



FERGUSON LIBRARY

Finalist for 2021 National Medal for  
Museum and Library Service

# **Fiscal Year 2022-2023 Budget Presentation**

# Locations



**HARRY BENNETT BRANCH**



**WEED MEMORIAL &  
HOLLANDER BRANCH**



**MAIN LIBRARY (DIMATTIA  
BUILDING)**



**SOUTH END BRANCH**



**BOOKMOBILE**

# Branch Hours

Our branches are open more hours than before the pandemic.

Main Library (DiMattia Building) Open 7 days  
per week total of 57 hours

Harry Bennett  
Open 6 days per week total of 42 hours

South End  
Open 5 days per week total of 30 hours

Weed Memorial  
Open 4 Days per week total of 27 hours

Bookmobile  
On the road 3 days per week total of 15 hours

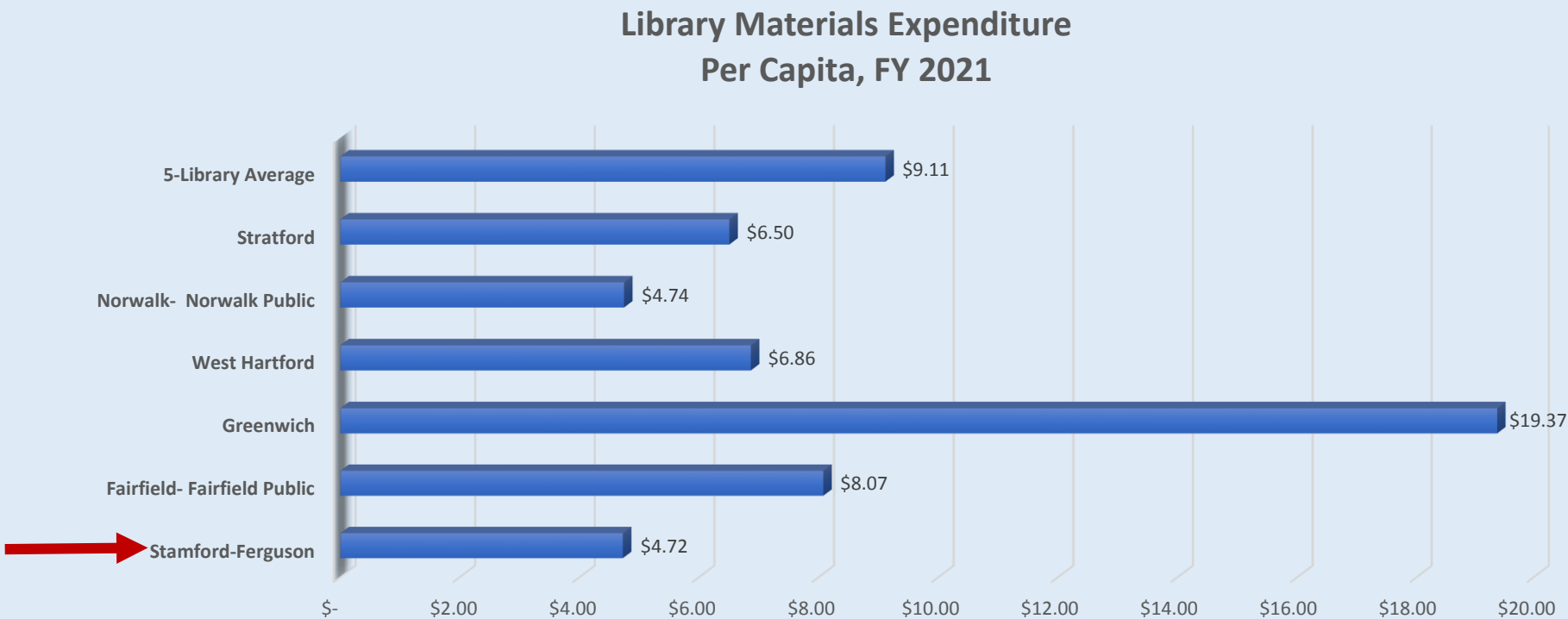
## Total of 171 hours of weekly service to the Community

As a part of preparing for the Library Strategic Plan we surveyed the Community. The results indicated that there is a want for more branch hours, open late on Friday nights, and additional hours at the Weed branch.

# Annual Visitors & Cost of Materials

<b>Fiscal Years</b>	<b><u>2021-2022*</u></b>	<b><u>2020-2021</u></b>	<b><u>2020-2019</u></b>	<b><u>2019-2018</u></b>	
Visitors to the library	192,872	376,078	454,346	673,841	*YTD-1/31
Items circulated	321,683	524,618	528,464	637,180	**Attended in person or virtual
Virtual visits	182,000	280,349	341,885	402,870	
Program attendance	19,666**	31,168**	52,227	74,010	
<b>Fiscal Years</b>	<b><u>2020-2021</u></b>	<b><u>2020-2019</u></b>	<b><u>2019-2018</u></b>		
Purchases of books and other materials	\$600,271	\$571,004	\$804,272		

# Cost of Library Material Per Capita



We surveyed the community as a part of preparing for the library’s new Strategic Plan. The results indicted that there is a need for more best sellers, and newer books.

# FTE Staffing over the last 20 years

2000	2005	2010	2015	2021
87.2	121	90.9	78	73.15

Staffing was reduced in 2020 after re-opening from the pandemic shut down. Staffing levels went from 154 to 104 employees.

4 full time union staff were laid-off by eliminating library assistants, as well as one supervisor.



**THE FERGUSON LIBRARY**  
**STATEMENTS OF FINANCIAL POSITION**  
**AT JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,071,248	\$ 979,235
Account Receivable – City of Stamford	62,534	568,665
– Other	102,257	238,988
Prepaid Expenses	73,486	76,073
Interest in Net Assets of The Ferguson Library Foundation, Inc. – Reader’s Digest	-	208,047
– National Review	-	260,547
– Reserve	150,000	
Land, Buildings and Equipment (Net)	<u>20,451,351</u>	<u>20,696,431</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,910,876</u>	<u>\$ 23,027,986</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 944,621	\$ 1,382,614
Pension Liability	7,970,940	9,835,878
Note Payable – Eversource	42,624	-
Payroll Protection Plan Loan	-	1,150,400
Security Deposit	<u>9,600</u>	<u>9,600</u>
<b>TOTAL LIABILITIES</b>	<u>8,967,785</u>	<u>12,378,492</u>
 <b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	12,626,269	10,021,279
With Donor Restrictions		
Time or Purpose Restricted	316,822	483,507
Perpetuity	<u>-</u>	<u>144,708</u>
<b>TOTAL NET ASSETS</b>	<u>12,943,091</u>	<u>10,649,494</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 21,910,876</u>	<u>\$ 23,027,986</u>

Accrued vacation hours were reduced by capping maximum carryover. Also, we placed a limit on the amount of compensatory time employees can accumulate

# **Our Ask: Uphold Mayor's Recommendation**

- Funds for afterschool presence at Chester Addison Community Center
- Holds materials budget at current level
- Stabilizes staffing levels
- Maintains facilities preventive repairs

## **Capital**

- Main Library roofs
- Harry Bennett Branch modernization
- Master Facilities Plan for the Main Library and branches
- PC replacement



# Community Outreach: Linked Libraries

Delivers books to students in the following schools:

1. KT Murphy
2. Julia Stark
3. Toquam
4. Strawberry Hill
5. Westover
6. Turn Of River
7. Stamford High
8. Stillwater

The first four are frequent users, request from 100 to more than 300 items every month.

The Library makes deliveries to the schools every Tuesday and Thursday.

From October 2021 to March 2022, **5,912** books were checked out, delivered and returned back to the library.

# Grant Funded Programs: Digital Navigators



The Ferguson Library was one of four statewide recipients of this grant that was designed to address digital inequity among Stamford citizens who lack the tools and skills to effectively access online resources.

The grant has enabled the library to purchase 72 refurbished laptops (along with headsets with a microphone, mouse and mouse pads) and lease 100 hotspots from Verizon.

Our Digital Navigators can help you with all this and more, and even set you up with a digital device if you need one. Don't be left behind in a digital world. We can help!

- Need help accessing health or banking information online?
- Stay connected with family and friends?
- Want to get up to speed on Google tools?
- Want to help your children succeed in school?

To schedule an appointment or for more information, call the Ferguson Library at 203 351-8251.

This project is made possible by an IMLS and a CT State Library grant



The grant has enabled the library to hire 4 part time staff to assist solely with this program. To date there has been 127 appointments.

19 families have received laptops and 10 hotspots have been distributed.

# LIBRARY OF THE FUTURE

Meeting the Needs of the Community



We know we are more than just BOOKS!





## MEMORANDUM

**To:** Members of the Fiscal Committee  
Board of Representatives

**From:** Stephanie O'Shea, Chair and Alice S. Knapp, CEO  
The Ferguson Library

**Date:** April 12, 2022

**Re:** 2022-2023 Operating & Capital Budget Requests

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We are pleased to provide you with the budget material we submitted to the Mayor to support our 2022-2023 Operating and Capital requests.

Please note these highlights from the Operating Budget request:

- Requested a 4% increase but received 2.9% increase
- Projected a 4.09% increase in contribution and grants
- Coffee Shop lease and passport revenue will increase modestly (.53%)
- Staffing levels will remain level
- Materials budget expenditures will increase by 1.35%

The package to the Mayor includes several important Capital Projects which were included in the Planning Board's recommended 2021-2023 capital plan: continue with the Main Library Building Restoration (Roof replacement); continue the Bennett Branch Modernization; Feasibility Studies for Branch Renovation, and PC Replacement.

This package includes the audited financial statements for the year ended June 30, 2021.

We look forward to the opportunity to review our needs and answer your questions on April 21<sup>st</sup>.

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### The Ferguson Library Board of Trustees

Stephanie O'Shea, Chair  
Michael Hyman, Vice-Chair  
Sopong Kim, Treasurer  
Robert J. Granata, Secretary

Ellen E. Bromley  
Steven M. Frederick  
Tamu Lucero  
RJ Mercede

Polly O'Brien Morrow  
Susana Vidan  
Ex Officio, Alice Knapp, CEO

## MEMORANDUM

**TO:** Mayor Caroline Simmons  
City of Stamford

**FROM:** Stephanie O'Shea, Chair  
Ferguson Library Board of Trustees

**RE:** Proposed Operating and Capital Budgets

**DATE:** January 10, 2022

**CC:** Lee Berta, Assistant Director, OPM, City of Stamford

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We are enclosing with this memo the following information regarding our 2022-2023 budget requests:

- Mission Statement & Program Description
- FY 2020/21 Operating Results
- FY 2021/22 Operating Budget and Forecast
- Proposed 2022/23 Budget
- Proposed Operating Funding 2022/23 Narrative
- Proposed Capital Budget 2022/23 Narrative
- Audited Financial Statement\*
- Organization Chart\*\*

As you review the material, we would like to call out our achievements in fiscal year 2021-2022 as well as our challenges moving forward:

### 2021-2022 Fiscal Year

#### Achievements:

- Finalist for the Institute of Museum and Library Services National Medal.
- Received two grants from the Institute of Museum and Library Services.

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#### The Ferguson Library Board of Trustees

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Susana Vidan  
Ex Officio, Alice Knapp, CEO

- Digital Navigators Pilot Project (\$100,000): provides staff to assist the public with technology and provide equipment to those who need it.
- Laura Bush 21<sup>st</sup> Century Library Program (\$99,914.22): this grant allows us to develop training for librarians to assist those with barriers to reading.
- We deliver requested books and library materials to students at Stamford public schools through our linked Libraries program. Students can request materials using their student id. The Ferguson Library has been providing this service for the past three years.
- Passports – we have seen a surge in applications and photos over the last two years.
- Contributions – continue to be strong with many supportive donors – our 2021 annual appeal showed a 20% increase over the 2020 appeal.

### **Challenges:**

- It is a challenge to provide services to the whole community when we do not have facilities on the east and west side. We are in the early stages of working with the Stamford Police Foundation on a west side branch in the old Chester Addison Community Center. There is more work to be done to make sure all residents have easy access to library services and programs.
- Our facilities are aging and we need to allocate more funding to routine maintenance to avoid major expenditures. We need to do a comprehensive review of all of our facilities to plan for future upgrades.
- In FY2021, we laid off five positions due to finances. We are still down three positions and this staffing level impacts our ability to provide programs and services.
- COVID – continues to impact many programs/services.

As always, should you have any questions about our proposed budgets, we would be pleased to respond to them.

\* Please note that the audited financial statements for the year ending June 30, 2021 will be submitted following review and acceptance by the Board of Trustees at its February 2022 meeting.

\*\* We are working on updating our Organization Chart and will submit it with audit.



## **Mission Statement**

### **Who We Are**

The mission of The Ferguson Library is to provide free and equal access to information, ideas, books and technology to educate, engage and enrich the Stamford community.

The innovative programs and services we provide nourish a lifelong passion for learning and growth for children and adults. In 2020 when the pandemic hit, we quickly began reimagining library services and safely reopened last summer with new protocols in place and many programs offered online. We work hard to provide transformative experiences for our community, and have become even more nimble as we find new, unprecedented ways to serve the public.

## **Ferguson Library Programs and Services Overview**

Addressing digital inequity is one of the most pressing needs our community faces. To this end, working with community partners, we used grant funding to create a Digital Navigators program to provide technology instruction and equipment to Stamford residents who lack digital tools and skills. We also loan out Chromebooks and hotspots to those who do not have devices or reliable internet. This has been a very successful program, as has our Grow with Google partnership that allows us to offer introductory and advanced sessions on becoming proficient with Google. On the 'maker' front, we have launched a lending 'library of things,' featuring items from bakeware to telescopes, and offer experiential learning sessions to go along with them.

Bringing people together across the racial divide is a real need in our community. Our Facing Racism series, presented in partnership with Everyday Democracy, gathers members of our diverse community together to discuss our ethnic and racial identities, evaluate community institutions through the lens of race and equity, and instigate change through grassroots efforts.

Our core services include job skills training and English language literacy. We offer a suite of programs for the newly arrived, including English language workshops, citizenship study courses, and career prep classes such as resume building and interview practice.

In addition to many book and author-focused programs, we also offer technology training workshops, programs on health literacy and mindfulness workshops. Our Lawyers in Libraries program provides free legal assistance to those who cannot afford it. Our Entrepreneur-in-Residence program offers counseling to people launching or growing a small business. The Ferguson Library was the first library in Connecticut to offer *1 Million Cups*, a program developed by the Kauffman Foundation, to inspire and educate entrepreneurs.

We offer many children's programs that facilitate reading and early childhood literacy, as well as book discussions and craft and maker programs for teens and older children. Our Friends Literary Competition, now in its 37<sup>th</sup> year, annually recognizes excellence in student writing.



# Ferguson Library

## Income Statement

FYE June 30, 2021 (unaudited)

	<u>FY 20-21 Budget</u>	<u>Actual</u>	<u>\$ \$ Variance</u>
<b>REVENUE</b>			
Municipal Funding	\$8,630,000.00	\$8,630,000.00	\$0.00
Contributions & Grants	\$600,000.00	\$651,552.81	\$51,552.81
Passport Office	\$199,980.00	\$233,098.09	\$33,118.09
Library Fines	\$50,160.00	\$5,680.56	(\$44,479.44)
Rental Income	\$39,600.00	\$38,050.00	(\$1,550.00)
Pay to Print/Copiers Income	\$20,700.00	\$7,115.94	(\$13,584.06)
Other Revenue	\$5,000.00	\$1,163,817.90	\$1,158,817.90
Friends of Ferguson Revenue	\$0.00	\$98,856.00	\$98,856.00
<b>Total Revenue</b>	<b><u>\$9,545,440.00</u></b>	<b><u>\$10,828,171.30</u></b>	<b><u>\$1,282,731.30</u></b>
<b>EXPENSES</b>			
Wages	\$5,039,000.00	\$4,954,567.65	\$84,432.35
Benefits	\$1,758,525.00	\$1,763,476.62	(\$4,951.62)
Professional/Consulting Services	\$60,000.00	\$248,545.91	(\$188,545.91)
Equipment Rental	\$82,000.00	\$64,055.95	\$17,944.05
Maintenance	\$445,000.00	\$679,203.15	(\$234,203.15)
Conferences & Training	\$5,000.00	\$9,747.83	(\$4,747.83)
Library Programs	\$60,000.00	\$133,091.19	(\$73,091.19)
Library Resources	\$811,000.00	\$877,850.40	(\$66,850.40)
Fundraising & Public Relations	\$116,000.00	\$73,045.16	\$42,954.84
Insurance Expenses	\$149,000.00	\$141,867.00	\$7,133.00
New Equipment/Furniture	\$1,000.00	\$94,095.50	(\$93,095.50)
Other Fees	\$32,500.00	\$33,884.01	(\$1,384.01)
Other Operating Expenses- Communication	\$58,000.00	\$42,831.97	\$15,168.03
Other Operating Expenses- Office Supplies	\$170,000.00	\$75,758.00	\$94,242.00
Other Operating Expenses- Electric/Gas/Water	\$320,000.00	\$290,251.46	\$29,748.54
Other Operating Expenses-Security Expenses	\$402,000.00	\$259,526.76	\$142,473.24
Other Operating Expenses	\$36,000.00	\$1,014,139.77	(\$978,139.77)
<b>Total Expenses</b>	<b><u>\$9,545,025.00</u></b>	<b><u>\$10,755,938.33</u></b>	<b><u>(\$1,210,913.33)</u></b>
<b>NET SURPLUS/(DEFICIT)</b>	<b><u>\$415.00</u></b>	<b><u>\$72,232.97</u></b>	<b><u>\$71,817.97</u></b>
Pension Acct (not budgeted)	\$0.00	\$543,115.00	(\$543,115.00)
<b>NET SURPLUS/(DEFICIT)</b>	<b><u>\$415.00</u></b>	<b><u>(\$470,882.03)</u></b>	<b><u>(\$471,297.03)</u></b>

**Ferguson Library**  
**Operating Forecast**  
**July 1, 2021 - June 30,2022**

<b>Revenue</b>	<b>Annual Budget</b>	<b>July thru October Actual</b>	<b>November thru June Forecast</b>	<b>Total Year-end Forecast</b>	<b>Budget vs. Forecast</b>
Municipal Funding	\$ 9,020,000	\$ 3,186,000	\$ 5,834,000	\$ 9,020,000	\$ -
Contributions/Grants	660,000	261,499	398,501	660,000	-
Passport Office	310,000	104,196	200,000	304,196	(5,804)
Rental	42,300	16,100	28,200	44,300	2,000
Pay to Print \Copier	20,000	2,722	14,000	16,722	(3,278)
Other Revenue	5,000	12,981	3,500	16,481	11,481
<b>Total Revenue</b>	<b>\$ 10,057,300</b>	<b>\$ 3,583,499</b>	<b>\$ 6,478,201</b>	<b>\$ 10,061,700</b>	<b>\$ 4,400</b>

<b>Expenses</b>	<b>Annual Budget</b>	<b>July thru October Actual</b>	<b>November thru June Forecast</b>	<b>Total Year-end Forecast</b>	<b>Budget vs. Forecast</b>
Salaries	\$ 5,216,125	\$ 1,670,167	3,502,437	\$ 5,172,604	\$ 43,521
Benefits	1,778,792	406,620	1,357,000	1,763,620	15,172
Professional\Consulting	164,000	21,065	142,935	164,000	-
Equipment Rental	74,500	25,866	49,600	75,466	(966)
Maintenance	379,000	104,856	274,144	379,000	-
Conference \ Training	29,500	1,852	25,100	26,952	2,548
Library Programs Expense	50,000	84,846	33,300	118,146	(68,146)
Library Resources	1,212,000	266,746	945,254	1,212,000	-
Public Relations/Fundraising	103,750	26,837	69,000	95,837	7,913
Insurance Expense	150,000	73,317	81,600	154,917	(4,917)
Other Operating Expenses- Communication	49,400	10,812	32,900	43,712	5,688
Other Operating Expenses- Office Supplies	92,356	30,592	61,500	92,092	264
Other Operating Expenses- Electric/Gas/Water	320,000	86,446	233,554	320,000	-
Other Operating Expenses-Security Expenses	385,000	55,681	284,600	340,281	44,719
Other Operating Expenses	52,877	31,916	35,200	67,116	(14,239)
<b>Total Expenses</b>	<b>\$ 10,057,300</b>	<b>\$ 2,897,619</b>	<b>\$ 7,128,124</b>	<b>\$ 10,025,743</b>	<b>\$ 31,557</b>
<b>Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ 685,879</b>	<b>\$ (649,923)</b>	<b>\$ 35,957</b>	<b>\$ 35,957</b>
Pension Acct (not budgeted)	-	330,720	661,440	992,160	(992,160)
Depreciation Acct (not budgeted)	-	265,320	530,640	795,960	(795,960)
<b>Total Expenses</b>	<b>\$ 10,057,300</b>	<b>\$ 3,493,659</b>	<b>\$ 8,320,204</b>	<b>\$ 11,813,863</b>	<b>\$ (1,756,563)</b>
<b>Net Surplus/(Deficit)</b>	<b>-</b>	<b>89,839</b>	<b>(1,842,003)</b>	<b>(1,752,163)</b>	<b>(1,752,163)</b>

	PROPOSED 2022-2023			
	2021-2022 BUDGET	2022-2023 PROPOSED	INCREASE VS. FY 2022	
			\$	%
<b>Revenue</b>				
Municipal Funding	\$ 9,020,000	\$ 9,380,800	\$ 360,800	4.00%
Contributions/Grants	\$ 660,000	\$ 687,000	\$ 27,000	4.09%
Other Revenue	\$ 377,300	\$ 379,300	\$ 2,000	0.53%
<b>Total Revenue</b>	<b>\$ 10,057,300</b>	<b>\$ 10,447,100</b>	<b>\$ 389,800</b>	<b>3.88%</b>
<b>Expenses</b>				
Total Salaries & Benefits	\$ 6,994,917	\$ 7,265,524	\$ 255,607	3.65%
Total Professional/Consulting	\$ 164,000	\$ 172,015	\$ 8,015	4.89%
Total Maintenance	\$ 341,000	\$ 406,990	\$ 65,990	19.35%
Conference & Training	\$ 29,500	\$ 40,000	\$ 10,500	35.59%
Total Programs	\$ 50,000	\$ 170,000	\$ 95,000	190.00%
Total Library Resource Purchases	\$ 962,000	\$ 975,000	\$ 13,000	1.35%
Total Other Library Resource Costs	\$ 250,000	\$ 250,000	\$ -	
Public Relations\Fundraising	\$ 103,750	\$ 106,863	\$ 3,113	3.00%
Total General Operating	\$ 1,012,133	\$ 905,708	\$ (106,425)	-10.51%
Insurance	\$ 150,000	\$ 155,000	\$ 5,000	3.33%
<b>Total Expenses</b>	<b>\$ 10,057,300</b>	<b>\$ 10,447,100</b>	<b>\$ 349,800</b>	<b>3.48%</b>
<b>Net (Loss) Income before Depreciation</b>	<b>\$ -</b>	<b>\$ (0)</b>		

## **PROPOSED OPERATING FUNDING 2022 – 2023 NARRATIVE**

We have enclosed the Board of Trustees approved 2022-2023 Operating Budget. We are requesting \$9,380,800 from the city's operating budget in 2022-2023, a 4.0% increase over current funding.

### **HIGHLIGHTS OF REQUEST**

#### **Income:**

- The \$360,800 (4%) increase in city funding is largely necessitated by an increase in salary and benefit costs (3.65%); increase as we search for a new audit firm; increase spending on facility repairs, and opening a new branch on Stamford's west side (Chester Addison Community Center location).
- We anticipate that our fundraising efforts will continue with modest growth and that contributions and grants will grow by (4%). Our two major fundraising events – the year-end community appeal and A Novel Affair – will continue.
- We eliminated fines in 2021-2022. Studies have shown that fines are not effective in getting material back and are a disincentive for library use, especially in low income communities. Pay to Print revenue is predicted to be down, mainly due to the decreased use we have seen in the last two years.
- We are predicting a steady income from passport activity for next year; the same as FY2022. It is logical that passport requests will somewhat parallel travel activities, and it is difficult to expect international travel will rebound quickly.

#### **Expenses:**

- Our proposed budget includes a 2.5% salary increase. This is consistent with the increase union staff is to receive on July 1, 2022 as per their contract.
- We have assumed an 8% increase in the medical, dental and vision insurance premium, suggested by the state comptroller's office. The employee contribution to the health plans is currently 19%.
- Our library resources budget, funds used to purchase new books, databases, DVDs, and e-materials, was \$962,000 in 2021-2022, the highpoint of the last decade. Although we would like to spend \$9 dollar per capita, our request this year is a very small increase.

## **The Ferguson Library**

- Other occupancy and operating costs are expected to decrease mainly in security services and COVID supplies.

We recognize the budget challenges currently faced by the city and therefore have made this essentially a status quo request with the exception of the additional staff cost for expanded branch hours and additional funds for the west side branch. As shown above, all increases will be used either to pay for necessary personnel and material expenses, or make necessary repairs.

# **PROPOSED CAPITAL BUDGET**

## **2022 – 2023**

### **BUDGET NARRATIVE**

#### **LONG TERM PROJECTS**

Over the past five years, we have been able to enhance our library facilities with grants and private funding. We installed new carpeting at the Harry Bennett Branch; the South End Branch was renovated for the first time in 30 years; and the Ann Sexton Board Room has new furniture and equipment. None of these projects could have been completed without private funding. This work has enabled us keep our capital requests modest. We have limited our long-term capital request to four projects totaling **\$575,000** for **2022-2023** funding:

#### **Main Library Restoration - Roofing \$150,000**

The requested funds for 2022-2023 will address three critical roof areas where we have documented water infiltration. Outyear funding will complete the roofing work elsewhere on the building and address the needs of the historic building.

#### **Harry Bennett Branch Modernization: \$300,00**

We are starting Phase One of the modernization, which includes a new handicapped accessible transaction desk and soundproofing the auditorium, which will increase its usability and provide a more comfortable experience for visitors elsewhere in the branch. Funds for **2022-2023** will provide meeting room and programming spaces and furniture. Outyear funding will address MEP and ADA issues.

#### **Feasibility Studies of All Branches: \$75,000**

Initial study of all existing and possible branches estimated at \$50K. To ensure what steps are needed to keep the current branches operational, specifically the South End Branch, which is in a growing and diverse neighborhood and determine best ways to provide more space for this small but heavily used facility. Investigate the condition and viability of the Hunt Building as a potential east side branch.

#### **Community Center Libraries: \$50,000**

One of the Ferguson Library's goals is to ensure that we can provide library services throughout the city. Similar to our partnership with the Stamford Police Foundation to create a branch on the West Side (in the old Chester Addison Community Center), we are looking to set up small branches in other community centers and/or housing developments. This funding would assist with the set-up of a branch.

**SHORT TERM ARP FUNDING**

**HVAC Equipment Replacement \$1,600,000**

The City of Stamford approved funding through the American Rescue Plan Act to replace the antiquated air handling system at the Main Library for better air flow within the building.

**SHORT TERM FINANCING**

**PC Replacement: \$70,000**

This project would provide funds for much needed new and replacement equipment for the public and staff computer networks.



**THE FERGUSON LIBRARY**  
**FINANCIAL STATEMENTS**  
**AT JUNE 30, 2021 AND 2020 AND**  
**FOR THE YEARS THEN ENDED**

## THE FERGUSON LIBRARY

### TABLE OF CONTENTS

Independent Auditors' Report

Statements of Financial Position  
at June 30, 2021 and 2020

Exhibit A

Statements of Activities  
for the Years Ended June 30, 2021  
and 2020

Exhibit B

Statements of Functional Expenses  
for the Years Ended June 30, 2021  
and 2020

Exhibit C

Statements of Cash Flows  
for the Years Ended June 30, 2021  
and 2020

Exhibit D

Notes to Financial Statements

# VAN BRUNT, DUBIAGO & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM W. WILSON, CPA, CT, NY  
NICHOLAS DUBIAGO, CPA, CT  
ANNA M. GECA, CPA, CT  
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## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF THE FERGUSON LIBRARY

We have audited the accompanying financial statements of The Ferguson Library (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Ferguson Library as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Stamford, Connecticut  
February 4, 2022

**THE FERGUSON LIBRARY**  
**STATEMENTS OF FINANCIAL POSITION**  
**AT JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,071,248	\$ 979,235
Account Receivable – City of Stamford	62,534	568,665
– Other	102,257	238,988
Prepaid Expenses	73,486	76,073
Interest in Net Assets of The Ferguson Library Foundation, Inc. – Reader’s Digest	-	208,047
– National Review	-	260,547
– Reserve	150,000	
Land, Buildings and Equipment (Net)	<u>20,451,351</u>	<u>20,696,431</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,910,876</u>	<u>\$ 23,027,986</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 944,621	\$ 1,382,614
Pension Liability	7,970,940	9,835,878
Note Payable – Eversource	42,624	-
Payroll Protection Plan Loan	-	1,150,400
Security Deposit	<u>9,600</u>	<u>9,600</u>
<b>TOTAL LIABILITIES</b>	<u>8,967,785</u>	<u>12,378,492</u>
 <b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	12,626,269	10,021,279
With Donor Restrictions		
Time or Purpose Restricted	316,822	483,507
Perpetuity	<u>-</u>	<u>144,708</u>
<b>TOTAL NET ASSETS</b>	<u>12,943,091</u>	<u>10,649,494</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 21,910,876</u>	<u>\$ 23,027,986</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN  
CONJUNCTION WITH THESE FINANCIAL STATEMENTS

**THE FERGUSON LIBRARY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>PURPOSE RESTRICTED</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>PERPETUITY</u>	<u>TOTAL WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>OPERATING ACTIVITIES</b>						
<b>REVENUE AND OTHER SUPPORT</b>						
City of Stamford – Operating	\$ 8,630,000	\$ -	\$ -	-	-	\$ 8,630,000
– Capital	350,678	-	-	-	-	350,678
Fines	5,681	-	-	-	-	5,681
Equipment Income	9,834	-	-	-	-	9,834
Payroll Protection Program Loan Forgiveness	1,150,400	-	-	-	-	1,150,400
Contributions	713,547	4,000	-	-	4,000	717,547
Passports and Photographs	233,098	-	-	-	-	233,098
Grants:						
Other	46,517	35,321	-	-	35,321	81,838
Rents	38,875	-	-	-	-	38,875
Miscellaneous	9,605	-	-	-	-	9,605
Net Assets Released From Restrictions						
Satisfaction of Program Restrictions	97,667	(97,667)	-	-	(97,667)	-
Lapse of Time Restrictions	45,000	(45,000)	-	-	(45,000)	-
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<u>11,330,902</u>	<u>(103,346)</u>		<u>-</u>	<u>(103,346)</u>	<u>11,227,556</u>
<b>EXPENSES</b>						
Program	7,259,499	-	-	-	-	7,259,499
Support	3,549,754	-	-	-	-	3,549,754
Development	264,997	-	-	-	-	264,997
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>11,074,250</u>	<u>-</u>		<u>-</u>		<u>11,074,250</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<u>256,652</u>	<u>(103,346)</u>		<u>-</u>	<u>(103,346)</u>	<u>153,306</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS

**THE FERGUSON LIBRARY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
(Continued)

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>PURPOSE RESTRICTED</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b><u>NON-OPERATING ACTIVITIES</u></b>					
Investment Return – Net	1,290	-	-	-	1,290
Change in Net Assets From Non-Operating Activities	1,290	-	-	-	1,290
Change in Net Assets	257,942	(103,346)	-	(103,346)	154,596
Transfer to Foundation – National Review – Reader’s Digest	(260,547)	-	-	-	(260,547)
Adjustment for Pension	2,607,595	-	-	-	2,607,595
<b>NET ASSETS - BEGINNING OF YEAR</b>	10,021,279	483,507	144,708	628,150	10,649,494
<b>NET ASSETS - END OF YEAR</b>	<u>\$12,626,269</u>	<u>\$ 316,822</u>	<u>\$ -</u>	<u>\$ 316,822</u>	<u>\$ 12,943,091</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS

## THE FERGUSON LIBRARY

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

	WITHOUT DONOR RESTRICTIONS	PURPOSE RESTRICTED	WITH DONOR RESTRICTIONS	PERPETUITY	TOTAL WITH DONOR RESTRICTIONS	TOTAL
<b>OPERATING ACTIVITIES</b>						
<b>REVENUE AND OTHER SUPPORT</b>						
City of Stamford – Operating	\$ 8,630,000	\$ -	\$ -	-	\$ -	\$ 8,630,000
– Capital	603,090	-	-	-	-	603,090
Fines	37,281	-	-	-	-	37,281
Equipment Income	13,178	-	-	-	-	13,178
Miscellaneous	1,958	-	-	-	-	1,958
Contributions	558,219	-	-	-	-	558,219
Passports and Photographs	189,609	-	-	-	-	189,609
Grants	149,978	314,976	-	-	314,976	464,954
Rents	49,282	-	-	-	-	49,282
Net Assets Released From Restrictions		(42,899)		-	(42,899)	-
Satisfaction of Program Restrictions	42,899	( 9,932)		-	(9,932)	-
Satisfaction of Time Restrictions	9,932			-		
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<u>10,285,426</u>	<u>262,145</u>		<u>-</u>	<u>262,145</u>	<u>10,547,571</u>
<b>EXPENSES</b>						
Program	7,902,255	-	-	-	-	7,902,255
Support	2,859,963	-	-	-	-	2,859,963
Development	251,739	-	-	-	-	251,739
<b>TOTAL EXPENSES</b>	<u>11,013,957</u>	<u>-</u>		<u>-</u>	<u>-</u>	<u>11,013,957</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<u>(728,531)</u>	<u>262,145</u>		<u>-</u>	<u>262,145</u>	<u>(466,386)</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS



**THE FERGUSON LIBRARY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
(Continued)

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>PURPOSE RESTRICTED</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>PERPETUITY</u>	<u>TOTAL WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b><u>NON-OPERATING ACTIVITIES</u></b>						
Decrease/Increase Interest in Assets of Ferguson Library Foundation, Inc.	10,601	3,816		-	3,816	14,417
Change in Net Assets From Non-Operating Activities	10,601	3,816		-	3,816	14,417
Change in Net Assets Adjustment for Pension	(717,930) (3,088,300)	265,961 -		- -	265,961 -	(451,969) (3,088,300)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	13,827,509	217,546		144,708	362,254	14,189,763
<b>NET ASSETS AT END OF YEAR</b>	<u>\$10,021,279</u>	<u>\$ 483,507</u>		<u>\$ 144,708</u>	<u>\$ 628,215</u>	<u>\$ 10,649,494</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS

## THE FERGUSON LIBRARY

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

EXPENSES	PROGRAM	SUPPORT	DEVELOPMENT	TOTAL
Salaries and Related Costs:				
Salaries	\$ 3,204,499	\$ 1,635,773	\$ 114,296	\$ 4,954,568
Pensions	834,445	140,750	30,161	1,005,356
Payroll Taxes	249,398	151,491	10,659	411,548
Group Insurance & Other Benefits	539,153	332,884	23,042	895,079
Library Resources:				
Books and Periodicals	293,135	-	-	293,135
Videos and Recordings	40,983	-	-	40,983
Electronic Media	347,270	-	-	347,270
Occupancy:				
General Insurance	78,280	63,587	-	141,867
Building Maintenance	471,100	117,775	6,269	595,144
Utilities	232,201	58,050	-	290,251
Telephone and Data Services	97,430	24,357	-	121,787
Security Services	265,976	-	-	265,976
General Operating:				
Professional Fees	117,269	87,254	-	204,523
Marketing & Promotion	23,958	-	61,472	85,430
Technology System Support	226,242	7,341	8,274	241,857
Equipment Leasing	46,870	8,593	8,593	64,056
Supplies	47,869	81,788	2,231	131,888
Other	143,421	70,753	-	214,174
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>7,259,499</b>	<b>2,780,396</b>	<b>264,997</b>	<b>10,304,892</b>
Depreciation	-	769,358	-	769,358
<b>TOTAL EXPENSES</b>	<b>\$ 7,259,499</b>	<b>\$ 3,549,754</b>	<b>\$ 264,997</b>	<b>\$ 11,074,250</b>

THE ACCOMPANYING NOTES SHOULD BE READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS

## THE FERGUSON LIBRARY

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>PROGRAM</u>	<u>SUPPORT</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
<b>EXPENSES</b>				
Salaries and Related Costs:				
Salaries	\$ 3,946,954	\$ 1,665,733	\$ 116,000	\$ 5,728,687
Pensions	546,195	92,130	19,741	658,066
Payroll Taxes	248,899	151,211	10,630	410,740
Group Insurance & Other Benefits	590,462	358,716	25,219	974,397
Library Resources:				
Books and Periodicals	244,906	-	-	244,906
Videos and Recordings	55,661	-	-	55,661
Electronic Media	315,084	-	-	315,084
Occupancy:				
General Insurance	66,838	81,839	-	148,677
Building Maintenance	239,325	59,803	-	299,128
Utilities	255,076	63,769	-	318,845
Telephone and Data Services	82,598	20,649	-	103,247
Security Services	135,741	-	-	135,741
General Operating:				
Professional Fees	58,284	37,088	-	95,372
Marketing & Promotion	26,318	-	62,938	89,256
Technology System Support	157,676	1,145	-	158,821
Equipment Leasing	69,514	14,680	14,680	98,874
Supplies	24,994	97,407	2,531	124,932
Other	188,368	53,453	-	241,821
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	7,252,893	2,697,623	251,739	10,202,255
Depreciation	649,362	162,340	-	811,702
<b>TOTAL EXPENSES</b>	<u>\$ 7,902,255</u>	<u>\$ 2,859,963</u>	<u>\$ 251,739</u>	<u>\$ 11,013,957</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN CONJUNCTION WITH THESE FINANCIAL STATEMENTS

## THE FERGUSON LIBRARY

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 154,596	\$ (451,969)
Adjustments to Reconcile Change in Net Assets to Net Cash		
(Used for) Provided by Operating Activities:		
Adjustment for Pension	2,607,595	(3,088,300)
Depreciation	769,358	811,702
Contributions –In-Kind Eversource	(50,000)	-
Decrease / (Increase) in Accounts Receivable	642,862	(762,268)
Decrease / (Increase) in Prepaid Expenses	2,587	(53,481)
(Decrease) in Accounts Payable and Accrued Expenses	(437,993)	(247,116)
(Decrease) / Increase in Pension Liability	(1,864,938)	3,493,702
(Decrease) in Deferred Rent	-	(4,800)
(Decrease) In Payroll Protection Plan Loan	<u>(1,150,400)</u>	<u>-</u>
 <b>NET CASH PROVIDED (USED FOR) BY OPERATING ACTIVITIES</b>	 <u>673,667</u>	 <u>(302,530)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Land, Buildings, and Equipment	(431,654)	(567,322)
Interest in Net Assets of The Ferguson Library		
Foundation, Inc. – Readers Digest	-	(3,816)
– National Review	-	(10,601)
– Reserve	(150,000)	-
Decrease in Assets Whose Use is Limited	<u>-</u>	<u>608,585</u>
 <b>NET CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES</b>	 <u>(581,654)</u>	 <u>26,846</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings:		
Paycheck Protection Plan Loan	-	1,150,400
Payment of Debt:		
Note Payable – First County Bank	-	(3,107)
Credit Line – First County Bank	<u>-</u>	<u>(74,744)</u>
 <b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	 <u>-</u>	 <u>1,072,549</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 92,013	 796,865
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	 <u>979,235</u>	 <u>182,370</u>
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	 <u>\$ 1,071,248</u>	 <u>\$ 979,235</u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	<u>\$ 44</u>	<u>\$ 4,018</u>

THE ACCOMPANYING NOTES SHOULD BE READ IN  
CONJUNCTION WITH THESE FINANCIAL STATEMENTS

THE FERGUSON LIBRARY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>SUMMARY OF NON CASH INVESTING AND FINANCING TRANSACTIONS</b>		
Purchase of Lease Hold Improvements		
With   – In Kind Donation	50,000	-
– Note Payable Eversource	42,624	-
Extinguishment of Payroll Protection Plan Note by Loan Forgiveness	1,150,400	-

THE ACCOMPANYING NOTES SHOULD BE READ IN  
CONJUNCTION WITH THESE FINANCIAL STATEMENTS

## THE FERGUSON LIBRARY

### NOTES TO FINANCIAL STATEMENTS

The Ferguson Library's (the "Library"), main purpose is to make available books, films, recordings and other materials and provide various programs and services to the community. The Library's main sources of revenue are the city of Stamford and corporate donors in the Stamford area.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the accrual basis of accounting. The accrual basis of accounting recognizes income as it is earned and expenses as they are incurred.

The financial statements of the Library have been prepared in accordance with generally accepted accounting principles which require reporting its financial position and activities according to the following asset classifications:

Net assets without donor restrictions – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose at the discretion of the Library's management and Board of Directors.

Net assets with donor restrictions – net assets subject to restrictions imposed by donors. Some restrictions are temporary in nature which can be met by actions of the Library or by the passage of time. Other donor restrictions are perpetual in nature where the donor has directed that the funds be maintained in perpetuity.

Books, periodicals, audio/video materials and electronic media are charged to expense when purchased.

Supplies used in the daily operating routine of the Library have been charged to expense when purchased. No attempt has been made to inventory items on hand at year end because of the relative insignificance in the overall program.

It is the Library's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Library reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Library reclassifies net assets with donor restrictions.

Depreciation of fixed assets has been provided in the financial statements in conformity with recommendations of the American Institute of Certified Public Accountants. Neither the amount of current year depreciation nor the accumulated prior year depreciation has been funded. The straight-line method of computing depreciation has been used. The estimated useful lives of the assets range from five to fifty years depending on the nature of the asset.

## THE FERGUSON LIBRARY

### NOTES TO FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The Library reports cash and certain liquid investments with maturities of ninety (90) days or less as cash in these financial statements.

The Library reports investments at fair value (see Note 4) and reflects any gains or losses in the statements of activities. Gains and losses are considered unrestricted unless restricted by donor stipulation or law. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

The Library considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Contributions are recognized when the donor makes a promise to give to the Library that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions (purpose restricted or perpetuity) depending on the nature of the restrictions.

The Ferguson Library is a nonprofit organization, as described in Internal Revenue Code Section 501 (c)(3) and is exempt from federal and state income taxes. As of the date of these financial statements, information returns for the years ending June 30, 2018, 2019 and 2020 remain subject to examination by federal and state of Connecticut taxing jurisdictions.

The cost of providing program and other activities have been summarized on a functional basis in the statement of activities and in detail in the statement of functional expenses. Certain costs have been allocated among program and supporting services. Support expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Library. Expenses have been allocated on the basis of estimates made by management.

#### Recent Accounting Pronouncements Not Yet Effective

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes the leasing guidance in ASC 840, Leases. Under ASU 2016-02 leases are required to recognize the lease assets and lease liabilities for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification determining the pattern of expense recognition in the statement of income. With the recent deferral this guidance is effective for non-public companies including not for profit organizations for fiscal periods beginning after December 15, 2021. It requires a modified retrospective approach to adoption for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. The Library expects the effect of the adoption of these standards will be immaterial to the financial statements.



## THE FERGUSON LIBRARY

### NOTES TO FINANCIAL STATEMENTS

#### 2. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions which are time or purpose restricted are available for the following purposes:

Library Programs	\$ 12,484
Staff Development	15,593
Community Arts	10,821
Programs for Children/Young Adults	18,690
Ernest DiMattia Memorial Contributions	23,714
Kaplan and Bennett Lecture Series	16,759
Ann Sexton (Board Room)	199,041
Bookmobile	6,700
Implicit Bias	1,260
Mental Health Training	11,760
	<u>\$ 316,822</u>

#### 3. NET ASSETS RELEASED FROM RESTRICTIONS

Assets were released from restrictions during the year ended June 30, 2021 for the following purposes:

Satisfaction of Time Restrictions	\$ 45,000
Satisfaction of Program:	
Library Programs	24,634
Implicit Bias	8,508
Youth Services	30,640
South End Project	32,790
Board Room	959
Staff Development	136
	<u>\$ 142,667</u>

#### 4. INVESTMENT IN NET ASSETS OF THE FERGUSON LIBRARY FOUNDATION

In June of 2021 The Library transferred \$150,000 of the expected surplus for the fiscal year to the Ferguson Library Foundation. The Library's objective is for The Foundation to invest these funds and to monitor their performance with the primary focus being the growth of the fund. The Foundation will merely manage these funds and at The Library's request transfer part or all of the funds as The Library may deem necessary.

The Library board subsequently adopted a resolution to relinquish its interest in the funds from the sale of National Review Stock which was transferred to The Foundation in February of 2015 for investment purposes. Previously The Library had adopted a resolution to make a similar transfer relinquishing its interests in funds received from Reader's Digest. The Reader's Digest funds were transferred subject to the original restrictions on principal (in perpetuity) and earnings (purpose restricted for books).

**THE FERGUSON LIBRARY**  
**NOTES TO FINANCIAL STATEMENTS**

**5. LAND, BUILDINGS AND EQUIPMENT**

Asset cost and accumulated depreciation at June 30, 2021 consist of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 228,500	\$ 228,500
Buildings & Improvements	32,559,440	32,123,383
Equipment	6,031,691	5,944,910
Vehicles	<u>548,227</u>	<u>548,227</u>
	39,367,858	38,845,020
Accumulated Depreciation	<u>18,916,507</u>	<u>18,148,589</u>
	<u>\$ 20,451,351</u>	<u>\$20,696,431</u>

**6. DEFINED BENEFIT PENSION PLAN**

The Library has a contributory defined benefit pension plan for all salaried employees. Benefits to participants are based on average compensation for the two highest years out of the last five for each year of service to a maximum of thirty three years. The annual benefit is 2% for all years of service prior to July 1, 2007, 2.125% for years of service between July 1, 2007 and June 30, 2010 and 2.25% for years of service after July 1, 2010 with the benefit capped at 74.25% of final average annual compensation. The Library's policy is to fund costs currently in amounts recommended by the actuarial consultants. This plan is not available to employees hired after February 1, 2019.

Funding for Year Ended June 30, 2021	\$ 249,504
Adjustment to Pension Expense per valuation	<u>742,657</u>
Pension Expense – Exhibit B	<u>\$ 992,161</u>

Total participant contributions were \$226,174 and total benefits paid were \$1,835,090 for the year ended June 30, 2021.

Total employer and employee contributions expected to be paid during the next fiscal year are \$388,851 and \$225,618 respectively.

Net periodic benefit cost included the following components:

Service Cost	\$ 771,022
Interest Cost	609,451
Expected Return on Plan Assets	(773,215)
Recognized Net (Gain) Loss	430,766
Amortization of Prior Service Cost	<u>(45,863)</u>
Net Pension Benefit Expense	<u>\$ 992,161</u>

Amounts not yet recognized as components of net periodic benefit costs:

Prior Service Cost	\$ (3,277)
Net (Gain) Loss	<u>3,114,947</u>
Total	<u>\$ 3,111,670</u>

Continued . . .

# THE FERGUSON LIBRARY

## NOTES TO FINANCIAL STATEMENTS

### 6. DEFINED BENEFIT PENSION PLAN (Cont'd)

Amounts expected to be recognized as components of net periodic benefit cost in fiscal year end June 30, 2022:

Amortization of Net Loss (Gain)	\$ 228,781
Amortization of Prior Service Cost (Credit)	<u>(3,636)</u>
Total Estimated Net Periodic Benefit Cost	
Amortization	<u>\$ 225,145</u>

Other amounts recognized as changes in unrestricted net assets:

Change in Prior Service Cost (Credit)	\$ -
Change in Net Loss (Gain)	(2,243,484)
Amortization of Prior Service (Cost) Credit	45,863
Amortization of Net (Loss) Gain	<u>(430,766)</u>
Total Recognized in Unrestricted Net Assets at June 30, 2021	<u>\$ (2,628,387)</u>

Assumptions used for disclosure information:

	<u>2021</u>	
Expected Rate of Return	7.00%	
Weighted Average Discount Rates	2.8%	
Rates of Increase in Compensation Levels	2.4%	Plus a merit increase based on service

The expected long term rate of return on assets is determined by first assigning plan assets to several categories. A rate of return is then projected for each category. An expected long term rate of return is then calculated by calculating a weighted average of asset category, weighted by the actual asset allocation of the plan. This weighted average is then reduced by expected investment expenses.

The following table sets forth the funded status for the Library's pension plan:

	<u>2021</u>
Accumulated Benefit Obligation	<u>\$ 18,054,884</u>
Projected Benefit Obligation	\$ 21,400,731
Plan Assets at Fair Value	<u>13,429,791</u>
Plan Assets in Excess (Deficit) of Projected Benefit Obligation	<u>\$ (7,970,940)</u>

Continued . . .

# THE FERGUSON LIBRARY

## NOTES TO FINANCIAL STATEMENTS

### 6. DEFINED BENEFIT PENSION PLAN (Cont'd)

Benefits expected to be paid in each of the next five years and in the aggregate for the five fiscal years thereafter are as follows:

<u>Fiscal Year End</u>	<u>Amount</u>
June 30, 2022	\$ 827,000
June 30, 2023	\$ 826,000
June 30, 2024	\$ 883,000
June 30, 2025	\$ 1,034,000
June 30, 2026	\$ 1,111,000
June 30, 2027 – 2031	\$ 6,120,000

The percentage of the total plan assets and fair market value of each major category of plan assets is as follows at June 30, 2021:

	<u>Percentage</u>	<u>Fair Market Value</u>
Money Market Funds	2.03%	\$ 273,261
Equities	28.84%	3,889,727
Exchange Traded Funds	24.10%	3,252,423
Fixed Income Mutual Funds	26.01%	3,507,828
Equity Mutual Funds	11.12%	1,499,524
Other	7.90%	1,064,870
	<u>100.00%</u>	<u>\$ 13,487,633</u>

The fair value hierarchy of plan assets are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ 273,261	\$ -	\$ -	\$ 273,261
Common Equity Securities	3,889,727	-	-	3,889,727
Exchange Traded Funds	3,252,423	-	-	3,252,423
Fixed Income Mutual Funds	2,322,564	1,185,264	-	3,507,828
Equity Mutual Funds	1,499,524	-	-	1,499,524
Other	-	-	1,064,870	1,064,870
	<u>\$11,237,499</u>	<u>\$1,185,264</u>	<u>\$ 1,064,870</u>	<u>\$13,487,633</u>

The responsibility for investment strategy and asset allocation is vested in the Pension Committee. The Pension Committee is responsible for determining what types of assets will be allowed and prohibited as investments for the plan and also what the allocation among these allowable investments will be. The investment strategy will seek to provide; conservation of capital, current income from dividends and interest, and long term growth.

The Committee is also authorized to delegate certain responsibilities to professional experts in various fields. Wells Fargo Advisors has been retained as the investment advisor and custodian.

# THE FERGUSON LIBRARY

## NOTES TO FINANCIAL STATEMENTS

### 7. DEFINED CONTRIBUTION PLAN

The Library has adopted a Governmental Money Purchase Plan for all full time employees hired on or after January 1, 2020, and any individual who transfers their balance from The Ferguson Library Employees' Pension Plan. New hires become eligible when they complete ninety (90) days of service. Individuals who transfer their account balance are eligible the day the transfer is completed.

The plan requires mandatory 4% contributions by both the employer and the employee based on W-2 Compensation minus any overtime and bonus. Vesting is on a graduated scale with 0% in years 0-2 and 100% after year 7. Individuals hired prior to January 1, 2020 who transfer their account balances are 100% vested immediately. The Library's contribution to the plan for the year ended June 30, 2021 was \$13,196.

### 8. CREDIT FACILITY

On March 11, 2013 the Library entered into an agreement with First County Bank for a \$250,000 revolving line of credit which may be used for operating needs. Amounts borrowed accrue interest at The Wall Street Journal prime rate. The facility requires monthly interest payments with any unpaid principle and interest accrued thereon due on demand.

The interest rate at June 30, 2021 was 3.25%.

Amounts due under this facility at June 30, 2021, were \$0.

Interest incurred under this facility for the year ended June 30, 2021 was \$0.

### 9. NOTE PAYABLE – EVERSOURCE ENERGY

On December 21, 2020 The Library entered into an agreement with The Connecticut Light and Power Company D/B/A Eversource Energy (Eversource). The Library agreed to install energy efficient equipment at the Harry Bennett Branch. Eversource in its capacity as manager of the Connecticut Energy Efficiency Fund (CEEF) would provide a \$50,000 incentive and finance the remaining \$42,623.66. The project was completed in March of 2021.

The loan is interest free and requires forty-four (44) payments of \$968.72 beginning in September of 2021.

Amounts due over the four years are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2022	\$ 9,687
June 30, 2023	11,625
June 30, 2024	11,625
June 30, 2025	9,687
	<u>\$42,624</u>

## THE FERGUSON LIBRARY

### NOTES TO FINANCIAL STATEMENTS

#### 10. NOTE 10 – FASB ASC 606 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606 Revenue From Contracts with Customers in the Accounting Standards Codification (ASC). Topic 606 requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services. Topic 606 also requires a contract liability to be recorded when an entity has the right to receive payment in advance of the satisfaction of performance obligations. Financial statements prepared using generally accepted accounting principles must follow the Topic 606 Guidelines.

The Library has various revenue sources. Unconditional contributions (restricted or unrestricted) would not be subject to the guidelines of FASB Topic 606. Fines equipment income and passport fees would not be subject to the Topic 606 guidelines as the income is recognized at the time the service is fulfilled. Municipal funding and rental fees are recognized ratably on a month by month basis which would adhere to Topic 606 guidelines for recognition.

Grants that require some sort of performance measure or obligation would be subject to Topic 606 guidelines and require an adjustment for a contract liability in the amount of revenue not recognized for the unfulfilled performance obligations.

The Library had no uncompleted contracts at July 1, 2020 so no retrospective adjustment has been made. Further at June 30, 2021 there were also no uncompleted contracts requiring adjustment.

#### 11. LEASE COMMITMENTS

On April 1, 2019 the Library entered into an agreement with Winfield Street Stamford, LLC to lease 1,730 square feet of retail space located on the first floor and 90 square feet of storage space. The lease term is for five years beginning April 1<sup>st</sup> 2019 and ending March 31, 2024 with the ability to extend the lease for three (3) additional five (5) year terms.

The original lease stated that in addition to the basic rent, tenant would pay an annual sum equal to 10% of gross revenues over the annual basic rent times ten (10). The additional rent payment shall be capped at fifteen (15) % of basic rent. Tenant is also responsible for all usage charges for water, electricity and other utilities.

With the onset of the COVID 19 pandemic and it's continued effect on the world economy, the original lease has been modified four times. The latest terms commencing as of September 1, 2021 call for monthly rent payments of \$4,000 and \$525 for utilities. These amounts shall run through the original lease term.

The annual rents for the remaining initial term are as follows:

<u>Year</u>	<u>Amount</u>
June 30, 2022	\$46,000
June 30, 2023	\$48,000
March 31, 2024	\$36,000

Continued . . .

## THE FERGUSON LIBRARY

### NOTES TO FINANCIAL STATEMENTS

#### 12. CONTINGENCIES

The Library has been named as a defendant in a legal proceeding and claim which has arisen in the ordinary course of operations. The Plaintiff is claiming injuries sustained in a fall, exiting the Library. This matter is currently pending while the plaintiff determines if she will pursue further treatment. The Library does not anticipate a verdict or settlement that would impact the day-to-day operations of the Library or the financial viability of the organization. The Library's insurance carrier is expected to pay all of the costs and fees involved in this claim, including any settlement proceeds.

In September of 2020 a former employee of the Library filed a claim with the Connecticut Commission On Human Rights and Opportunities (CHRO), which is deemed simultaneously filed with the U.S. Equal Employment Opportunities Commission (EEOC) which included certain allegations in connection with her termination from employment. The Library fervently denies such allegations and is vigorously defending such claims.

In the opinion of management, the ultimate outcome, including an estimate of the possible loss or range of loss in either proceeding cannot be made at this time.

#### 13. CONCENTRATION OF CREDIT RISK

The Library maintains its cash balances at one financial institution. At times during the year the balance on deposit may be in excess of Federal Deposit Insurance Corporation (FDIC) limits. At June 30, 2021 the Library had deposit balances of \$936,172 which were in excess of FDIC insurance limits.

#### 14. RELATED PARTIES

The Ferguson Library Foundation Inc. and the Friends of the Ferguson Library are organizations whose sole purpose is to support the Ferguson Library by making contributions for programs and operations. The organizations have made the following contributions to the library:

	<u>2021</u>	<u>2020</u>
Ferguson Library Foundation, Inc.	<u>\$ 52,000</u>	<u>\$ 62,500</u>
Friends of the Ferguson Library	<u>\$ 98,856</u>	<u>\$ 99,870</u>

#### 15. PAYCHECK PROTECTION PROGRAM LOAN

On April 24, 2020 the library received \$1,150,400 under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administrated by the Small Business Administration. The Library was able to meet all requirements and on January 6, 2021 received forgiveness for the entire amount of the loan.

## THE FERGUSON LIBRARY

### NOTES TO FINANCIAL STATEMENTS

#### 16. UNCONDITIONAL PROMISE TO GIVE

At June 30, 2021 the library had an unconditional promise to give from a donor in the amount of \$100,000.

Total Promise to give	<u>\$ 100,000</u>
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Amounts Due In:

Less than One Year	\$ 50,000
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One Year to Three Years	<u>\$ 50,000</u>
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	<u>\$ 100,000</u>
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The donor has restricted the contribution(s) to capital expenditures for the main library and branches.

#### 17. AVAILABILITY AND LIQUIDITY

The following represents the Library's financial assets at June 30, 2020 available to meet general expenditures.

Cash and cash equivalents	\$ 1,071,248
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Accounts Receivable	164,791
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Interest in Net Assets of the Ferguson Foundation, Inc.	<u>150,000</u>
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Total Financial Assets	<u>1,386,039</u>
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Less amounts not available to be used within one year

Net assets with donor restrictions	316,822
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Accounts Receivable – City of Stamford	<u>62,534</u>
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	<u>379,356</u>
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Financial assets available to meet general expenditures  
over the next twelve months

	<u>\$ 1,006,683</u>
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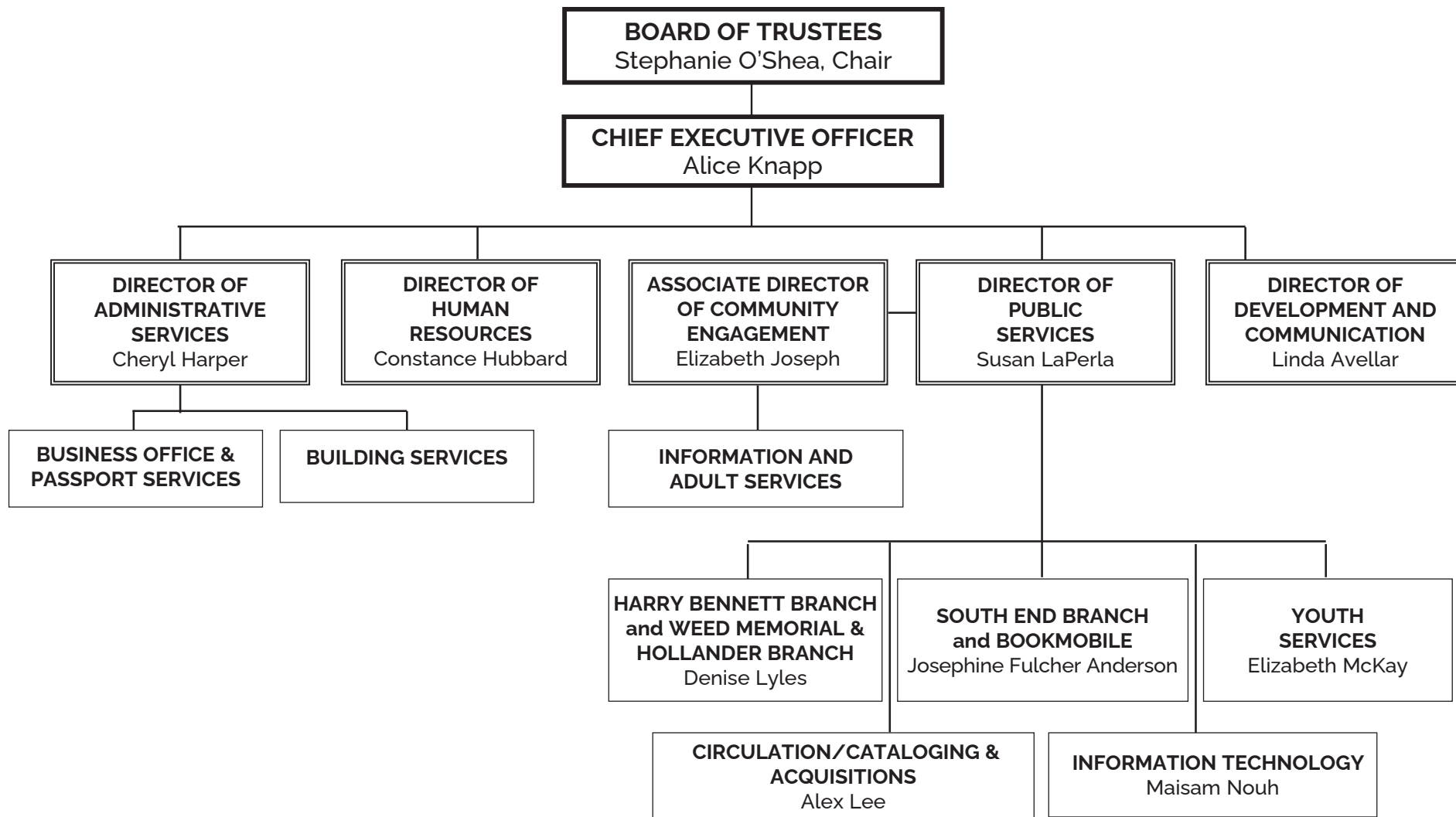
#### 18. COVID-19 PANDEMIC

In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, and financial markets. While the effects of COVID-19 are not reflected in the Library's financial statements, there is substantial uncertainty in the nature and degree of its effects over time. The extent to which the COVID-19 pandemic impacts the Library going forward will depend on numerous evolving factors which cannot be reliably predicted, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or further financial market instability.

#### 19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 4, 2022 the date which the financial statements were available for issue.





## Make E-Books Available to All

The Ferguson Library was one of the first public libraries in Connecticut to introduce e-books in the early 2000s. Within the decade, Ferguson and other libraries began offering popular titles via Overdrive. It was clunky but at least you could get some new titles in digital format. I say *some*, because from the very beginning, access has been a problem. Some publishers made titles available right away but at a premium price that was substantially more than physical books. Other publishers delayed availability of titles to libraries. And then there were those, like Amazon, who didn't make the e-book version available at all.

This problem has been complicated by the fact that libraries could only lease these titles; we never owned them. To get access to digital books, we pay an annual platform fee in addition to the cost for each individual title. E-books are typically two to four times more expensive than a new hardcover. And typically, the lease for that title expires in two years or 26 check-outs. We then have to lease it all over again. In a state that has a long tradition of resource sharing, these leased titles are only available to local residents. We cannot loan a title to someone who lives in another town and vice versa.

Right now, Senate Bill No. 131, An Act Concerning Electronic Book and Digital Audiobook Licensing, seeks to address some of these problems. While the Ferguson will still not be able to purchase an e-book, it does address leasing and loan issues. More importantly, the bill requires publishers to lease books to libraries on "reasonable terms."

Since the beginning of the pandemic, Stamford residents' use of e-content has skyrocketed. We have improved our catalog so you can easily see if the title is a physical book or an e-book and it links you directly to the platform for checkout. In a recent survey, respondents told us they wanted more digital content (streaming movies and music as well as e-books and e-audio). I know from personal experience the frustration of waiting for a new title. Reducing the cost of leasing a title is the only way libraries will be able to meet the needs of their communities. Please let your legislator know that you support Senate Bill No. 131.

