



***Westchester Library System***  
***Financial Statement Review***  
***January 2020***

### **NOTES FOR JANUARY 2020 BALANCE SHEET**

**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.)* – WLS's cash position was reduced by approximately \$550,000 as compared with December 2019. \$650,000 in expenses was paid during January, including approximately \$270,000 for 2020 e-content subscriptions. At the same time, \$100,000 was received, which included the final 10% payments from New York State for Local Library Services Aid (\$28,300) and Local Services Support Aid (\$19,500), a \$15,000 gift from the Field Hall Foundation, and \$34,000 in 2019 member library fees.

Unconditional Promises to Give *(These are promises to give money to WLS without any restrictions attached.)* – This line increased by approximately \$70,000 in January, driven by the recording of the first month of Westchester County and eRate revenues, against receipt of the Local Library Services Aid monies.

Accounts Receivable *(These are monies owed to the organization by another party. For WLS, it usually refers to monies owed by the member libraries.)* – WLS has invoiced the libraries for their January through June 2020 fees. The \$1.4 million increase in this figure is primarily driven by receivables from these fees.

Prepaid Expenses *(These are expenses that WLS has paid in advance for goods or services that have not yet been received or used.)* – This line increased by approximately \$185,000 primarily the result of recording of prepaid expenses for several 2020 e-content subscriptions.

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

Deferred Revenue *(Funds received in advance for expenses not yet incurred.)* – The increase of nearly \$1,000,000 in this line is the result of recording approximately \$1,200,000 in member fees (1/5 of this money will be recognized in each of the next five months), and recognizing approximately \$200,000 in NYS and other revenues.

**Financial Statement Review**  
**January 2020**

	<u>1/31/2020</u>	<u>12/31/2019</u>	<u>YTD Change</u>	<u>YTD % Change</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	3,973,023	4,522,420	(549,397)	-12.2%
Unconditional Promises to Give	351,727	280,438	71,289	25.4%
Accounts Receivable	1,529,476	135,785	1,393,692	1026.4%
Prepaid Expenses	749,696	564,429	185,267	32.8%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	6,603,922	5,503,071	1,100,851	20.0%
<b>Long-term Assets</b>				
Property & Equipment	<u>568,310</u>	<u>587,052</u>	<u>(18,741)</u>	<u>-3.2%</u>
Total Property & Equipment	<u>568,310</u>	<u>587,052</u>	<u>(18,741)</u>	<u>-3.2%</u>
Total Long-term Assets	<u>568,310</u>	<u>587,052</u>	<u>(18,741)</u>	<u>-3.2%</u>
Total Assets	<u>7,172,232</u>	<u>6,090,123</u>	<u>1,082,110</u>	<u>17.8%</u>
<b>Liabilities</b>				
<b>Short-term Liabilities</b>				
Accounts Payable	506,523	439,115	67,408	15.4%
Deferred Revenue	<u>1,620,465</u>	<u>611,639</u>	<u>1,008,826</u>	<u>164.9%</u>
Total Short-term Liabilities	2,126,988	1,050,754	1,076,234	102.4%
<b>Long-term Liabilities</b>				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	281,365	282,287	(922)	-0.3%
Post-Retirement Benefits Payable	<u>4,169,203</u>	<u>4,169,203</u>	<u>0</u>	<u>0.0%</u>
Total Long-term Liabilities	<u>4,450,568</u>	<u>4,451,490</u>	<u>(922)</u>	<u>0.0%</u>
Total Liabilities	<u>6,577,556</u>	<u>5,502,244</u>	<u>1,075,312</u>	<u>19.5%</u>
<b>Net Assets</b>				
Total Net Assets	<u>594,676</u>	<u>587,879</u>	<u>6,798</u>	<u>1.2%</u>
Total Liabilities and Net Assets	<u>7,172,232</u>	<u>6,090,123</u>	<u>1,082,110</u>	<u>17.7%</u>



### **NOTES FOR JANUARY 2020 INCOME STATEMENT**

#### **Revenues:**

Overall, revenues for the month of January are approximately \$8,000 less than the monthly budget, driven by a shortfall in Fundraising & Contributions. However, in the first month of the fiscal year, this shortfall is not an indication of activity in the following months. The budget assumes that approximately \$8,600 would be raised each month, when in reality, the monies raised will fluctuate monthly. This activity is also consistent with the same period in previous years.

#### **Expenses:**

Overall, spending for January was approximately \$83,000 less than the monthly budget before depreciation. The small overspending in Salaries for the month is due to the fact that the annual budget is divided evenly over the 12 months of the fiscal year, and assumes approximately 21.5 work days per month. However, some months have more workdays than others and in January there were 23 work days.

The deficit in spending in the Equipment line is the result of sale of equipment which was purchased and invoiced in December 2019 and payment for which was received in January. In addition, although a few lines are showing small surpluses or deficits for the month and year-to-date, these are all largely the result of timing issues and are not necessarily an indication of what will be spent by year-end. However, WLS monitors all spending on a regular basis and will be paying close attention to those lines showing a deficit right now.



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## Financial Statement Review January 2020

	Current Period			Current Year			Total Budget
	1/31/2020	Budget	Budget Variance	Actual	YTD Budget	YTD Budget Variance	
<b>Revenue</b>							
State Revenues without Restrictions	193,767	193,742	25	193,767	193,742	25	2,324,900
County Revenues without	85,800	84,583	1,217	85,800	84,583	1,217	1,015,000
Federal Revenues without	13,750	13,750	0	13,750	13,750	0	165,000
Member Technology Fees	236,618	235,392	1,226	236,618	235,392	1,226	2,824,700
Fund Raising & Contributions	49	8,667	(8,618)	49	8,667	(8,618)	104,000
Interest	1,560	1,667	(107)	1,560	1,667	(107)	20,000
WEBS & Other	1,250	2,333	(1,083)	1,250	2,333	(1,083)	28,000
Government Revenues with	17,854	17,850	4	17,854	17,850	4	236,000
Other Revenues with Restrictions	<u>2,917</u>	<u>3,917</u>	<u>(1,000)</u>	<u>2,917</u>	<u>3,917</u>	<u>(1,000)</u>	<u>47,000</u>
<b>Total Revenue</b>	<u>553,564</u>	<u>561,900</u>	<u>(8,336)</u>	<u>553,564</u>	<u>561,900</u>	<u>(8,336)</u>	<u>6,764,600</u>
<b>Expenditures</b>							
Salaries	195,561	191,983	(3,578)	195,561	191,983	(3,578)	2,303,800
Fringe Benefits	89,932	100,625	10,693	89,932	100,625	10,693	1,207,500
Professional Fees	665	9,158	8,494	665	9,158	8,494	109,900
Equipment	(1,651)	4,567	6,217	(1,651)	4,567	6,217	54,800
Library Materials	68,962	72,350	3,388	68,962	72,350	3,388	775,700
Rent and Utilities	27,552	28,833	1,281	27,552	28,833	1,281	346,000
Repairs and Maintenance	37,679	51,703	14,024	37,679	51,703	14,024	504,500
Supplies	1,622	3,150	1,528	1,622	3,150	1,528	37,800
Telephone and Internet	30,148	31,900	1,752	30,148	31,900	1,752	382,800
Printing and Postage	2,379	4,558	2,180	2,379	4,558	2,180	54,700
Bibliographic Fees	5,100	6,042	942	5,100	6,042	942	72,500
Professional Development	16,827	18,625	1,798	16,827	18,625	1,798	80,500
Travel	689	3,108	2,419	689	3,108	2,419	37,300
Memberships	1,165	4,175	3,010	1,165	4,175	3,010	23,700
Contractual Services	12,993	40,508	27,516	12,993	40,508	27,516	486,100
Delivery Service	36,625	34,833	(1,791)	36,625	34,833	(1,791)	418,000
Special Events	18	833	815	18	833	815	10,000
Insurance	1,745	2,083	338	1,745	2,083	338	25,000
Miscellaneous	<u>15</u>	<u>2,100</u>	<u>2,085</u>	<u>15</u>	<u>2,100</u>	<u>2,085</u>	<u>25,200</u>
<b>Total Expenditures</b>	<u>528,025</u>	<u>611,137</u>	<u>83,112</u>	<u>528,025</u>	<u>611,137</u>	<u>83,112</u>	<u>6,955,800</u>
<b>Net Revenue Before Depreciation</b>	25,539	(49,237)	74,776	25,539	(49,237)	74,776	13,720,400
<b>Non-Cash Activity</b>							
Depreciation	<u>18,741</u>	<u>0</u>	<u>(18,741)</u>	<u>18,741</u>	<u>0</u>	<u>(18,741)</u>	<u>0</u>
<b>Total Non-Cash Activity</b>	<u>18,741</u>	<u>0</u>	<u>(18,741)</u>	<u>18,741</u>	<u>0</u>	<u>(18,741)</u>	<u>0</u>
<b>Net Revenue</b>	<u>6,798</u>	<u>(49,237)</u>	<u>56,034</u>	<u>6,798</u>	<u>(49,237)</u>	<u>56,034</u>	<u>(191,200)</u>



**Income Statement –January 3-Year Comparison**

“Housekeeping” reminders:

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

<u>2019 &amp; 2020</u>	<u>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

2. In 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 and 2020 budgets.

\* State Revenues without Restrictions – This line is one of the primary sources of funding for WLS operations. Unrestricted revenue have no external restrictions imposed and may be used for general expenses or any legal purpose appropriate to the organization.

\*\* County Revenues without Restrictions – As noted above, these revenues may be used for general expenses or any legitimate purpose of the organization.

\*\*\*Government Revenues with Restrictions/Other Revenues with Restrictions – Restricted funds are monies set aside for a particular purpose as a result of designated giving. They are permanently restricted to that purpose and cannot be used for other expenses of the nonprofit.

**Revenues:**

In January of each of the three years, the difference in revenues received is insignificant. At this point in the fiscal year, comparison of revenue activity does not provide any meaningful indicators of activity to come. However, it is noteworthy that 2020 net revenue through January, while only somewhat higher than 2018, is greater than net revenue in January of 2019 and 2018.

**Expenses:**

Expenses for January 2020 follow similar activity in 2019 and 2018. Here too, comparison of activity does not provide any meaningful indicators of activity to come.



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## Financial Statement Review January 2020

	YTD Budget			YTD Budget			YTD Budget		
	1/31/2020	YTD Budget	Variance	1/31/2019	YTD Budget	Variance	1/31/2018	YTD Budget	Variance
<b>Revenue</b>									
State Revenues without Restrictions	193,767	193,742	25	193,666	193,667	(0)	191,762	191,775	(13)
County Revenues without Restrictions	85,800	84,583	1,217	84,583	84,583	0	83,333	83,333	0
Federal Revenues without Restrictions	13,750	13,750	0	0	13,333	(13,333)	260,426	231,008	29,418
Member Technology Fees	236,618	235,392	1,226	236,101	235,600	501	750	7,500	(6,750)
Fund Raising & Contributions	49	8,667	(8,618)	2,537	5,167	(2,630)	1,010	500	510
Interest	1,560	1,667	(107)	1,863	1,000	863	2,318	2,983	(665)
WEBS & Other	1,250	2,333	(1,083)	2,251	2,317	(66)	19,690	19,625	65
Government Revenues with Restrictions	17,854	17,850	4	17,842	19,642	(1,800)	0	0	0
Other Revenues with Restrictions	<u>2,917</u>	<u>3,917</u>	<u>(1,000)</u>	<u>1,667</u>	<u>4,275</u>	<u>(2,608)</u>	<u>1,650</u>	<u>1,667</u>	<u>(17)</u>
<b>Total Revenue</b>	<u>553,564</u>	<u>561,900</u>	<u>(8,336)</u>	<u>540,510</u>	<u>559,583</u>	<u>(19,073)</u>	<u>560,940</u>	<u>538,392</u>	<u>22,548</u>
<b>Expenditures</b>									
Salaries	195,561	191,983	(3,578)	190,855	202,900	12,045	200,481	198,075	(2,406)
Fringe Benefits	89,932	100,625	10,693	96,982	101,125	4,143	94,032	100,198	6,166
Professional Fees	665	9,158	8,494	1,143	3,033	1,890	820	1,992	1,172
Equipment	(1,651)	4,567	6,217	3,142	18,300	15,158	3,360	17,550	14,190
Library Materials	68,962	72,350	3,388	78,376	68,261	(10,114)	51,542	65,342	13,800
Rent and Utilities	27,552	28,833	1,281	27,552	28,833	1,281	27,689	28,133	444
Repairs and Maintenance	37,679	51,703	14,024	43,628	69,275	25,647	46,554	46,225	(329)
Supplies	1,622	3,150	1,528	1,029	3,592	2,563	5,267	3,092	(2,176)
Telephone and Internet	30,148	31,900	1,752	32,505	30,000	(2,505)	28,667	29,917	1,249
Printing and Postage	2,379	4,558	2,180	632	5,825	5,193	1,844	4,033	2,189
Bibliographic Fees	5,100	6,042	942	413	6,042	5,629	5,426	5,833	407
Professional Development	16,827	18,625	1,798	0	6,300	6,300	1,797	3,792	1,994
Travel	689	3,108	2,419	0	3,142	3,142	432	3,017	2,585
Memberships	1,165	4,175	3,010	6,852	7,125	273	7,002	6,300	(702)
Contractual Services	12,993	40,508	27,516	15,639	12,225	(3,414)	9,731	10,767	1,036
Delivery Service	36,625	34,833	(1,791)	38,309	33,875	(4,434)	29,686	32,792	3,105
Special Events	18	833	815	0	833	833	0	0	0
Insurance	1,745	2,083	338	1,710	2,083	373	1,815	2,083	268
Miscellaneous	<u>15</u>	<u>2,100</u>	<u>2,085</u>	<u>1,156</u>	<u>1,600</u>	<u>444</u>	<u>106</u>	<u>1,142</u>	<u>1,036</u>
<b>Total Expenditures</b>	<u>528,025</u>	<u>611,137</u>	<u>83,112</u>	<u>539,923</u>	<u>604,370</u>	<u>64,447</u>	<u>516,252</u>	<u>560,323</u>	<u>44,070</u>
<b>Net Revenue Before Depreciation</b>	25,539	(49,237)	74,776	588	(44,786)	45,374	44,688	(21,931)	66,618
<b>Non-Cash Activity</b>									
Depreciation	<u>18,741</u>	<u>0</u>	<u>(18,741)</u>	<u>20,286</u>	<u>0</u>	<u>(20,286)</u>	<u>19,427</u>	<u>0</u>	<u>(19,427)</u>
<b>Total Non-Cash Activity</b>	<u>18,741</u>	<u>0</u>	<u>(18,741)</u>	<u>20,286</u>	<u>0</u>	<u>(20,286)</u>	<u>19,427</u>	<u>0</u>	<u>(19,427)</u>
<b>Net Revenue</b>	<u>6,798</u>	<u>(49,237)</u>	<u>56,034</u>	<u>(19,699)</u>	<u>(44,786)</u>	<u>25,088</u>	<u>25,260</u>	<u>(21,931)</u>	<u>47,191</u>