



Westchester Library System
Financial Statement Review
September 2019



NOTES FOR SEPTEMBER 2019 BALANCE SHEET *(Provides a snapshot of WLS's financial position, showing the organization's assets and liabilities.)*

Assets:

CURRENT ASSETS *(This section indicates the organization's liquidity by showing what assets WLS holds in cash and what assets will be available in cash in the near future.)*

Cash & Cash Equivalents *(This line shows the total cash in WLS's bank accounts, investment accounts and petty cash.)* – During the month of September, WLS received approximately \$600,000 in cash, and paid out approximately \$390,000, resulting in a cash position that is approximately \$210,000 greater than August's position. Notable receipts in September included \$235,000 in member fees and \$350,000 from New York State.

Unconditional Promises to Give *(These are promises to give money to WLS without any restrictions attached.)* – During September \$115,000 in unconditional promises were recorded; at the same time, revenues received from New York State reduced this line by approximately \$180,000. The result of this activity was a decrease of \$65,000 over the August figure.

Accounts Receivable *(These are monies owed to the organization by another party. For WLS, it usually refers to monies owed by the member libraries.)* – This line decreased by approximately \$235,000, driven primarily by receipt of IT receivables for the July – December period. As of the end of September, eight libraries have not yet paid their July – December 2019 bills: Bedford Village (\$18,293), Chappaqua (\$36,690), Irvington (\$23,403), Larchmont (\$38,736), New Rochelle (\$73,761), Port Chester-Rye Brook (\$38,080), Scarsdale (\$34,145), White Plains (\$65,469). The total outstanding is \$328,577.

Prepaid Expenses *(These are expenses that WLS has paid in advance for goods or services that have not yet been received or used.)* – \$20,000 in new prepaid expenses was recorded and \$70,000 was released during the month, resulting in a decrease of \$50,000 in this line.

SHORT TERM LIABILITIES *(Shows WLS's near-term obligations.)*

Liabilities:

Deferred Revenue *(Funds received in advance for expenses not yet incurred.)* – This line decreased by approximately \$260,000 during the period, the result of recording approximately \$175,000 in newly-received NYS revenues, against recognition \$435,000 in other revenues.

Financial Statement Review September 2019

	<u>9/30/2019</u>	<u>12/31/2018</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	5,761,740	4,484,113	1,277,627	28.5%
Unconditional Promises to Give	262,574	252,175	10,399	4.1%
Accounts Receivable	358,578	30,329	328,249	1082.3%
Prepaid Expenses	533,776	597,110	(63,334)	-10.6%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	6,916,668	5,363,727	1,552,941	29.0%
Long-term Assets				
Property & Equipment	<u>624,603</u>	<u>807,181</u>	<u>(182,578)</u>	<u>-22.6%</u>
Total Property & Equipment	<u>624,603</u>	<u>807,181</u>	<u>(182,578)</u>	<u>-22.6%</u>
Total Long-term Assets	<u>624,603</u>	<u>807,181</u>	<u>(182,578)</u>	<u>-22.6%</u>
Total Assets	<u><u>7,541,271</u></u>	<u><u>6,170,908</u></u>	<u><u>1,370,363</u></u>	<u><u>22.2%</u></u>
Liabilities				
Short-term Liabilities				
Accounts Payable	645,890	398,716	247,174	62.0%
Deferred Revenue	<u>2,005,373</u>	<u>959,124</u>	<u>1,046,249</u>	<u>109.1%</u>
Total Short-term Liabilities	2,651,263	1,357,840	1,293,423	95.3%
Long-term Liabilities				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	285,052	289,790	(4,738)	-1.6%
Post-Retirement Benefits Payable	<u>3,815,633</u>	<u>3,815,633</u>	<u>0</u>	<u>0.0%</u>
Total Long-term Liabilities	<u>4,100,685</u>	<u>4,105,423</u>	<u>(4,738)</u>	<u>-0.1%</u>
Total Liabilities	<u><u>6,751,948</u></u>	<u><u>5,463,263</u></u>	<u><u>1,288,685</u></u>	<u><u>23.6%</u></u>
Net Assets				
Total Net Assets	<u><u>789,322</u></u>	<u><u>707,645</u></u>	<u><u>81,678</u></u>	<u><u>11.5%</u></u>
Total Liabilities and Net Assets	<u><u>7,541,271</u></u>	<u><u>6,170,908</u></u>	<u><u>1,370,363</u></u>	<u><u>22.2%</u></u>



NOTES FOR SEPTEMBER 2019 INCOME STATEMENT

Revenues:

Revenues for September came in almost exactly on budget. The only notable activity was in the *Federal Revenues without Restrictions* line. Now that we have received definite information on eRate, the balance of the revenue will be recognized over the next four months (\$13,000 each month). Again this month, the only notable shortfall is \$5,100 in the *Fund Raising & Contributions* line; however, \$1,500 of the revenues included in the *Temporarily Restricted Other Revenues* line represents funds that were raised by Development, so the two lines should be looked at together.

Expenses:

Spending for the month of September came in \$70,000 under budget. The lines with notable activity were:

Library Materials – This line ended the month with a deficit of more than \$9,000. Expenses for the debit-credit program (in which libraries that are net lenders are given an annual allocation from WLS to purchase library materials) are included in this line. With the deadline for these purchases approaching, a number of libraries submitted large invoices for reimbursement, driving the line into deficit for the month.

Printing & Publicity – Spending in this line was all related to marketing of WLS Outreach programs including WSOS (Westchester Seniors Out Speaking), Early Literacy, Digital Literacy and the Census.

Professional Development – The negative number in this line represents reimbursements from non-WLS participants for a *Resilience* workshop.



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Financial Statement Review September 2019

	Current Period			Current Year			Total Budget
	9/30/2019	Budget	Budget Variance	Actual	YTD Budget	YTD Budget Variance	
Revenue							
State Revenues without Restrictions	193,947	193,667	280	1,743,061	1,743,000	61	2,324,000
County Revenues without Restrictions	84,583	84,583	0	761,250	761,250	0	1,015,000
Federal Revenues without Restrictions	13,000	13,333	(333)	117,174	120,000	(2,826)	160,000
Member Technology Fees	237,271	235,600	1,671	2,136,808	2,120,400	16,408	2,827,200
Fund Raising & Contributions	10	5,167	(5,157)	15,500	46,500	(31,000)	62,000
Interest	2,296	1,000	1,296	11,319	9,000	2,319	12,000
WEBS & Other	2,885	2,317	568	19,736	20,850	(1,114)	27,800
Government Revenues with Restrictions	22,175	19,642	2,533	170,213	176,775	(6,562)	235,700
Other Revenues with Restrictions	3,373	4,275	(902)	125,772	38,475	87,297	51,300
Total Revenue	559,540	559,583	(43)	5,100,833	5,036,250	64,582	6,715,000
Expenditures							
Salaries	176,971	202,900	25,929	1,674,567	1,826,100	151,533	2,434,800
Fringe Benefits	96,022	101,125	5,103	866,714	910,125	43,411	1,213,500
Professional Fees	3,665	3,033	(631)	12,228	27,300	15,072	36,400
Equipment	2,638	18,300	15,662	93,772	164,700	70,928	219,600
Library Materials	73,780	67,533	(6,247)	608,790	608,800	10	811,400
Rent and Utilities	27,552	28,833	1,281	264,221	259,500	(4,720)	346,000
Repairs and Maintenance	26,928	36,175	9,247	300,543	379,075	78,532	477,600
Supplies	2,425	3,592	1,167	18,494	32,325	13,831	43,100
Telephone and Internet	17,585	30,000	12,415	259,279	270,000	10,721	360,000
Printing and Postage	9,967	5,725	(4,242)	49,379	51,625	2,246	68,800
Bibliographic Fees	6,364	6,042	(322)	51,854	54,375	2,521	72,500
Professional Development	(2,038)	6,300	8,338	23,818	56,700	32,882	75,600
Travel	1,783	3,142	1,359	14,723	28,275	13,552	37,700
Memberships	222	1,075	854	10,410	14,625	4,215	16,400
Contractual Services	15,738	12,225	(3,513)	113,245	110,025	(3,220)	146,700
Delivery Service	30,637	33,875	3,238	314,289	304,875	(9,414)	406,500
Special Events	0	833	833	3,835	7,500	3,665	10,000
Insurance	1,693	2,083	390	14,726	18,750	4,024	25,000
Miscellaneous	216	1,300	1,084	3,436	11,700	8,264	15,700
Total Expenditures	492,146	564,092	71,946	4,698,321	5,136,375	438,055	6,817,300
Net Revenue Before Depreciation	67,394	(4,508)	71,902	402,512	(100,125)	502,637	(102,300)
Non-Cash Activity							
Depreciation	20,287	0	(20,287)	182,578	0	(182,578)	0
Total Non-Cash Activity	20,287	0	(20,287)	182,578	0	(182,578)	0
Net Revenue	47,107	(4,508)	51,616	219,934	(100,125)	320,059	(102,300)



Income Statement with Projections:

Revenues:

On the Revenue Side, WLS has received approximately 75% of projected 2019 revenue; total projected revenue is expected to exceed budget by \$115,000, driven by the budget lines noted below:

Grants County – Although WLS had budgeted \$1,015,000 in this line, the actual revenue will be \$1,000,000, a shortfall of \$15,000.

eRate revenues – WLS has received its 2019 allocations; based on that figure, eRate revenue will fall short of budget by \$3,800.

Member Library Fees – Based upon current projections, this line will exceed budget by more than \$20,000, primarily driven by greater-than-anticipated revenues for professional services provided by IT to member libraries.

Fund Raising & Contributions – This line is expected to fall short of budget by \$41,500. However, taken together with the \$100,000 that has been raised plus \$60,000 projected between now and year end (both of which are included in Other Revenues with Restrictions), the net result is a surplus of \$118,500 in monies raised.

Expenses:

On the Expense side, total expenses are projected to come in approximately \$300,000 under budget before depreciation, driven by notable variations in the following budget lines:

Salaries – As noted in last month's report, this line includes salaries, overtime and hourly wages. The projected surplus is driven by vacant salaried positions, somewhat offset by overtime costs and overspending for hourly wages. The overspending for overtime and hourly pay was primarily the result of the malware attack which WLS experienced in July.

Fringe Benefits – The projected surplus in this line is driven by a lower-than-anticipated increase in health insurance costs for 2019 as well as by monies budgeted for positions which became vacant during the year.

Equipment – Although at this point, equipment expenses are projected to be \$100,000 under budget, this projection does not include any recommended purchases that are likely to result from the IT audit.

Rent & Utilities – The projected deficit in this line is the result of payment of additional 2018 taxes owed.

Contractual Services – As noted in September's report, projected overspending in this line includes the cost of the IT audit, for which funds were not included in the budget.

Financial Statement Review – Full-Year Projections September 2019

	Current Year Actuals (through Sep-2019)	Current Year Projected (Oct -Dec 2019)	CURRENT YEAR TOTAL PROJECTIONS	Current Year Projected vs Budget	
	<u>Total Budget</u>				
Revenue					
State Revenues without Restrictions	2,324,000	1,743,061	581,837	2,324,898	898
County Revenues without Restrictions	1,015,000	761,250	238,750	1,000,000	(15,000)
Federal Revenues without Restrictions	160,000	117,174	39,000	156,174	(3,826)
Member Technology Fees	2,827,200	2,136,808	711,000	2,847,808	20,608
Fund Raising & Contributions	62,000	15,500	5,000	20,500	(41,500)
Interest	12,000	11,319	2,400	13,719	1,719
WEBS & Other	27,800	19,736	8,513	28,249	449
Government Revenues with Restrictions	235,700	170,213	65,756	235,969	269
Other Revenues with Restrictions	<u>51,300</u>	<u>125,772</u>	<u>73,427</u>	<u>199,199</u>	<u>147,899</u>
Total Revenue	<u>6,715,000</u>	<u>5,100,833</u>	<u>1,725,682</u>	<u>6,826,515</u>	<u>111,515</u>
Expenditures					
Salaries	2,434,800	1,674,567	688,600	2,363,167	71,633
Fringe Benefits	1,213,500	866,714	322,683	1,189,397	24,103
Professional Fees	36,400	12,228	20,184	32,413	3,987
Equipment	219,600	93,772	24,900	118,672	100,928
Library Materials	811,400	608,790	176,211	785,000	26,400
Rent and Utilities	346,000	264,221	85,422	349,643	(3,643)
Repairs and Maintenance	477,600	300,543	142,957	443,500	34,100
Supplies	43,100	18,494	17,000	35,494	7,606
Telephone and Internet	360,000	259,279	87,700	346,979	13,021
Printing and Postage	68,800	51,948	22,100	74,048	(5,248)
Bibliographic Fees	72,500	51,854	19,500	71,354	1,146
Professional Development	75,600	23,818	31,500	55,318	20,282
Travel	37,700	14,723	7,500	22,223	15,477
Memberships	16,400	10,410	3,000	13,410	2,990
Contractual Services	146,700	113,245	60,000	173,245	(26,545)
Delivery Service	406,500	314,289	98,467	412,756	(6,256)
Special Events	10,000	3,835	0	3,835	6,166
Insurance	25,000	14,726	6,000	20,726	4,274
Miscellaneous	<u>15,700</u>	<u>3,436</u>	<u>2,700</u>	<u>6,136</u>	<u>9,564</u>
Total Expenditures	<u>6,817,300</u>	<u>4,700,890</u>	<u>1,816,424</u>	<u>6,517,313</u>	<u>299,987</u>
Net Revenue Before Depreciation	(102,300)	399,943	(90,741)	309,202	
Non-Cash Activity					
Depreciation	<u>0</u>	<u>182,578</u>	<u>102,511</u>	<u>285,089</u>	<u>(285,089)</u>
Total Non-Cash Activity	<u>0</u>	<u>182,578</u>	<u>102,511</u>	<u>285,089</u>	<u>(285,089)</u>
Net Revenue	<u>(102,300)</u>	<u>217,365</u>	<u>(193,252)</u>	<u>24,113</u>	



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Income Statement with Projections for October through December 2019

“Housekeeping” reminders:

1. In 2019, some revenue lines were re-labeled as follows:

<u>2019</u>	<u>2017 & 2018</u>
State Revenues without Restrictions	Grants State
County Revenues without Restrictions	Grants County
Federal Revenues without Restrictions	Grants Federal
Government Revenues with Restrictions	Restricted Grants
Other Revenues with Restrictions	Restricted Other

As a result of re-labeling the last two line items, some revenues have moved between these lines in 2019.

2. In 2017 and 2018, no monies were budgeted in the Grants Federal line. Now that WLS has again applied for and is receiving eRate monies, these revenues were included in the 2019 budget.

Revenues:

WLS is $\frac{3}{4}$ of the way through its fiscal year, and revenues are right on target: 75% of the monies have been received. The same was true at this point in 2018; however, in 2017, only 70% of the monies had been received at this point. Below are notes regarding a couple of the revenue lines.

State Revenues without Restrictions – This line is one of the primary sources of funding for WLS operations. For 2019, this line is on budget year-to-date; the same was true at this time in 2017. In 2018, State revenues exceeded budget at this point in the year as a result of an unanticipated increase in NYS library allocations.

Fundraising & Contributions/Other Revenues with Restrictions – In both 2017 and 2018, the combined figure for these two lines was in deficit at this point in the year (a \$43,000 deficit in September 2017 and a \$13,000 deficit in September 2018). In the current year, the combination of these lines exceed the year-to-date budget by \$56,000.

Expenses:

On the Expense side, WLS has expended 69% of it’s annual budget as of the end of September. In September 2018, that figure was 71%; in 2017, 73% of the annual budget had been spent at this point in the fiscal year. While the spending in each line is fairly consistent year over year, a couple of notable exceptions are listed below:

Salaries – This line includes salaries, overtime and hourly wages. The lower spending as of August 31, 2019 can be attributed to the retirements which occurred over the last nine months, none of which had been anticipated when the 2019 budget was prepared.

Library Materials – The budget for this line has been increased in each of the last three years to accommodate increased demand for e-resources. As a result, spending as of September 2019 is notably higher than spending at the same time in 2018 and 2017.

Financial Statement Review
September 2019 Revenue and Expenses
compared with September 2018 and September 2017

	YTD Budget			YTD Budget			YTD Budget		
	9/30/2019	YTD Budget	Variance	9/30/2018	YTD Budget	Variance	9/30/2017	YTD Budget	Variance
Revenue									
State Revenues without Restrictions	1,743,061	1,743,000	61	1,734,646	1,725,975	8,671	1,675,111	1,674,750	361
County Revenues without Restrictions	761,250	761,250	0	750,000	750,000	0	750,000	750,000	0
Federal Revenues without Restrictions	117,174	120,000	(2,826)	0	0	0	317	0	317
Member Technology Fees	2,136,808	2,120,400	16,408	2,110,862	2,079,075	31,787	2,050,358	2,033,025	17,333
Fund Raising & Contributions	15,500	46,500	(31,000)	16,479	79,500	(63,021)	36,256	92,250	(55,994)
Interest	11,319	9,000	2,319	10,898	4,500	6,398	5,448	3,600	1,848
WEBS & Other	19,736	20,850	(1,114)	18,325	26,850	(8,525)	29,809	30,975	(1,166)
Restricted Grants	170,213	176,775	(6,562)	168,541	176,625	(8,084)	228,525	210,375	18,150
Restricted Other	<u>125,772</u>	<u>38,475</u>	<u>87,297</u>	<u>65,121</u>	<u>15,000</u>	<u>50,121</u>	<u>16,752</u>	<u>3,750</u>	<u>13,002</u>
Total Revenue	<u>5,100,833</u>	<u>5,036,250</u>	<u>64,582</u>	<u>4,874,871</u>	<u>4,857,525</u>	<u>17,346</u>	<u>4,792,575</u>	<u>4,798,725</u>	<u>(6,150)</u>
Expenditures									
Salaries	1,674,567	1,826,100	151,533	1,742,787	1,782,675	39,887	1,764,663	1,791,225	26,562
Fringe Benefits	866,714	910,125	43,411	856,984	891,180	34,196	833,866	861,826	27,959
Professional Fees	12,228	27,300	15,072	8,040	17,925	9,885	11,615	19,575	7,960
Equipment	93,772	164,700	70,928	83,305	159,300	75,995	110,087	163,650	53,563
Library Materials	608,790	608,800	10	542,832	577,675	34,843	516,310	513,788	(2,523)
Rent and Utilities	264,221	259,500	(4,720)	245,497	253,200	7,703	252,417	251,325	(1,092)
Repairs and Maintenance	300,543	379,075	78,532	350,349	361,049	10,700	336,055	314,775	(21,280)
Supplies	18,494	32,325	13,831	17,707	28,075	10,368	24,643	23,400	(1,243)
Telephone and Internet	259,279	270,000	10,721	244,734	269,250	24,516	246,574	276,600	30,026
Printing and Postage	49,379	51,625	2,246	35,489	40,000	4,511	38,323	47,475	9,152
Bibliographic Fees	51,854	54,375	2,521	51,396	52,500	1,104	49,977	52,500	2,523
Professional Development	23,818	56,700	32,882	46,188	36,575	(9,612)	37,042	39,825	2,784
Travel	14,723	28,275	13,552	19,423	27,150	7,727	22,824	28,613	5,788
Memberships	10,410	14,625	4,215	10,529	13,700	3,171	11,390	12,675	1,285
Contractual Services	113,245	110,025	(3,220)	86,000	96,900	10,900	157,840	138,825	(19,015)
Delivery Service	314,289	304,875	(9,414)	297,571	295,125	(2,446)	298,944	295,125	(3,819)
Special Events	3,835	7,500	3,665	10,418	12,000	1,582	12,986	12,000	(986)
Insurance	14,726	18,750	4,024	15,460	18,750	3,290	15,967	17,250	1,283
Interest				0	375	375	0	500	500
Miscellaneous	<u>3,436</u>	<u>11,700</u>	<u>8,264</u>	<u>3,935</u>	<u>10,275</u>	<u>6,340</u>	<u>5,445</u>	<u>10,425</u>	<u>4,980</u>
Total Expenditures	<u>4,698,321</u>	<u>5,136,375</u>	<u>438,055</u>	<u>4,668,644</u>	<u>4,943,679</u>	<u>275,035</u>	<u>4,746,968</u>	<u>4,871,376</u>	<u>124,408</u>
Net Revenue Before Depreciation	402,512	(100,125)	502,637	206,227	(86,154)	292,381	45,607	(72,651)	118,259
Non-Cash Activity									
Depreciation	<u>182,578</u>	<u>0</u>	<u>(182,578)</u>	<u>181,254</u>	<u>0</u>	<u>(181,254)</u>	<u>129,691</u>	<u>0</u>	<u>(129,691)</u>
Total Non-Cash Activity	<u>182,578</u>	<u>0</u>	<u>(182,578)</u>	<u>181,254</u>	<u>0</u>	<u>(181,254)</u>	<u>129,691</u>	<u>0</u>	<u>(129,691)</u>
Net Revenue	<u>219,934</u>	<u>(100,125)</u>	<u>320,059</u>	<u>24,973</u>	<u>(86,154)</u>	<u>111,127</u>	<u>(100,295)</u>	<u>(72,651)</u>	<u>(27,644)</u>