



***Westchester Library System***  
***Financial Statement Review***  
***May 2019***

**NOTES FOR MAY 2019 BALANCE SHEET** *(The 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 May, WLS's cash position declined by approximately \$400,000. (As a point of reference, in May 2018, the cash position had declined by \$560,000, and stood at \$2,647,197 versus the current cash position of \$3,044,952.) \$64,000 in revenue was received, and approximately \$465,000 in expenses was paid out. WLS is still awaiting payment from Westchester County for the final \$50,000 of 2018 and the first quarter 2019 payment of \$250,000.

Unconditional Promises to Give *(This is a promise to give money to the organization without any restriction attached to it.)* – This figure increased by slightly less than \$300,000 during the month, all of which is attributed to the recording of Westchester County and New York State monies for the period. Activity for the month of May 2018 was almost exactly the same as activity for May 2019 (an increase of \$291,500 in May 2018 versus an increase of \$294,600 in May 2019).

Accounts Receivable *(These are monies owed to the organization by another party. For WLS, it usually refers to monies owed by the member libraries.)*

Prepaid Expenses *(These are expenses that WLS has paid in advance for goods or services that have not yet been received or used.)* – This figure decreased by approximately \$70,000 during the month, driven by recognition of expenses for various licensing, database and maintenance fees. For comparison, this line decreased by \$25,000 in May 2018.

**LONG TERM ASSETS** *(For WLS, this refers to long-term investments in furniture, fixtures and building improvements.)*

**Liabilities:**

**SHORT TERM LIABILITIES** *(Shows what near-term obligations WLS has.)*

Accounts Payable *(Recognizes expenses that have not yet been paid. For example, WLS accrues monthly for the annual payment to the pension plan.)*

Deferred Revenue *(Funds received in advance for expenses not yet incurred.)* – This figure decreased by approximately \$238,000, primarily the result of recognition of IT revenues for the period, and comparable to the decrease of \$225,000 in May 2018.

**LONG TERM LIABILITIES** *(Shows what obligations WLS will need to meet in the future beyond one year. An example of this is Other Post-Retirement Benefits.)*

**Financial Statement Review**  
**May 2019**

	<u>5/31/2019</u>	<u>12/31/2018</u>	<u>YTD Change</u>	<u>YTD % Change</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	3,044,952	4,484,113	(1,439,161)	-32.1%
Unconditional Promises to Give	895,208	252,175	643,033	255.0%
Accounts Receivable	57,507	30,329	27,178	89.6%
Prepaid Expenses	726,426	597,110	129,316	21.7%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	4,724,093	5,363,727	(639,634)	-11.9%
<b>Long-term Assets</b>				
Property & Equipment	<u>705,749</u>	<u>807,181</u>	<u>(101,432)</u>	<u>-12.6%</u>
Total Property & Equipment	<u>705,749</u>	<u>807,181</u>	<u>(101,432)</u>	<u>-12.6%</u>
Total Long-term Assets	<u>705,749</u>	<u>807,181</u>	<u>(101,432)</u>	<u>-12.6%</u>
Total Assets	<u>5,429,842</u>	<u>6,170,908</u>	<u>(741,066)</u>	<u>-12.0%</u>
<b>Liabilities</b>				
<b>Short-term Liabilities</b>				
Accounts Payable	468,966	398,716	70,251	17.6%
Deferred Revenue	<u>244,196</u>	<u>959,124</u>	<u>(714,928)</u>	<u>-74.5%</u>
Total Short-term Liabilities	713,163	1,357,840	(644,677)	-47.5%
<b>Long-term Liabilities</b>				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	288,147	289,790	(1,643)	-0.6%
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>4,103,780</u>	<u>4,105,423</u>	<u>(1,643)</u>	<u>0.0%</u>
Total Liabilities	<u>4,816,942</u>	<u>5,463,263</u>	<u>(646,321)</u>	<u>-11.8%</u>
<b>Net Assets</b>				
Total Net Assets	<u>612,899</u>	<u>707,645</u>	<u>(94,745)</u>	<u>-13.4%</u>
Total Liabilities and Net Assets	<u>5,429,842</u>	<u>6,170,908</u>	<u>(741,066)</u>	<u>-12.0%</u>



### **NOTES FOR MAY 2019 INCOME STATEMENT**

#### **Revenues:**

Overall revenues for May exceeded the monthly budget by approximately \$7,000. No revenue has been recognized in the *Federal Revenues without Restrictions* line as WLS continues to await an award letter regarding eRate monies. Although revenue in *Fundraising and Contributions* fell short of the monthly budget, taken together with the *Other Revenues without Restrictions* line, the sum total of the two figures exceeds the monthly budget for the two lines. Activity in *Other Revenues without Restrictions* is comprised of \$5,000 from the Dreyfus Foundation for TASC, \$3,446 from SUNY Purchase for youth workforce development, and \$18,000 from the Goldman Foundation for census-related activities.

#### **Expenses:**

Expenses for May came in approximately \$50,000 under the monthly budget before depreciation. Deficits in some of the lines during the month are the result of timing issues and do not reflect potential year-end deficits. The only line which will need further analysis is the line for *Delivery Service*, which is showing a year-to-date deficit of \$13,000. This line will be reviewed in the coming weeks to determine whether or not there will be a deficit at year-end.



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**Financial Statement Review**  
**Income Statement – May 2019**

	Current Period		Current Period	Current Year		YTD Budget	Total Budget
	5/31/2019	Budget	Budget Variance	Actual	YTD Budget	Variance	
<b>Revenue</b>							
State Revenues without Restrictions	193,666	193,667	(0)	968,336	968,333	3	2,324,000
County Revenues without Restrictions	84,583	84,583	0	422,917	422,917	0	1,015,000
Federal Revenues without Restrictions	0	13,333	(13,333)	0	66,667	(66,667)	160,000
Member Technology Fees	237,704	235,600	2,104	1,187,054	1,178,000	9,054	2,827,200
Fund Raising & Contributions	133	5,167	(5,034)	13,875	25,833	(11,958)	62,000
Interest	986	1,000	(14)	7,048	5,000	2,048	12,000
WEBS & Other	2,400	2,317	83	11,811	11,583	228	27,800
Government Revenues with Restrictions	17,842	19,642	(1,800)	89,214	98,208	(8,994)	235,700
Other Revenues with Restrictions	<u>29,246</u>	<u>4,275</u>	<u>24,971</u>	<u>62,888</u>	<u>21,375</u>	<u>41,513</u>	<u>51,300</u>
<b>Total Revenue</b>	<b>566,560</b>	<b>559,583</b>	<b>6,976</b>	<b>2,763,143</b>	<b>2,797,917</b>	<b>(34,774)</b>	<b>6,715,000</b>
<b>Expenditures</b>							
Salaries	202,292	202,900	2,608	939,374	1,014,500	75,126	2,434,800
Fringe Benefits	92,833	101,125	8,292	474,061	505,625	31,565	1,213,500
Professional Fees	1,115	3,033	1,918	4,880	15,167	10,287	36,400
Equipment	3,866	18,300	14,434	32,178	91,500	59,322	219,600
Library Materials	63,494	67,533	4,039	335,240	338,667	3,427	811,400
Rent and Utilities	27,552	28,833	1,281	137,761	144,167	6,406	346,000
Repairs and Maintenance	18,349	35,175	16,826	174,338	231,975	57,637	477,600
Supplies	5,342	3,592	(1,750)	15,039	17,958	2,920	43,100
Telephone and Internet	28,568	30,000	1,432	153,855	150,000	(3,855)	360,000
Printing and Postage	8,293	5,725	(2,568)	17,493	28,725	11,232	68,800
Bibliographic Fees	6,307	6,042	(265)	26,157	30,208	4,052	72,500
Professional Development	994	6,300	5,306	22,692	31,500	8,808	75,600
Travel	1,456	3,142	1,686	5,730	15,708	9,978	37,700
Memberships	1,000	825	(175)	8,142	10,725	2,583	16,400
Contractual Services	15,289	12,225	(3,064)	66,611	61,125	(5,486)	146,700
Delivery Service	32,033	33,875	1,842	182,457	169,375	(13,082)	406,500
Special Events	2,235	833	(1,401)	3,835	4,167	332	10,000
Insurance	1,715	2,083	368	7,887	10,417	2,529	25,000
Miscellaneous	418	1,300	882	2,840	6,800	3,960	15,700
<b>Total Expenditures</b>	<b>511,151</b>	<b>562,842</b>	<b>51,691</b>	<b>2,610,569</b>	<b>2,878,309</b>	<b>267,740</b>	<b>6,817,300</b>
<b>Net Revenue Before Depreciation</b>	<b>55,409</b>	<b>(3,258)</b>	<b>58,667</b>	<b>152,574</b>	<b>(80,392)</b>	<b>232,966</b>	<b>(102,300)</b>
<b>Non-Cash Activity</b>							
Depreciation	20,287	0	(20,287)	101,432	0	(101,432)	0
<b>Total Non-Cash Activity</b>	<b>20,287</b>	<b>0</b>	<b>(20,287)</b>	<b>101,432</b>	<b>0</b>	<b>(101,432)</b>	<b>0</b>
<b>Net Revenue</b>	<b>35,122</b>	<b>(3,258)</b>	<b>38,381</b>	<b>51,142</b>	<b>(80,392)</b>	<b>131,534</b>	<b>(102,300)</b>



**NOTES FOR MAY 2019 REVENUE AND EXPENSES AS COMPARED TO MAY 2018 AND MAY 2017**

**Revenues:**

A couple of “housekeeping” issues to note:

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

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

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 will be receiving eRate monies, these revenues were budgeted in 2019.

For Fundraising and Contributions, revenues received as of May 31 of each year has been consistent; however, the budget in this line was reduced in 2018 and again in 2019, resulting in a smaller deficit than in 2017.

For the last two revenue lines, revenue received as of May 31, 2019 is about \$30,000 greater than revenues received at this time in 2017 and 2018. This can be largely attributed to the focus on raising monies for identified strategic initiatives.

**Expenses:**

Salaries: The lower spending as of May 31, 2019 can be attributed to the retirements which occurred in December 2018. Of the three retirements, only one of the lines has been filled, although some of the available funds have been redirected to pay hourly staff.

Fringe Benefits: To date in 2019, we are paying benefits for two fewer staff than in previous years. In addition, projection for the annual pension payment is lower than it has been in the last two years.

Library Materials: 2019 budget for this line increased by \$140,000 over 2018 to include funds for tutor.com, and additional funds for Hoopla and Overdrive.

**Financial Statement Review**  
**May 2019 Revenue and Expenses compared with**  
**May 2018 and May 2017**

	Current			YTD Budget			YTD Budget		
	5/31/2019	Current Period Budget	Variance	5/31/2018	YTD Budget	Variance	5/31/2017	YTD Budget	Variance
<b>Revenue</b>									
State Revenues without Restrictions	968,336	968,333	3	958,862	958,875	(13)	930,444	930,417	28
County Revenues without Restrictions	422,917	422,917	0	416,667	416,667	0	416,667	416,667	0
Federal Revenues without Restrictions	0	66,667	(66,667)						
Member Technology Fees	1,187,054	1,178,000	9,054	1,187,162	1,155,042	32,120	1,140,237	1,129,458	10,779
Fund Raising & Contributions	13,875	25,833	(11,958)	13,917	49,500	(35,583)	15,671	56,583	(40,912)
Interest	7,048	5,000	2,048	4,885	2,500	2,385	2,480	2,000	480
WEBS & Other	11,811	11,583	228	14,061	14,917	(856)	17,548	17,208	340
Restricted Grants	89,214	98,208	(8,994)	91,525	98,125	(6,600)	117,155	116,875	280
Restricted Other	62,888	21,375	41,513	33,426	8,333	25,092	0	2,083	(2,083)
<b>Total Revenue</b>	<b>2,763,143</b>	<b>2,797,917</b>	<b>(34,774)</b>	<b>2,720,504</b>	<b>2,703,958</b>	<b>16,546</b>	<b>2,640,203</b>	<b>2,671,292</b>	<b>(31,089)</b>
<b>Expenditures</b>									
Salaries	939,374	1,014,500	75,126	969,145	990,375	21,230	978,690	995,125	16,435
Fringe Benefits	474,061	505,625	31,565	477,255	495,419	18,163	466,810	478,792	11,982
Professional Fees	4,880	15,167	10,287	7,029	9,958	2,929	7,833	10,875	3,043
Equipment	32,178	91,500	59,322	71,900	88,350	16,450	43,260	90,917	47,657
Library Materials	335,240	338,667	3,427	281,816	321,508	39,692	282,145	285,438	3,292
Rent and Utilities	137,761	144,167	6,406	138,447	140,667	2,219	139,147	139,625	478
Repairs and Maintenance	174,338	231,975	57,637	196,552	205,516	8,964	179,607	174,875	(4,732)
Supplies	15,039	17,958	2,920	10,580	15,458	4,878	14,986	13,400	(1,586)
Telephone and Internet	153,855	150,000	(3,855)	131,636	149,583	17,947	155,800	153,667	(2,134)
Printing and Postage	17,493	28,725	11,232	20,067	22,167	2,100	20,628	26,375	5,747
Bibliographic Fees	26,157	30,208	4,052	28,139	29,167	1,028	31,556	29,167	(2,389)
Professional Development	22,692	31,500	8,808	37,437	20,308	(17,129)	35,341	22,125	(13,216)
Travel	5,730	15,708	9,978	7,466	15,083	7,618	10,789	15,896	5,107
Memberships	8,142	10,725	2,583	8,282	10,500	2,218	8,623	7,042	(1,582)
Contractual Services	66,611	61,125	(5,486)	46,525	53,833	7,308	87,763	75,125	(12,638)
Delivery Service	182,457	169,375	(13,082)	154,087	163,958	9,872	169,596	163,958	(5,637)
Special Events	3,835	4,167	332	9,338	12,000	2,662	12,986	12,000	(986)
Insurance	7,887	10,417	2,529	8,125	10,417	2,292	7,556	9,583	2,027
Interest	0	0	0	0	208	208	0	0	0
Miscellaneous	2,840	6,800	3,960	1,879	5,708	3,829	1,710	5,792	4,081
<b>Total Expenditures</b>	<b>2,610,569</b>	<b>2,878,309</b>	<b>267,740</b>	<b>2,605,705</b>	<b>2,760,185</b>	<b>154,480</b>	<b>2,654,827</b>	<b>2,709,776</b>	<b>54,949</b>
Net Revenue Before Depreciation	152,574	(80,392)	232,966	114,799	(56,226)	171,025	(14,624)	(38,484)	23,860
<b>Non-Cash Activity</b>									
Depreciation	101,432	0	(101,432)	99,883	0	(99,883)	81,057	0	(81,057)
Total Non-Cash Activity	101,432	0	(101,432)	99,883	0	(99,883)	81,057	0	(81,057)
<b>Net Revenue</b>	<b>51,142</b>	<b>(80,392)</b>	<b>131,534</b>	<b>14,916</b>	<b>(56,226)</b>	<b>71,143</b>	<b>(95,681)</b>	<b>(38,484)</b>	<b>(57,196)</b>