



Financial Statements and Notes

January 2021

Westchester Library System
Statement of Financial Position - WLS Balance Sheet
As of 1/31/2021

	<u>1/31/2021</u>	<u>12/31/2020*</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	3,610,153	4,533,682	(923,528)	-20.37%
Unconditional Promises to Give	806,240	547,880	258,360	47.16%
Accounts Receivable	1,604,362	261,446	1,342,916	513.65%
Prepaid Expenses	718,428	500,235	218,194	43.62%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
Total Current Assets	6,739,183	5,843,242	895,941	15.33%
Long-term Assets				
Property & Equipment	<u>460,784</u>	<u>476,423</u>	<u>(15,640)</u>	<u>-3.28%</u>
Total Property & Equipment	<u>460,784</u>	<u>476,423</u>	<u>(15,640)</u>	<u>-3.28%</u>
Total Long-term Assets	<u>460,784</u>	<u>476,423</u>	<u>(15,640)</u>	<u>-3.28%</u>
Total Assets	<u>7,199,967</u>	<u>6,319,665</u>	<u>880,301</u>	<u>13.93%</u>
Liabilities				
Short-term Liabilities				
Accounts Payable	1,006,593	1,311,864	(305,271)	-23.27%
Deferred Revenue	<u>1,191,675</u>	<u>10,256</u>	<u>1,181,419</u>	<u>11519.66%</u>
Total Short-term Liabilities	2,198,268	1,322,120	876,148	66.27%
Long-term Liabilities				
Capital Lease Obligations	0	0	0	0.00%
Deferred Rent	266,150	267,665	(1,515)	-0.57%
Post-Retirement Benefits Payable	<u>4,169,203</u>	<u>4,169,203</u>	<u>0</u>	<u>0.00%</u>
Total Long-term Liabilities	<u>4,435,353</u>	<u>4,436,868</u>	<u>(1,515)</u>	<u>-0.03%</u>
Total Liabilities	<u>6,633,621</u>	<u>5,758,988</u>	<u>874,633</u>	<u>15.19%</u>
Net Assets				
Total Net Assets	<u>566,346</u>	<u>560,677</u>	<u>5,669</u>	<u>1.01%</u>
Total Liabilities and Net Assets	<u>7,199,967</u>	<u>6,319,665</u>	<u>880,301</u>	<u>13.93%</u>

* 2020 year-end figures are unaudited

NOTES FOR JANUARY 2021 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 \$923,500 as compared with December 2020. \$1,060,700 in expenses was paid during January, including approximately \$378,600 to Dell and CDW for technology purchases, \$122,600 to Equinox for support of the Evergreen ILS and \$32,600 for 2021 e-content subscriptions. At the same time, \$137,200 was received, which included \$83,200 in member library fees, \$43,900 as a grant from RXR Reality for Digital Equity and \$6,200 from New York State for 80% of services to correctional facilities.

Unconditional Promises to Give (These are promises to give money to WLS without any restrictions attached.) – This line increased by approximately \$258,300 in January, driven by the recording of the first month of NYS, Westchester County and eRate revenues, against receipt of the correctional facilities monies mentioned above.

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 2021 fees. The \$1.3 million increase in this figure is primarily driven by receivables from fees charged to member libraries for IT services including, but not limited to PC support, network connectivity, ILS maintenance and cooperative purchases like electronic content subscriptions.

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 \$218,000 primarily the result of recording of prepaid expenses for several 2021 e-content subscriptions, support for the ILS for the upcoming 12-month cycle that begins in March and long-term support agreements as part of the technology purchases cited in *Cash and Cash Equivalents*.

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

Deferred Revenue (Funds received in advance for expenses not yet incurred.) – The increase of approximately \$1,181,000 in this line is the result of recording approximately \$1,170,000 in member fees (1/5 of this money will be recognized in each of the next five months) and \$11,000 in fees from the pass-through purchase of movie public performance licensing for member libraries.

Westchester Library System
Statement of Revenues and Expenditures - Monthly Budget Expenses
From 1/1/2021 Through 1/31/2021

	Current Period		Current Period			Total Budget
	1/31/2021	Budget	Budget	Budget Variance	YTD Budget Variance	
				Current Year Actual	YTD Budget	YTD Budget Variance
Revenue						
State Revenues without Restrictions	151,955	151,011	944	151,955	151,011	944
County Revenues without Restrictions	86,600	86,458	142	86,600	86,458	142
Federal Revenues without Restrictions	12,500	12,500	0	12,500	12,500	0
Member Technology Fees	234,767	236,845	(2,078)	234,767	236,845	(2,078)
Fund Raising & Contributions	50	917	(867)	50	917	(867)
Interest	258	1,417	(1,158)	258	1,417	(1,158)
WEBS & Other	1,067	2,333	(1,266)	1,067	2,333	(1,266)
Government Revenues with Restrictions	14,810	58,365	(43,555)	14,810	58,365	(43,555)
Other Revenues with Restrictions	<u>45,505</u>	<u>10,042</u>	<u>35,464</u>	<u>45,505</u>	<u>10,042</u>	<u>35,464</u>
Total Revenue	<u>547,512</u>	<u>559,887</u>	<u>(12,375)</u>	<u>547,512</u>	<u>559,887</u>	<u>(12,375)</u>
Expenditures						
Salaries	175,658	214,292	38,633	175,658	214,292	38,633
Fringe Benefits	91,915	120,083	28,168	91,915	120,083	28,168
Professional Fees	1,796	3,242	1,446	1,796	3,242	1,446
Equipment	8,054	13,908	5,854	8,054	13,908	5,854
Library Materials	60,124	62,700	2,576	60,124	62,700	2,576
Rent and Utilities	27,552	31,258	3,706	27,552	31,258	3,706
Repairs and Maintenance	43,257	40,542	(2,715)	43,257	40,542	(2,715)
Supplies	4,776	4,183	(593)	4,776	4,183	(593)
Telephone and Internet	30,495	37,200	6,705	30,495	37,200	6,705
Printing and Postage	328	6,233	5,905	328	6,233	5,905
Bibliographic Fees	6,618	6,042	(576)	6,618	6,042	(576)
Professional Development	0	4,400	4,400	0	4,400	4,400
Travel	121	3,383	3,262	121	3,383	3,262
Memberships	9,133	1,858	(7,275)	9,133	1,858	(7,275)
Contractual Services	23,512	24,233	721	23,512	24,233	721
Delivery Service	41,608	34,833	(6,775)	41,608	34,833	(6,775)
Special Events	0	833	833	0	833	833
Insurance	1,622	2,083	461	1,622	2,083	461
Miscellaneous	<u>113</u>	<u>2,350</u>	<u>2,237</u>	<u>113</u>	<u>2,350</u>	<u>2,237</u>
Total Expenditures	<u>526,682</u>	<u>613,658</u>	<u>86,977</u>	<u>526,682</u>	<u>613,658</u>	<u>86,977</u>
Net Revenue Before Depreciation	<u>20,831</u>	<u>(53,771)</u>	<u>74,601</u>	<u>20,831</u>	<u>(53,771)</u>	<u>74,601</u>
Non-Cash Activity						
Depreciation	<u>15,640</u>	<u>15,646</u>	<u>6</u>	<u>15,640</u>	<u>15,646</u>	<u>6</u>
Total Non-Cash Activity	<u>15,640</u>	<u>15,646</u>	<u>6</u>	<u>15,640</u>	<u>15,646</u>	<u>6</u>
Net Revenue	<u>5,191</u>	<u>(69,417)</u>	<u>74,608</u>	<u>5,191</u>	<u>(69,417)</u>	<u>74,608</u>

NOTES FOR JANUARY 2021 INCOME STATEMENT:

Revenues:

Overall, revenues for the month of January are approximately \$12,000 less than the monthly budget. Lines with notable activity as discussed below:

Government Revenues with Restrictions – The shortfall in this line is the primary driver of the overall shortfall in revenues and is to be expected. This category includes revenues from Project Hope for which the maximum possible revenue has been budgeted when in fact WLS will only receive reimbursement on what is spent. If there are cost savings in the project budget, there will also be equal reductions in the revenue received. In addition, as the project is in its first month, no revenue has been received, yet. This also would contain revenues through NY CARES of which no revenues have been received, yet.

Other Revenues with Restrictions exceeded its revenue target for the month by more than \$35,000 driven primarily the receipt of a grant from RXR Reality to support the Digital Equity efforts currently underway. However, this activity is not consistent with the first month of a typical fiscal year. The budget assumes that approximately \$10,000 would be raised each month, when in reality the monies raised will fluctuate monthly.

Expenses:

Overall, spending for January was just short of \$87,000 less than the monthly budget driving a *Net Revenue before Depreciation* of \$74,600. Notable variances are discussed below:

Salaries and Fringe Benefits - Underspensing in these lines are primarily due to open IT positions which have been budgeted for 12 months and have not yet been filled as well as positions for Project Hope.

Repairs and Maintenance and Memberships– The deficit in this line is primarily due to the timing of invoices and the allocations of prepaid expenses for 2021 and are not necessarily an indication of what will be spent by year-end.

Delivery – The deficit in this line is due to the timing of invoices.

WLS monitors all spending on a regular basis and will be paying close attention to those lines showing a deficit right now.

Westchester Library System
Statement of Revenues and Expenditures - Monthly Budget Expenses
From 1/1/2020 Through 1/31/2020

	YTD Budget			YTD Budget			YTD Budget		
	1/31/2021	YTD Budget	Variance	1/31/2020	YTD Budget	Variance	1/31/2019	YTD Budget	Variance
Revenue									
State Revenues without Restrictions	151,955	151,011	944	193,767	193,742	25	193,666	193,667	(0)
County Revenues without Restrictions	86,600	86,458	142	85,800	84,583	1,217	84,583	84,583	0
Federal Revenues without Restrictions	12,500	12,500	0	13,750	13,750	0	0	13,333	(13,333)
Member Technology Fees	234,767	236,845	(2,078)	236,618	235,392	1,226	236,101	235,600	501
Fund Raising & Contributions	50	917	(867)	49	8,667	(8,618)	2,537	5,167	(2,630)
Interest	258	1,417	(1,158)	1,560	1,667	(107)	1,863	1,000	863
WEBS & Other	1,067	2,333	(1,266)	1,250	2,333	(1,083)	2,251	2,317	(66)
Government Revenues with Restrictions	14,810	58,365	(43,555)	17,854	17,850	4	17,842	19,642	(1,800)
Other Revenues with Restrictions	<u>45,505</u>	<u>10,042</u>	<u>35,464</u>	<u>2,917</u>	<u>3,917</u>	<u>(1,000)</u>	<u>1,667</u>	<u>4,275</u>	<u>(2,608)</u>
Total Revenue	<u>547,512</u>	<u>559,887</u>	<u>(12,375)</u>	<u>553,564</u>	<u>561,900</u>	<u>(8,336)</u>	<u>540,510</u>	<u>559,583</u>	<u>(19,073)</u>
Expenditures									
Salaries	175,658	214,292	38,633	195,561	191,983	(3,578)	190,855	202,900	12,045
Fringe Benefits	91,915	120,083	28,168	89,932	100,625	10,693	96,982	101,125	4,143
Professional Fees	1,796	3,242	1,446	665	9,158	8,494	1,143	3,033	1,890
Equipment	8,054	13,908	5,854	(1,651)	4,567	6,217	3,142	18,300	15,158
Library Materials	60,124	62,700	2,576	68,962	72,350	3,388	78,376	68,261	(10,114)
Rent and Utilities	27,552	31,258	3,706	27,552	28,833	1,281	27,552	28,833	1,281
Repairs and Maintenance	43,257	40,542	(2,715)	37,679	51,703	14,024	43,628	69,275	25,647
Supplies	4,776	4,183	(593)	1,622	3,150	1,528	1,029	3,592	2,563
Telephone and Internet	30,495	37,200	6,705	30,148	31,900	1,752	32,505	30,000	(2,505)
Printing and Postage	328	6,233	5,905	2,379	4,558	2,180	632	5,825	5,193
Bibliographic Fees	6,618	6,042	(576)	5,100	6,042	942	413	6,042	5,629
Professional Development	0	4,400	4,400	16,827	18,625	1,798	0	6,300	6,300
Travel	121	3,383	3,262	689	3,108	2,419	0	3,142	3,142
Memberships	9,133	1,858	(7,275)	1,165	4,175	3,010	6,852	7,125	273
Contractual Services	23,512	24,233	721	12,993	40,508	27,516	15,639	12,225	(3,414)
Delivery Service	41,608	34,833	(6,775)	36,625	34,833	(1,791)	38,309	33,875	(4,434)
Special Events	0	833	833	18	833	815	0	833	833
Insurance	1,622	2,083	461	1,745	2,083	338	1,710	2,083	373
Miscellaneous	<u>113</u>	<u>2,350</u>	<u>2,237</u>	<u>15</u>	<u>2,100</u>	<u>2,085</u>	<u>1,156</u>	<u>1,600</u>	<u>444</u>
Total Expenditures	<u>526,682</u>	<u>613,658</u>	<u>86,977</u>	<u>528,025</u>	<u>611,137</u>	<u>83,112</u>	<u>539,923</u>	<u>604,370</u>	<u>64,447</u>
Net Revenue Before Depreciation	20,831	(53,771)	74,601	25,539	(49,237)	74,776	588	(44,786)	45,374
Non-Cash Activity									
Depreciation	<u>15,640</u>	<u>15,646</u>	<u>6</u>	<u>18,741</u>	<u>0</u>	<u>(18,741)</u>	<u>20,286</u>	<u>0</u>	<u>(20,286)</u>
Total Non-Cash Activity	<u>15,640</u>	<u>15,646</u>	<u>6</u>	<u>18,741</u>	<u>0</u>	<u>(18,741)</u>	<u>20,286</u>	<u>0</u>	<u>(20,286)</u>
Net Revenue	<u>5,191</u>	<u>(69,417)</u>	<u>74,608</u>	<u>6,798</u>	<u>(49,237)</u>	<u>56,034</u>	<u>(19,699)</u>	<u>(44,786)</u>	<u>25,088</u>

Income Statement –January 3-Year Comparison (2019-2021)

“Housekeeping” reminders:

*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.

*** Fundraising & Contributions/Other Revenues with Restrictions – 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.

Expenses:

Expenses for January 2021 follow similar activity in 2020 and 2019. Here too, comparison of activity does not provide any meaningful indicators of activity to come. However, it should be noted that expenses in each of the three years expenses was less than budgeted. It is also noteworthy that this period shows a surplus in Net Revenue Before Depreciation despite a deficit budget in each of the three years.