999,475	998,837

TOWN OF WATERFORD

FY2024 BUDGET REQUEST

DEPARTMENT: Waterford Public Library



Strategic Goals

The LIBRARY as PLACE

The Waterford Public Library serves as the destination place for people of all ages to find educational, informational and recreational materials that will enrich their lives. The Library provides a wide array of materials, programs, services and professional assistance and a safe, clean, comfortable, attractive environment for public and staff.

The LIBRARY as COMMUNITY

The Waterford Public Library is a customer-centric organization committed to providing the community with the collections, programs, and services it needs and wants. The Library through outreach and marketing effectively and efficiently communicates its mission.

The LIBRARY as PEOPLE

People in Waterford consistently receive high quality library service provided by well-trained, dedicated, knowledgeable and customer-oriented staff.

The LIBRARY as ENTERPRISE

The Waterford Public Library is committed to working with the Town of Waterford for the optimal operation of the library. The Library continually explores development opportunities to enhance Library programs and services and ensures that its policies and procedures reflect its mission, goals and values.

COLLECTION, PROGRAMS AND SERVICES

- A collection of over 80,000 items including books, movies, magazines, newspapers, non-fiction DVDs and documentaries, audio books, digital books and music CDs for adults, children and young adults
- Downloadable e-books, e-audiobooks, e-magazines, streaming videos and streaming music and online databases and resources: *Ancestry*, *BookFlix* (Scholastic e-books for grades K-3), *hoopla* (movies, TV, music and more), *FamilySearch*, *JobNow* (resume writing, test prep, career resources), *Kanopy* (film streaming service), *Overdrive/Libby* (downloadable e-audiobooks & e-books), *Transparent Language & kidspeak*, *TRUEflix* (Scholastic e-books for grades 3-6), and *Tumblebooks* (animated picture books)
- Reference service (aka 'help, problem solving, teaching, connecting') & readers' advisory for all ages
- 24/7 on-line reference and e-mail reference
- *Homebound Library Services* program, Interlibrary loan
- Public Access to computers with internet access, Microsoft Office applications, circulating Wi-Fi hotspots, indoor device charging station and two outdoor charging benches, Wi-Fi internet access and printing
- *Book-A-Tech*: one on one training and technology support; walk-in and by appointment
- Programming for all ages: including book and film discussions, lectures and author visits
- Story times for children; games, puzzles and toys for in-house use
- STEAM (Science, Technology, Engineering, Art & Math) programs for children and teens
- Teen section: Fiction, graphic novels, NUTMEG titles, and Teen Topics Non-fiction collection
- Large print collection, Travel books and videos, 'Great Courses' audio and video, Spanish language collection
- Museum passes, Art Exhibits
- Cooperative initiatives with Waterford Public Schools, Rec & Parks, Senior Services and Youth & Family Services as well as local area non-profits, including the Waterford Historical Society
- Booklists, bibliographies, special displays and merchandised collections
- Historical Collection (Waterford and New London County)
- Meeting rooms for use by community groups and organizations
- Open 6 days/64 hours each week from September to June (60 hours/week in July & August)

TOWN OF WATERFORD FY2024 BUDGET REQUEST

DEPARTMENT: Waterford Public Library



BUDGET FUNCTION

The Waterford Public Library is a town-owned and supported institution maintained for the benefit of the townspeople. By resolution of the Representative Town Meeting to the Town of Waterford, dated August 7, 1967, it was designated to be the *Principal Public Library* of the Town of Waterford. It is operated by the Board of Trustees of the Waterford Public Library, Inc. The Board of Trustees consists of twelve citizens of Waterford. The first selectman, the chair of the RTM Education Committee and the chair of the RTM Finance, Wage & Personnel Committee are ex-officio board members.

The Waterford Public Library is a non-partisan, non-sectarian institution dedicated to serving the public in the areas of education, information and recreation, making its services known and available to all.

The Waterford Public Library, Inc. is a nonprofit corporation with an endowment fund, the income of which is used toward the operation expenses of the Library, supplementing the annual appropriation of the Town. The board's contribution pays for the following:

- Approximately 65% of new physical library materials for all ages, including books, audio books (digital and on CD), DVDs, magazines, music CDs.
- Subscription access to e-books, e-audiobooks, e-magazines, streaming videos and music.
- Subscription access to online databases.
- All library programs for adults, children and teens, including related promotional materials.
- Furniture, equipment and building improvements, other than capital projects and repairs to building systems and infrastructure.
- Staff attendance at professional conferences, training workshops and continuing education.
- Dues and memberships in professional organizations.

Mission

The mission of the Waterford Public Library is to help citizens of Waterford enrich their lives through access to ideas, information and entertainment available from books as well as a variety of other sources. To this end the Library provides an array of materials, services and professional assistance, as well as a facility for the support of educational, civic and cultural activities.

FY2022 Highlights

As the pandemic stretched on, the library continued its careful delivery of services and programs in a safe and responsible manner. We offered many outdoor programs for all ages, when the weather permitted, to allow residents to gather safely. During the colder months, we offered in-person, online and hybrid access to adult programs. For children and teens, we continued to provide online and grab & go programs and activities. We offered two grant-funded series of programs: Thursday evening *Sunset Cinema* drive-in style films and Friday evening *al fresco* concerts on the library's side lawn. Over the winter months additional grant-funded programs including two online American Sign Language series: one for children, and one for teens, a *Great Decisions* foreign policy discussion series, a women's suffrage book discussion series, and a *Talk About Town Waterford* community conversation series.

We grew our monthly e-news subscriber list to its current level of over 1,000, we have 1,799 followers on Facebook and 792 on Instagram. We installed two outdoor charging benches to enable easier access to our Wi-Fi, and outdoor Adirondack chairs, funded by a local family's donations.

The library staff and trustees very much appreciate the ongoing support provided to the library for the benefit of town residents by the Town of Waterford.

TOWN OF WATERFORD
FY2024 BUDGET REQUEST
DEPARTMENT: Waterford Public Library



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Waterford Public Library Board of Trustees

Minutes of Meeting of 12 December 2022

1. President Rosenberg called the meeting to order at 6:02 p.m.

Trustees present: E. Boyce, L. Couture, N. Dragoli, C. Giordano, J. Lehet, J. Merrill B., J. Mullen, B. Pisacich, M. Wagner Also present, C. Johnson, Library Director. Not present: G. Ritter, A. Robarge.

With a quorum present virtually and in person the trustees of the Waterford Public Library addressed two issues.

The first was the FY2024 Trust Budget, that is, the amount of funds from the Endowment to supplement books, materials, programs and other special needs. As per our discussion at the Nov. 8, 2022 Board Meeting we agreed to transfer \$100,638, representing 3.25 % of the endowment.

The second item for discussion was the FY2024 Library's Town Budget Request. In approving the Budget Request document prepared by Director Christine Johnson, we requested the figure of \$998,837, which comes in less than the \$999,475 request FY2023. The reduced figure reflects some minor adjustment in staff.

The meeting was adjourned at 6:20 p.m.

Respectfully submitted,
Aaron Rosenberg, President of the Waterford Public Library Board
December 12, 2022

THE WATERFORD PUBLIC LIBRARY, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022

**(WITH SUMMARIZED COMPARATIVE FINANCIAL
INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)**

**TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT**

THE WATERFORD PUBLIC LIBRARY, INC.
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JUNE 30, 2022

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GS&B
GARVEY, STEELE & BANCROFT LLP
Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Waterford Public Library, Inc.
Waterford, Connecticut

Opinion

We have audited the accompanying financial statements of The Waterford Public Library, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets - modified cash basis as of June 30, 2022, and the related statements of revenues, expenses, and changes in net assets - modified cash basis, and statement of functional expenses - modified cash basis, for the year 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 assets, liabilities, and net assets of The Waterford Public Library, Inc. as of June 30, 2022, and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

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

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's 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 the auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute 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 in error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that,

FIRM FOUNDATION

INDEPENDENTLY OWNED MEMBER

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individually or in the aggregate, they would influence the judgement 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 The Waterford Public Library, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Waterford Public Library, Inc.'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.

Report on Summarized Comparative Information

We have previously audited The Waterford Public Library, Inc.'s 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated September 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Garry Stulz, Banevot rep
Mystic, Connecticut
October 3, 2022

THE WATERFORD PUBLIC LIBRARY, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
JUNE 30, 2022
(with summarized financial information for 2021)

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and cash equivalents	\$ 8,869	\$ 18,410
Total current assets	<u>8,869</u>	<u>18,410</u>
Investments		
Board designated endowment	<u>2,997,806</u>	<u>3,502,179</u>
Total investments	<u>2,997,806</u>	<u>3,502,179</u>
Non-current Assets		
Art collections	<u>55,600</u>	<u>55,600</u>
Total non-current assets	<u>55,600</u>	<u>55,600</u>
Total assets	<u><u>\$ 3,062,275</u></u>	<u><u>\$ 3,576,189</u></u>
 LIABILITIES AND NET ASSETS		
Net Assets		
Net assets without donor restrictions:		
Available for operations	\$ 58,055	\$ 72,660
Board designated endowment	<u>2,997,806</u>	<u>3,502,179</u>
Total net assets without donor restrictions	<u>3,055,861</u>	<u>3,574,839</u>
Net assets with donor restrictions	<u>6,414</u>	<u>1,350</u>
Total net assets	<u>3,062,275</u>	<u>3,576,189</u>
Total liabilities and net assets	<u><u>\$ 3,062,275</u></u>	<u><u>\$ 3,576,189</u></u>

See accompanying notes to the financial statements

THE WATERFORD PUBLIC LIBRARY, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(with summarized financial information for 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
SUPPORT AND REVENUE				
Grants	\$ -	\$ 39,711	\$ 39,711	\$ 7,894
Annual mailing appeal	28,779	-	28,779	26,687
Other fundraising	341	-	341	235
Contributions and bequests	14,439	380	14,819	24,026
Intergovernmental	15,152	-	15,152	19,154
Book sales and service	6,565	-	6,565	1,624
Investment income, net	30,422	-	30,422	31,695
(Loss) gain on investment	(494,530)	-	(494,530)	729,690
Miscellaneous	8,537	-	8,537	6,383
Net assets released from restriction:				
Satisfaction of time or purpose requirement	35,027	(35,027)	-	-
Total support and revenue	<u>(355,268)</u>	<u>5,064</u>	<u>(350,204)</u>	<u>847,388</u>
EXPENSES				
Program services	157,858	-	157,858	109,546
Management and general	4,491	-	4,491	4,091
Fundraising	1,361	-	1,361	1,010
Total expenses	<u>163,710</u>	<u>-</u>	<u>163,710</u>	<u>114,647</u>
Change in net assets	<u>(518,978)</u>	<u>5,064</u>	<u>(513,914)</u>	<u>732,741</u>
Net assets, beginning	3,574,839	1,350	3,576,189	2,843,448
Net assets, ending	<u>\$ 3,055,861</u>	<u>\$ 6,414</u>	<u>\$ 3,062,275</u>	<u>\$ 3,576,189</u>

See accompanying notes to the financial statements

THE WATERFORD PUBLIC LIBRARY, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(with summarized financial information for 2021)

	Program Services	Management and General	Fundraising	Total 2022	Total 2021
Accounting	\$ -	\$ 4,300	\$ -	\$ 4,300	\$ 3,900
Occupancy	2,777	-	-	2,777	4,557
Conferences	2,638	-	-	2,638	1,719
Insurance	-	191	-	191	191
Books and library materials	73,316	-	-	73,316	69,812
Online resources	22,571	-	-	22,571	9,982
Public relations	13,001	-	-	13,001	10,799
Grant expense	34,647	-	-	34,647	6,469
Office supplies	4,002	-	-	4,002	1,727
Miscellaneous	3,716	-	-	3,716	3,356
Museum passes	1,190	-	-	1,190	1,125
Fundraising	-	-	1,361	1,361	1,010
Total expenditures	\$ 157,858	\$ 4,491	\$ 1,361	\$ 163,710	\$ 114,647

See accompanying notes to the financial statements

THE WATERFORD PUBLIC LIBRARY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Waterford Public Library, Inc. (the Library) was formed to establish and perpetually maintain a free public library for the benefit of the inhabitants of the Town of Waterford, and to promote all the purposes which usually appertain to such libraries.

Basis of Accounting and Presentation

The financial statements of the Library have been prepared on the modified cash basis of accounting. Revenues are recognized when received and expenses are recognized when paid. Contributions of collections are recognized at fair market value when gifted.

Use of Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on information available at the time the financial statements are prepared. Actual amounts or results could differ from these estimates.

Reclassifications

Certain reclassifications and adjustments have been made to the financial statements of the prior year in order to conform to the current year presentation. These reclassifications have no effect on previously reported net income or total net assets.

Net Asset Categories

To ensure observance of limitations and restrictions placed on the use of resources available to the Library, the accounts of the Library are maintained in the following net asset categories:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by the Board of Trustees (the Board).

- *Board designated endowment* – The Board has designated a portion of net assets without donor restrictions that represents the market value of the Library's endowment fund to emphasize that this portion of net assets without donor restrictions is available for current operations only to the extent that is set forth in the annual budget, subject to the endowment investment spending policy. See *Note 4* for more detail on the Library's board designated endowment.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by the actions of the Library and/or the passage of time, or which may be perpetual. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and is reported in the Statement of Revenues, Expenses, and Changes in Net Assets – Modified Cash Basis as net assets released from restrictions. See *Note 5* for more detail on the Library's net assets with donor restrictions, which primarily consist of unspent contributions.

Prior Year Summarized Financial Information

The financial statements include certain prior year summarized financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting. Accordingly, such information should be read in conjunction with the Library's audited financial statements as of and for the year ended June 30, 2021, from which the summarized information was derived.

THE WATERFORD PUBLIC LIBRARY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Liquidity

Assets are presented in the accompanying Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid debt instruments with maturities of three months or less at the date of purchase. This policy does not apply to funds with donor-imposed restrictions. The Library maintains cash balances at one financial institution and such deposits may, at times, exceed federal depository insurance limits.

Property and Equipment

Property and equipment acquisitions which exceed \$1,000 become the property of the Town of Waterford. The Library expenses as program services all acquisitions less than \$1,000. Maintenance and repairs are charged to expense as incurred.

Art Collections

As of July 1, 2005, the Library capitalized its art collection retroactively in conformity with accounting principles generally accepted in the United States of America (US GAAP). The art collection items acquired prior to July 1, 2005 were appraised and they were determined to have a value of \$55,000. Subsequent to July 1, 2005, art collection items acquired by the Library will be recorded at fair market value if donated, and at cost if purchased.

Investments

Investments in marketable equity securities with readily determined fair values and investments in debt securities are carried at fair value. Fair value is determined based on quoted market price (all Level 1 measurements). Realized and unrealized gains and losses on these investments are reported in the Statement of Revenues, Expenses, and Changes in Net Assets – Modified Cash Basis, as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period in which the income and gains are recognized.

Fair Value of Financial Instruments

US GAAP defines fair value and establishes a framework that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. Fair value is defined as the price that would be received in a sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy is broken down into three levels of input that market participants would use in valuing the asset or liability, which can be summarized as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Quoted prices for similar assets and liabilities in active markets.
- Level 3 – Valuation based on inputs that are unobservable therefore requiring management's best estimate of what market participants would use as fair value.

The level of a financial instrument within the fair value hierarchy is based on the lowest, or least observable, level of input that is significant to the fair value measurement. Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximates their fair values due to the short-term nature of these instruments.

At June 30, 2022, the Library's Level 1 financial assets consist of investments which are valued at quoted market prices in active markets for identical assets. The Library had no Level 2 or 3 financial assets.

THE WATERFORD PUBLIC LIBRARY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Library is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Library qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Library currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

The Library did not recognize any liability for uncertain tax positions as defined by US GAAP.

The Library's tax return for the year ended June 30, 2022 is subject to examination by the IRS, generally for three years after it has been filed.

Subsequent Events

Management evaluated subsequent events through October 3, 2022, the date these financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS

Support and Revenue

The Library receives significant support in the form of salaries and fringe benefits paid to the Town of Waterford employees who provide librarian staffing services to the Library and the use of the Library facilities which are owned by the Town of Waterford. Any significant reduction in the level of this support would have a negative impact on the Library's programs and activities.

Credit Risks

The Library's financial instruments that are exposed to concentrations of credit risk consist of cash and cash equivalents and investments. The Library places its cash deposits with high credit quality institutions. Such deposits are fully covered by federal depository insurance. Investments are considered by management to be sufficiently diversified to minimize individual investment and industry concentration risks. However, investments are subject to risks of the securities market as a whole.

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The cost and fair market value of the Library's investments (all Level 1) at June 30, 2022 are as follows:

June 30, 2022	Adjusted Cost	Unrealized Gains	Unrealized Loss	Estimated Fair Value
Equities	\$ 1,271,118	\$ 436,855	\$ (8,183)	\$ 1,699,790
US Treasuries	789,153	30	(5,406)	783,777
Exchange traded funds	338,884	124,017	-	462,901
Corporate stocks	23,559	1,206	-	24,765
Money market funds	26,573	-	-	26,573
	<u>\$ 2,449,287</u>	<u>\$ 562,108</u>	<u>\$ (13,589)</u>	<u>\$ 2,997,806</u>

THE WATERFORD PUBLIC LIBRARY, INC.
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JUNE 30, 2022

NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

A summary of the Library's investment return is presented below at June 30, 2022:

	2022
Interest and dividends	\$ 43,098
Investment management fees	(12,676)
Realized losses	(34,371)
Unrealized losses	(460,159)
Total return on investments	<u>\$ (464,108)</u>

Management evaluates the Library's investment portfolio for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market conditions warrant such evaluation. Consideration is given to the length of time and the extent to which fair value has been less than cost, the financial condition of the issuer, and the intent and ability of the Library to retain the investment until a recovery value is achieved.

NOTE 4 – BOARD DESIGNATED ENDOWMENT

The Library's endowment consists of funds designated by the Board to function as endowments. The Board designated endowment consists of the fair market value of the investment funds, without accrued interest. As required by generally accepted accounting principles, net assets associated with endowments, including funds designated as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Changes in endowment net assets for the year ended June 30, 2022 is as follows:

	2022
Board designated endowment assets, beginning of year	\$ 3,502,179
Investment income	43,098
Net realized and unrealized losses	<u>(494,530)</u>
Total investment return	(451,432)
Contributions	29,735
Endowment funds utilized for operations	(70,000)
Investment fees	<u>(12,676)</u>
Board designated endowment assets, end of year	<u>\$ 2,997,806</u>

Return Objectives and Risk Parameters

The Library has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Actual returns in any given year may vary from this amount. Endowment assets include those funds designated as endowment by the Board.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objective, the Library relies on a total return strategy in which the investment returns are achieved through both a capital appreciation (realized and unrealized) and current yield (interest and dividends). The general policy is to diversify investments within both equity and fixed-income securities so as to provide a balance that will enhance total return while avoiding undue risk concentration in any single asset class or investment category.

THE WATERFORD PUBLIC LIBRARY, INC.
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NOTE 4 – BOARD DESIGNATED ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policies

The investments are comprised of a board designated endowment fund. With regards to these funds, the Library has adopted an investment policy with the primary objective of providing resources and appropriate oversight of the funds to further the mission statement of the Library, now and in the future. As part of the investment policy, the Library has adopted a spending policy by which the Board shall limit allocated endowment funding in any fiscal year to between 3% and 5% of the average market value of the board designated endowment fund for the previous three prior fiscal years ending June 30.

Additionally, the Board has designated the Finance Committee (the Committee) to effectively oversee the management of the endowment fund. The Committee is charged with having a semiannual account review between themselves and the outside investment managers to review the performance of the investments.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2022, net assets with donor restrictions consisted of grants and contributions totaling \$6,414.

The restrictions placed on the funds by the donors stipulate when the funds may be used (timing restriction). All of the funds with restrictions are expected to be spent in the following year. Net assets with donor restrictions were released from restriction by incurring expenses satisfying the restricted purpose specified by the donor or by the passage of time. The net assets released from restrictions for the year ending June 30, 2022 was \$35,027.

NOTE 6 – LIQUIDITY AND AVAILABLE FOR GENERAL EXPENDITURE

The following table reflects the Library's financial assets as of June 30, 2022, reduced by amounts not available for general use within one year in accordance with its Investment Policy and due to contractual or donor-imposed restrictions:

	<u>2022</u>
Financial assets	
Cash and cash equivalents	\$ 8,869
Investments	<u>2,997,806</u>
Financial assets, end of year	3,006,675
Less: those unavailable for general expenditure in one year	
Board designated endowment and reserve funds	
not currently authorized for expenditure (96%)	<u>2,877,894</u>
Financial assets available for general expenditure within one year	<u>\$ 128,781</u>

Board designated endowment funds are authorized by the Board for expenditure.

NOTE 7 – CORONAVIRUS

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Library cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the Library's financial position, results of operations, and cash flows in fiscal year 2023.