



Westchester Library System
Financial Statement Review
October 2019



NOTES FOR OCTOBER 2019 BALANCE SHEET

Assets:

Cash & Cash Equivalents – This figure was \$290,000 lower at the end of October than it was at the end of September. WLS received just under \$200,000, most of which was payments for outstanding member technology fees. Approximately \$490,000 was paid out during the month, all for regularly occurring expenses such as rent, insurance, payroll and delivery.

Unconditional Promises to Give – This figure increased by approximately \$83,000 in October. During the month, \$84,300 in unconditional promises was recorded, and revenues received from New York State reduced the line by \$1,300.

Accounts Receivable – This line was reduced by \$176,000, primarily the result of payments received from member library payments for technology services.

Prepaid Expenses – This line decreased by \$104,000 – \$49,000 was recorded during the month and \$153,000 for database and software maintenance expenses was released.

Liabilities:

Deferred Revenue – This line decreased by approximately \$465,000 during the period, primarily the result of recognition of one month's worth of IT, State and eRate revenues.

Financial Statement Review October 2019

	<u>10/31/2019</u>	<u>12/31/2018</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	5,471,190	4,484,113	987,077	22.0%
Unconditional Promises to Give	345,833	252,175	93,658	37.1%
Accounts Receivable	182,320	30,329	151,990	501.1%
Prepaid Expenses	429,349	597,110	(167,760)	-28.1%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	0.0%
Total Current Assets	6,428,692	5,363,727	1,064,966	19.9%
Long-term Assets				
Property & Equipment	<u>604,316</u>	<u>807,181</u>	<u>(202,865)</u>	-25.1%
Total Property & Equipment	<u>604,316</u>	<u>807,181</u>	<u>(202,865)</u>	-25.1%
Total Long-term Assets	<u>604,316</u>	<u>807,181</u>	<u>(202,865)</u>	-25.1%
Total Assets	<u>7,033,009</u>	<u>6,170,908</u>	<u>862,101</u>	14.0%
Liabilities				
Short-term Liabilities				
Accounts Payable	596,269	398,716	197,553	49.6%
Deferred Revenue	<u>1,539,849</u>	<u>959,124</u>	<u>580,725</u>	60.6%
Total Short-term Liabilities	2,136,118	1,357,840	778,278	57.3%
Long-term Liabilities				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	284,131	289,790	(5,660)	-2.0%
Post-Retirement Benefits Payable	<u>3,815,633</u>	<u>3,815,633</u>	<u>0</u>	0.0%
Total Long-term Liabilities	<u>4,099,764</u>	<u>4,105,423</u>	<u>(5,660)</u>	-0.1%
Total Liabilities	<u>6,235,881</u>	<u>5,463,263</u>	<u>772,618</u>	14.1%
Net Assets				
	<u>797,127</u>	<u>707,645</u>	<u>89,483</u>	12.7%
Total Net Assets	<u>797,127</u>	<u>707,645</u>	<u>89,483</u>	12.7%
Total Liabilities and Net Assets	<u>7,033,009</u>	<u>6,170,908</u>	<u>862,101</u>	14.0%



NOTES FOR OCTOBER 2019 INCOME STATEMENT

Revenues:

Total revenues for October exceeded budget by \$3,100. There were small, mostly positive variances in every line. Only two lines had negative variances, one in the Federal Revenues without Restrictions (eRate) line and one in the Fund Raising and Contributions line.

Expenses:

Overall spending for the period fell short of budget by approximately \$25,000. Most lines came in within budget or had deficits of \$6,000 or less. The only line with a notable deficit was Professional Development, the result of payment to the Palmer School for the Fall 2019 Library Administration program.



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Financial Statement Review October 2019

	Current Period	Current Period	Current Year			Total Budget	
	10/31/2019	Budget	Budget Variance	Actual	YTD Budget		YTD Budget Variance
Revenue							
State Revenues without Restrictions	193,937	193,667	270	1,936,998	1,936,667	331	2,324,000
County Revenues without Restrictions	84,583	84,583	0	845,833	845,833	0	1,015,000
Federal Revenues without Restrictions	13,000	13,333	(333)	130,174	133,333	(3,159)	160,000
Member Technology Fees	237,000	235,600	1,400	2,373,808	2,356,000	17,808	2,827,200
Fund Raising & Contributions	1,550	5,167	(3,617)	17,050	51,667	(34,617)	62,000
Interest	2,228	1,000	1,228	13,546	10,000	3,546	12,000
WEBS & Other	3,067	2,317	750	22,803	23,167	(364)	27,800
Government Revenues with Restrictions	21,925	19,642	2,283	192,138	196,417	(4,279)	235,700
Other Revenues with Restrictions	5,455	4,275	1,180	131,227	42,750	88,477	51,300
Total Revenue	562,745	559,583	3,162	5,663,578	5,595,834	67,744	6,715,000
Expenditures							
Salaries	191,923	202,900	10,978	1,866,489	2,029,000	162,511	2,434,800
Fringe Benefits	99,602	101,125	1,523	966,316	1,011,250	44,934	1,213,500
Professional Fees	369	3,033	2,665	12,597	30,333	17,736	36,400
Equipment	3,505	18,300	14,795	97,277	183,000	85,723	219,600
Library Materials	68,156	67,533	(623)	676,946	676,333	(613)	811,400
Rent and Utilities	27,552	28,833	1,281	291,773	288,333	(3,439)	346,000
Repairs and Maintenance	25,924	34,175	8,251	326,467	413,250	86,783	477,600
Supplies	9,286	3,592	(5,694)	27,780	35,917	8,137	43,100
Telephone and Internet	28,287	30,000	1,713	287,566	300,000	12,434	360,000
Printing and Postage	2,331	5,725	3,394	51,710	57,350	5,640	68,800
Bibliographic Fees	6,249	6,042	(207)	58,103	60,417	2,314	72,500
Professional Development	22,708	6,300	(16,408)	46,526	63,000	16,474	75,600
Travel	179	3,142	2,963	14,902	31,417	16,515	37,700
Memberships	142	825	683	10,552	15,450	4,899	16,400
Contractual Services	16,792	12,225	(4,567)	130,037	122,250	(7,787)	146,700
Delivery Service	32,033	33,875	1,842	346,322	338,750	(7,572)	406,500
Special Events	0	833	833	3,835	8,333	4,499	10,000
Insurance	1,745	2,083	338	16,471	20,833	4,363	25,000
Miscellaneous	440	1,300	860	3,876	13,000	9,124	15,700
Total Expenditures	537,222	561,842	24,619	5,235,543	5,698,217	462,674	6,817,300
Net Revenue Before Depreciation	25,523	(2,258)	27,781	428,035	(102,384)	530,418	(102,300)
Non-Cash Activity							
Depreciation	20,287	0	(20,287)	202,865	0	(202,865)	0
Total Non-Cash Activity	20,287	0	(20,287)	202,865	0	(202,865)	0
Net Revenue	5,236	(2,258)	7,494	225,170	(102,384)	327,553	(102,300)



NOTES FOR OCTOBER 2019 INCOME STATEMENT WITH PROJECTIONS

Revenues:

Revenue projections for the year have changed very little from the September report, with current total projections being \$4,300 higher than they were in September.

Expenses:

On the Expense side, total expenses are projected to come in approximately \$290,000 under budget before depreciation, which is approximately \$10,000 less than what had been projected in September. Notable changes in projections are listed below:

Salaries – Salaries and wages are now projected to come in approximately \$80,400 under budget as compared to the September projection of \$71,600 under budget. The change is largely driven by the figure for hourly-paid employees, which fluctuates weekly. In particular the months of October and November see an increase in costs for Senior Benefits Individual Counseling coordinators, which is tied to the Medicare open enrollment period.

Fringe Benefits – Projected spending in this line will likely come in with a surplus of \$19,000, compared to the \$24,000 projection made in September. The change is the result of seeing actual costs related to employees who have retired in recent months.

Library Materials – This line is now projected to end the year with a surplus of \$5,700, which is \$20,700 less than had been projected in September. The change is the result of greater-than-anticipated expenses for video and DVD usage through Hoopla and Kanopy.



Financial Statement Review – Full-Year Projections October 2019

	Total Budget	Current Year Actuals (through Oct-2019)	Current Year Projected (Nov - Dec 2019)	CURRENT YEAR TOTAL PROJECTIONS	Current Year Projected vs Budget
Revenue					
State Revenues without Restrictions	2,324,000	1,936,998	387,900	2,324,898	898
County Revenues without Restrictions	1,015,000	845,833	154,167	1,000,000	(15,000)
Federal Revenues without Restrictions	160,000	130,174	26,000	156,174	(3,826)
Member Technology Fees	2,827,200	2,373,808	474,000	2,847,808	20,608
Fund Raising & Contributions	62,000	17,050	3,500	20,550	(41,450)
Interest	12,000	13,546	1,600	15,146	3,146
WEBS & Other	27,800	22,803	5,675	28,478	678
Government Revenues with Restrictions	235,700	192,138	43,881	236,019	319
Other Revenues with Restrictions	51,300	131,227	70,521	201,748	150,448
Total Revenue	6,715,000	5,663,578	1,167,244	6,830,821	115,821
Expenditures					
Salaries	2,434,800	1,866,489	487,890	2,354,379	80,421
Fringe Benefits	1,213,500	966,316	228,119	1,194,434	19,066
Professional Fees	36,400	12,597	20,263	32,860	3,540
Equipment	219,600	97,277	26,075	123,352	96,248
Library Materials	811,400	676,946	128,700	805,646	5,754
Rent and Utilities	346,000	291,773	56,948	348,721	(2,721)
Repairs and Maintenance	477,600	326,467	117,100	443,567	34,033
Supplies	43,100	27,780	9,000	36,780	6,320
Telephone and Internet	360,000	287,566	58,488	346,054	13,946
Printing and Postage	68,800	51,710	11,600	63,310	5,490
Bibliographic Fees	72,500	58,103	13,000	71,103	1,397
Professional Development	75,600	46,526	8,900	55,426	20,174
Travel	37,700	14,902	5,000	19,902	17,798
Memberships	16,400	10,552	3,000	13,552	2,849
Contractual Services	146,700	130,037	45,000	175,037	(28,337)
Delivery Service	406,500	346,322	66,434	412,756	(6,256)
Special Events	10,000	3,835	0	3,835	6,166
Insurance	25,000	16,471	4,000	20,471	4,529
Miscellaneous	15,700	3,876	1,800	5,676	10,024
Total Expenditures	6,817,300	5,235,543	1,291,317	6,526,860	290,440
Net Revenue Before Depreciation	(102,300)	428,035	(124,073)	303,961	
Non-Cash Activity					
Depreciation	0	202,865	82,211	285,076	(285,076)
Total Non-Cash Activity	0	202,865	82,211	285,076	(285,076)
Net Revenue	(102,300)	225,170	(206,284)	18,886	



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Income Statement – October 3-Year Comparison

“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:

At this point in each of the three years, revenues were ahead of budget. In the current year, year-to-date revenues exceed budget by \$67,400; in 2018, revenues exceeded budget by \$31,100, and in 2017 by \$4,400. 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/Restricted Grants/Restricted Other – In both 2017 and 2018, the combined figure for these lines was in deficit at this point in the year (\$11,400 deficit in October 2018 and a \$19,200 deficit in October 2017). In the current year, the combination of these lines exceed the year-to-date budget by approximately \$50,000. It is likely that the turnaround in these lines in 2019 can be attributed to the focus on raising monies for identified strategic initiatives.

Expenses:

On the Expense side, WLS has expended just over 75% of its annual budget as of the end of October. Spending in October 2017 and October 2018 was closer to the 80% mark in each year. While the spending in each line is fairly consistent year over year, a couple of notable exceptions are listed below:

Salaries and Fringe Benefits – The Salaries line includes salaries, overtime and hourly wages; the Fringe Benefits line includes health insurance (active staff and retirees), disability, workers compensation, dental/life/vision, Social Security/Medicare, and pension contributions. As has been previously noted, the lower spending as of 10/31/19 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 – Also noted in previous reports, 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 October 2019 is notably higher than spending at the same time in 2018 and 2017.

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

	YTD Budget			YTD Budget			YTD Budget		
	10/31/2019	YTD Budget	Variance	10/31/2018	YTD Budget	Variance	10/31/2017	YTD Budget	Variance
Revenue									
State Revenues without Restrictions	1,936,998	1,936,667	331	1,929,209	1,917,750	11,459	1,861,411	1,860,833	577
County Revenues without Restrictions	845,833	845,833	0	833,333	833,333	0	833,333	833,333	0
Federal Revenues without Restrictions	130,174	133,333	(3,159)	0	0	0	317	0	317
Member Technology Fees	2,373,808	2,356,000	17,808	2,344,386	2,310,083	34,303	2,280,118	2,258,917	21,202
Fund Raising & Contributions	17,050	51,667	(34,617)	23,798	87,000	(63,203)	48,981	101,167	(52,186)
Interest	13,546	10,000	3,546	12,146	5,000	7,146	6,944	4,000	2,944
WEBS & Other	22,803	23,167	(364)	19,400	29,833	(10,434)	32,959	34,417	(1,457)
Restricted Grants	192,138	196,417	(4,279)	191,066	196,250	(5,184)	253,741	233,750	19,991
Restricted Other	<u>131,227</u>	<u>42,750</u>	<u>88,477</u>	<u>73,673</u>	<u>16,667</u>	<u>57,007</u>	<u>17,168</u>	<u>4,167</u>	<u>13,001</u>
Total Revenue	<u>5,663,578</u>	<u>5,595,834</u>	<u>67,744</u>	<u>5,427,011</u>	<u>5,395,917</u>	<u>31,094</u>	<u>5,334,972</u>	<u>5,330,583</u>	<u>4,389</u>
Expenditures									
Salaries	1,866,489	2,029,000	162,511	1,942,610	1,980,750	38,140	1,966,372	1,990,250	23,878
Fringe Benefits	966,316	1,011,250	44,934	954,563	989,800	35,237	929,060	957,584	28,523
Professional Fees	12,597	30,333	17,736	8,786	19,917	11,131	12,745	21,750	9,005
Equipment	97,277	183,000	85,723	84,575	177,000	92,425	115,802	181,833	66,032
Library Materials	676,946	676,333	(613)	597,348	641,717	44,369	595,798	570,875	(24,923)
Rent and Utilities	291,773	288,333	(3,439)	273,049	281,333	8,284	280,107	279,250	(857)
Repairs and Maintenance	326,467	413,250	86,783	388,433	399,933	11,500	369,591	349,750	(19,841)
Supplies	27,780	35,917	8,137	19,570	31,417	11,847	25,973	25,900	(73)
Telephone and Internet	287,566	300,000	12,434	280,923	299,167	18,244	274,955	307,333	32,379
Printing and Postage	51,710	57,350	5,640	54,153	44,533	(9,620)	43,148	52,750	9,601
Bibliographic Fees	58,103	60,417	2,314	57,393	58,333	940	55,647	58,333	2,687
Professional Development	46,526	63,000	16,474	54,305	44,117	(10,188)	38,420	44,250	5,830
Travel	14,902	31,417	16,515	19,928	30,167	10,238	23,272	31,792	8,520
Memberships	10,552	15,450	4,899	10,576	14,200	3,624	11,769	14,084	2,315
Contractual Services	130,037	122,250	(7,787)	93,481	107,667	14,186	173,773	154,250	(19,523)
Delivery Service	346,322	338,750	(7,572)	320,896	327,917	7,020	330,044	327,917	(2,127)
Special Events	3,835	8,333	4,499	10,418	12,000	1,582	12,986	12,000	(986)
Insurance	16,471	20,833	4,363	17,206	20,833	3,627	17,758	19,167	1,408
Interest				0	417	417	0	500	500
Miscellaneous	<u>3,876</u>	<u>13,000</u>	<u>9,124</u>	<u>6,123</u>	<u>11,417</u>	<u>5,293</u>	<u>5,773</u>	<u>11,583</u>	<u>5,811</u>
Total Expenditures	<u>5,235,543</u>	<u>5,698,217</u>	<u>462,674</u>	<u>5,194,336</u>	<u>5,492,632</u>	<u>298,296</u>	<u>5,282,992</u>	<u>5,411,151</u>	<u>128,159</u>
Net Revenue Before Depreciation	428,035	(102,384)	530,418	232,675	(96,716)	329,391	51,980	(80,568)	132,548
Non-Cash Activity									
Depreciation	<u>202,865</u>	<u>0</u>	<u>(202,865)</u>	<u>201,597</u>	<u>0</u>	<u>(201,597)</u>	<u>162,114</u>	<u>0</u>	<u>(162,114)</u>
Total Non-Cash Activity	<u>202,865</u>	<u>0</u>	<u>(202,865)</u>	<u>201,597</u>	<u>0</u>	<u>(201,597)</u>	<u>162,114</u>	<u>0</u>	<u>(162,114)</u>
Net Revenue	<u>225,170</u>	<u>(102,384)</u>	<u>327,553</u>	<u>31,078</u>	<u>(96,716)</u>	<u>127,794</u>	<u>(110,134)</u>	<u>(80,568)</u>	<u>(29,565)</u>