



***Westchester Library System***  
***Financial Statement Review***  
***December 2018 – Pre-Audit Figures***



**NOTES FOR DECEMBER 2018 BALANCE SHEET** (Pre-Audit Figures)

**Assets:**

Cash & Cash Equivalents – WLS received approximately \$1,100,000 in cash during the months of November and December. Notable revenues included \$250,000 from Westchester County for the third quarter of the year, \$330,000 in member fees (most of which represent early payments on 2019 fees), \$120,000 in special legislative aid for various member libraries, and \$210,000 in corporate and foundation gifts. More than \$1,750,000 was paid out during this 2-month period, resulting in a cash position that is approximately \$650,000 less than October's position. Notable expenses included payroll expenses for 4 payroll periods (\$350,000), benefits (\$465,000, including the annual payment to the NYS pension system), 2018 and 2019 e-resource expenses (\$150,000), hardware and software maintenance and licensing expenses (\$125,000), pass-through payments to the member libraries (\$100,000), and other recurring expenses such as delivery, telephone and internet (\$240,000).

Unconditional Promises to Give – This line decreased by approximately \$83,000 since October, driven by the recording of more than \$167,000 and receipt of revenue of \$250,000, all of which was related to the Westchester County 2018 allocation of \$1,000,000.

Prepaid Expenses – The increase of approximately \$31,000 in this line is driven by the release of approximately \$160,000 of prepaid expenses versus the recording of \$181,000 in new pre-paid expenses. The majority of this activity was related to database e-content subscriptions and maintenance contracts.

**Liabilities:**

Accounts Payable – \$380,000 was released and \$115,000 in year-end expenses was recorded, resulting in a large decrease of \$265,000 during the November-December period. Included in the \$380,000 is the payment of the 2018 pension invoice, for which monies were accrued throughout the year.

Deferred Revenue – This line decreased by approximately \$580,000 during the period, primarily driven by the recognition of two months of IT and State revenues (\$900,000) vs. the recording of \$320,000 in revenues received from member libraries for 2019 fees.

**Financial Statement Review**  
**December 2018 – Pre-Audit Figures**

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>YTD Change</u>	<u>YTD % Change</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	4,474,576	3,794,703	679,873	17.9%
Unconditional Promises to Give	252,175	250,000	2,175	0.9%
Accounts Receivable	30,334	99,751	(69,417)	-69.6%
Prepaid Expenses	599,110	578,037	21,073	3.7%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	5,356,195	4,722,490	633,704	13.4%
<b>Long-term Assets</b>				
Property & Equipment	<u>752,247</u>	<u>979,431</u>	<u>(227,184)</u>	<u>-23.2%</u>
Total Property & Equipment	<u>752,247</u>	<u>979,431</u>	<u>(227,184)</u>	<u>-23.2%</u>
Total Long-term Assets	<u>752,247</u>	<u>979,431</u>	<u>(227,184)</u>	<u>-23.2%</u>
Total Assets	<u>6,108,442</u>	<u>5,701,922</u>	<u>406,520</u>	<u>7.1%</u>
<b>Liabilities</b>				
<b>Short-term Liabilities</b>				
Accounts Payable	395,715	449,888	(54,173)	-12.0%
Deferred Revenue	<u>959,124</u>	<u>624,430</u>	<u>334,695</u>	<u>53.6%</u>
Total Short-term Liabilities	1,354,839	1,074,317	280,522	26.1%
<b>Long-term Liabilities</b>				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	289,790	293,556	(3,766)	-1.3%
Post-Retirement Benefits Payable	<u>4,380,908</u>	<u>4,380,908</u>	<u>0</u>	<u>0.0%</u>
Total Long-term Liabilities	<u>4,670,698</u>	<u>4,674,464</u>	<u>(3,766)</u>	<u>-0.1%</u>
Total Liabilities	<u>6,025,537</u>	<u>5,748,781</u>	<u>276,756</u>	<u>4.8%</u>
<b>Net Assets</b>				
Total Net Assets	<u>82,905</u>	<u>(46,860)</u>	<u>129,764</u>	<u>-276.9%</u>
Total Liabilities and Net Assets	<u>6,108,442</u>	<u>5,701,922</u>	<u>406,520</u>	<u>7.1%</u>



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**NOTES FOR DECEMBER 2018 INCOME STATEMENT (Pre-Audit Figures)**

**Revenues:**

Total revenues for December exceeded the monthly budget by \$240,000, largely driven by the receipt of an anonymous \$200,000 gift. Overall revenues for the year exceeded budget by \$280,000, driven by greater-than-budgeted revenues in every line except *WEBS & Other*. As was noted in October, the shortfall in *WEBS & Other* is the result of a decision by one of the libraries which hosts the WEBS program (and pays for it) to discontinue the activity mid-way through the year.

**Expenses:**

Overall spending for December came in \$10,000 over budget before depreciation, but \$262,000 under budget for the entire year.

Salaries – This line was overspent by \$6,500 for the month of December, but underspent by \$33,600 for the year.

Fringe Benefits – This line was underspent for the year by \$56,000, primarily the result of lower-than-budgeted costs for health insurance and pension. In the case of pension, WLS accrues for pension costs on a monthly basis and the year-end pension invoice came in lower than anticipated.

Professional Fees – Overspending for the month in this line was driven by greater than budgeted expenses for audit fees. The budget for this line was spread equally over the 12-month budget year, but the entire audit expense was recognized in December.

Equipment – Some equipment purchases were not made due to anticipated budget shortfalls in the IT budget and as a result, this line was underspent for 2018.

Printing and Postage – The negative expense for December is the result of a journal entry which corrected a previous month's entry incorrectly charged here. Overspending for the year was driven by expenses for WLS signage and marketing expenses associated with a contribution for marketing activity, neither of which had been included in the budget.

Professional Development – Overspending of \$44,000 in this line was driven by the following expenses: 1) as previously noted, the budget assumed that the Palmer School would offer one class but during 2018, two classes were offered. However, a large portion of that overspending was offset by the increased revenue received from the program (included under *Restricted Grants*); 2) other unbudgeted expenses included sexual harassment training workshops and a suite of IT workshops. In the case of the IT workshops, the expense was also partially offset by payments from attendees from other library systems.



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**Financial Statement Review**  
**December 2018 – Pre-Audit Figures**

	Current Period		Current Period Budget Variance	YTD Budget			Total Budget
	12/31/2018	Budget		Current Year Actual	YTD Budget	Variance	
<b>Revenue</b>							
Grants State	194,563	191,775	2,788	2,318,334	2,301,300	17,034	2,301,300
Grants County	83,333	83,333	0	1,000,000	1,000,000	0	1,000,000
Member Technology Fees	231,925	231,008	917	2,808,236	2,772,100	36,136	2,772,100
Fund Raising & Contributions	196,279	7,500	188,779	221,445	102,000	119,445	102,000
Interest	1,881	500	1,381	16,444	6,000	10,444	6,000
WEBS & Other	7,046	2,983	4,063	28,096	35,800	(7,704)	35,800
Temporarily Restricted Government Revenues	24,565	19,625	4,940	238,126	235,500	2,626	235,500
Temporarily Restricted Other Revenues	39,257	1,667	37,591	121,656	20,000	101,656	20,000
<b>Total Revenue</b>	<b>778,849</b>	<b>538,392</b>	<b>240,458</b>	<b>6,752,337</b>	<b>6,472,700</b>	<b>279,637</b>	<b>6,472,700</b>
<b>Expenditures</b>							
Salaries	204,536	198,075	(6,461)	2,343,254	2,376,900	33,646	2,376,900
Fringe Benefits	80,787	98,436	17,649	1,130,553	1,187,000	56,447	1,187,000
Professional Fees	20,172	6,992	(13,181)	29,580	28,900	(680)	28,900
Equipment	18,221	17,700	(521)	107,923	212,400	104,477	212,400
Library Materials	49,112	64,042	14,930	730,182	769,800	39,618	769,800
Rent and Utilities	27,552	28,133	581	328,153	337,600	9,447	337,600
Repairs and Maintenance	36,099	38,883	2,784	479,137	477,700	(1,437)	477,700
Supplies	2,046	3,342	1,295	23,472	38,100	14,628	38,100
Telephone and Internet	26,127	29,917	3,789	338,007	359,000	20,993	359,000
Printing and Postage	(2,538)	3,933	6,472	70,866	52,600	(18,266)	52,600
Bibliographic Fees	6,015	5,833	(181)	69,326	70,000	674	70,000
Professional Development	39,346	4,042	(35,305)	95,989	52,200	(43,789)	52,200
Travel	1,330	3,017	1,687	22,160	36,200	14,040	36,200
Memberships	1,246	600	(646)	12,042	15,100	3,058	15,100
Contractual Services	10,512	10,767	255	119,137	129,200	10,063	129,200
Delivery Service	37,461	32,792	(4,670)	388,044	393,500	5,456	393,500
Special Events	0	0	0	10,418	12,000	1,582	12,000
Insurance	1,710	2,083	373	20,626	25,000	4,374	25,000
Interest	0	42	42	0	500	500	500
Miscellaneous	98	1,142	1,043	6,488	13,700	7,213	13,700
<b>Total Expenditures</b>	<b>559,834</b>	<b>549,769</b>	<b>(10,064)</b>	<b>6,325,356</b>	<b>6,587,400</b>	<b>262,044</b>	<b>6,587,400</b>
<b>Net Revenue Before Depreciation</b>	<b>219,015</b>	<b>(11,378)</b>	<b>230,393</b>	<b>426,981</b>	<b>(114,700)</b>	<b>541,681</b>	<b>(114,700)</b>
<b>Non-Cash Activity</b>							
Depreciation	20,343	0	(20,343)	242,282	0	(242,282)	0
<b>Total Non-Cash Activity</b>	<b>20,343</b>	<b>0</b>	<b>(20,343)</b>	<b>242,282</b>	<b>0</b>	<b>(242,282)</b>	<b>0</b>
<b>Net Revenue</b>	<b>198,673</b>	<b>(11,378)</b>	<b>210,050</b>	<b>184,698</b>	<b>(114,700)</b>	<b>299,398</b>	<b>(114,700)</b>

***Financial Statement Review  
Capital Budget Activity – December 2018  
Pre-Audit Figures***

Expenditures			
VDI equipment	60,000	54,934	5,066
LEADER Lab equipment	11,000		11,000
<b>Total Expenditures</b>	<b><u>71,000</u></b>	<b><u>54,934</u></b>	<b><u>16,066</u></b>

A budget of \$60,000 was proposed for the Virtual Desktop project in 2018. Spending of \$54,934 represents the total monies spent on the project during this fiscal year.

\$11,000 had been budgeted to purchase a laser cutter for the Leader Lab. However, a decision was subsequently made to partner with a member library which already has this equipment.