Westchester Library System

Financial Statement Review

October 2014

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NOTES FOR THE OCTOBER 2014 BALANCE SHEET

Assets:

Cash & Cash Equivalents – During the month of October, this line decreased by more than $260,000. WLS received approximately $150,000 in cash (more than half of which were IT receivables) and paid out more than $410,000.

Unconditional Promises to Give – During October, $100,000 in County and State revenues were recorded as unconditional promises. No unconditional promises were released so the net result is an increase of $100,000 in this line for the month.

Accounts Receivable – This line was reduced by approximately $85,000, primarily the result of payments against IT receivables.

Prepaid Expenses – This line decreased by approximately $80,000 as a result of prepaid expenses which were released during the month; no new pre-paid expenses were recorded.

Liabilities:

Deferred Revenue – This line decreased by approximately $375,000 during October, primarily the result of recognition of more than $365,000 in IT and NYS operating revenues.

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	10/31/2014	12/31/2013	YTD Change	YTD % Change
Assets				
Current Assets				
Cash & Cash Equivalents	4,950,981	3,726,732	1,224,250	32.9%
Unconditional Promises to Give	300,151	443,698	(143,547)	-32.4%
Accounts Receivable	49,811	56,305	(6,494)	-11.5%
Prepaid Expenses	362,321	353,849	8,472	2.4%
Security Deposits	35,737	35,737	0	0.0%
Total Current Assets	5,699,001	4,616,321	1,082,681	23.5%
Long-term Assets				
Property & Equipment	230,274	295,044	(64,770)	-22.0%
Total Property & Equipment	230,274	295,044	(64,770)	-22.0%
Total Long-term Assets	230,274	295,044	(64,770)	-22.0%
Total Assets	5,929,275	4,911,365	1,017,910	20.7%
Liabilities				
Short-term Liabilities				
Accounts Payable	607,694	321,284	286,410	89.2%
Deferred Revenue	1,315,863	482,999	832,864	172.4%
Total Short-term Liabilities	1,923,557	804,283	1,119,274	139.2%
Long-term Liabilities				
Capital Lease Obligations	13,160	13,160	0	0.0%
Post-Retirement Benefits Payable	3,032,741	3,032,741	0	0.0%
Total Long-term Liabilities	3,045,901	3,045,901	0	0.0%
Total Liabilities	4,969,459	3,850,185	1,119,274	29.1%
Net Assets				
	959,817	1,061,180	(101,364)	-9.6%
Total Net Assets	959,817	1,061,180	(101,364)	-9.6%
Total Liabilities and Net Assets	5,929,275	4,911,365	1,017,910	20.7%

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NOTES FOR THE OCTOBER 2014 INCOME STATEMENT

Revenues:

Revenues for October exceeded budget by approximately $9,500, primarily driven by additional revenue received for Restricted Grants, as well as by deficits in Member Technology Fees and Fundraising & Contributions. The surplus in Restricted Grants is the result of revenues received for the Palmer School Certificate Program, which had not been included in the 2014 budget. Overall, year-to-date revenues are $12,000 ahead of year-to-date budget.

Expenses:

Spending for the period was $23,000 less than budget during the month. Three lines had notable overspending:

Salaries – Overspending in this line is the result of a timing issue; i.e., the monthly budget did not anticipate the level of spending that occurred during the month, but the overall annual budget does account for these expenses.

Fringe Benefits – Overspending in this line is the result of third quarter payments to retirees for Part B premiums. These expenses had been assumed in September's budget. However, year-to-date spending is within budget and should remain within budget throughout the year.

Professional Development – This line was overspent by approximately $29,000, driven by expenses associated with the Palmer School Certificate Program, which had not been included in the 2014 budget. However, as noted above, revenues associated with the program had also not been budgeted, so overspending in this line is not a concern.

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Financial Statement Review
October 2014

	10/31/2014	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance	Total Budget
Revenue							
Grants State	165,650	165,600	50	1,643,686	1,664,900	(21,214)	2,001,900
Grants County	82,800	82,800	0	834,000	834,000	0	1,000,000
Grants Federal	0	0	0	1,323	0	1,323	2,000
Member Technology Fees	216,800	219,579	(2,779)	2,220,673	2,195,786	24,887	2,634,943
Fund Raising & Contributions	1,798	11,275	(9,477)	83,120	127,750	(44,630)	150,300
Interest	511	167	345	2,814	1,667	1,147	2,000
WEBS & Other	3,440	3,375	65	37,902	47,250	(9,348)	54,000
Restricted Grants	72,672	51,450	21,222	493,746	433,623	60,123	516,743
Total Revenue	**543,671**	**534,245**	**9,426**	**5,317,263**	**5,304,975**	**12,288**	**6,361,886**
Expenditures							
Salaries	185,982	178,190	(7,792)	1,737,834	1,787,450	49,616	2,143,829
Fringe Benefits	96,966	92,638	(4,328)	922,440	936,541	14,100	1,125,063
Professional Fees	1,421	1,835	414	13,624	17,680	4,057	28,000
Equipment	5,043	17,700	12,657	246,185	181,982	(64,203)	217,382
Books, Film, etc.	30,451	32,902	2,451	309,518	329,023	19,505	394,827
Periodicals	973	3,600	2,627	34,986	37,000	2,014	44,200
Rent and Utilties	23,098	25,919	2,821	230,061	259,161	29,100	311,000
Repairs and Maintenance	34,505	38,913	4,408	345,815	363,673	17,858	432,200
Supplies	1,358	1,842	483	26,512	23,582	(2,931)	27,320
Telephone and Internet	26,329	28,700	2,371	268,555	287,000	18,445	344,400
Printing and Postage	2,326	3,008	682	43,656	31,083	(12,572)	37,500
Database	24,641	25,466	825	256,583	254,661	(1,922)	305,593
Professional Development	33,318	4,325	(28,993)	83,081	47,150	(35,931)	55,700
Travel	2,539	2,008	(531)	26,430	22,083	(4,347)	25,800
Memberships	147	783	636	11,521	10,083	(1,438)	10,350
Contractual Services	5,391	36,625	31,234	256,632	281,475	24,843	334,825
Delivery Service	28,400	30,417	2,017	298,800	304,167	5,367	365,000
Special Events	0	0	0	26,121	15,000	(11,121)	15,000
Insurance	1,750	1,250	(500)	16,725	17,500	775	20,000
Interest	0	0	0	0	0	0	1,100
Miscellaneous	2,486	4,038	1,553	15,382	40,913	25,530	49,000
Total Expenditures	507,125	530,160	23,036	5,170,463	5,247,207	76,744	6,288,089
Net Revenue Before Depreciation	36,547	4,085	32,462	146,801	57,769	89,032	73,797
Non-Cash Activity							
Depreciation	6,477	0	(6,477)	64,770	0	(64,770)	0
Total Non-Cash Activity	6,477	0	(6,477)	64,770	0	(64,770)	0
Net Revenue	30,070	4,085	25,985	82,030	57,769	24,261	73,797

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NOTES FOR THE OCTOBER 2014 INCOME STATEMENT WITH PROJECTIONS

With two months left in the WLS fiscal year, revenues are projected to exceed budget by approximately $68,000 and expenses are projected to exceed budget by approximately $33,000. Based upon these projections, it is expected that WLS will end the year with a projected surplus of approximately $38,000 after depreciation. This $38,000 figure compares favorably with the September projection of a $30,000 surplus.

Revenues:

Little has changed since the September report. As noted above, total revenue is expected to exceed budget by $68,000, driven by the budget lines noted below:

State Revenues – As noted in the September financials, WLS has received notification of most of the 2014-15 allocations from the NYS Division of Library Development, and the allocations are higher than what was budgeted. However, Central Library Development funds have been reduced by 25%, resulting in a projected deficit of about $27,000 at year-end.

Fundraising and Contributions – Approximately $13,000 in additional gifts are anticipated between now and the end of the year.

WEBS & Other – There will be a small shortfall in revenue in this category as a result of the way some of the "Other" revenue is being recognized (i.e., some of the monies raised are included in Fundraising & Contributions).

Restricted Grants – The projected surplus in this line is driven by the fact that no monies were budgeted for either the New Rochelle BTOP grant or the Palmer School Certificate Program, but a total of approximately $61,000 is projected to be received from those sources. In addition, IMLS revenues will exceed budget by $67,000 as a result of revisions to the grant budget. This is also the category where the NYS Coordinated Outreach and Corrections grants are budgeted, and since those budgets have seen a slight increase, approximately $2,000 of the surplus can be attributed to those revenue streams.

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NOTES FOR THEOCTOBER 2014 INCOME STATEMENT WITH PROJECTIONS **(continued)**

Expenses:

On the Expense side too, little has changed since the September report. Notable variances are the same as those discussed last month:

Salaries – A small surplus is projected in this category. However, this line includes hourly wages, and the bi-weekly payment for hourly wages fluctuates with each payroll period so a somewhat significant variance with this projection is possible.

Fringe Benefits – As previously noted, a surplus is projected in this line, primarily driven by the projection for Pension expenses. WLS accrues for pension expenses each month. As noted in the August financials, the pension system is projecting that the 2014 cost will be approximately $20,000 less than anticipated. The annual pension invoice will be sent to WLS in November, so the final figure will be confirmed at that time.

Equipment – Projected overspending in this line is driven by IT expenses. Most of which are directly related to purchases of new PCs to be placed in the member libraries to phase out the use of Windows XP. The deficit in this line will be addressed by underspending in other IT lines.

Rent & Utilities – Projected underspending in this line is a very soft figure. BASF has not yet given WLS its July 1 rent increase nor any invoices for maintenance activities in 2014.

Office Supplies – This line is projected to come in approximately $4,000 over budget. In preparation of the 2014 budget, this was one of the lines that was reduced, and it appears that the reduction may have been a bit too aggressive.

Printing & Postage – In this line too, the reduction in the 2014 budget was very likely too aggressive.

Databases – This line is projected to be overspent by approximately $4,700 due to greater-than-expected subscription increases.

Professional Development – Although this line is projected to be overspent at year-end, that overspending is driven by costs associated with the Palmer School Certificate Program and as noted In the Revenue section under Restricted Grants, revenue which had not been budgeted is being received to cover these costs.

Travel – Overspending in this line is the result of staff travel for meetings with potential ILS vendors.

Contracts Processing – Spending in this line is projected to fall short of budget by more than $40,000 primarily because the IT department had budgeted for contracting out the IT Help Desk rather than using hourly-paid employees after 5pm and on weekends. That plan did not work out as anticipated and the hourly-paid employees have been re-hired.

Miscellaneous – Underspending is driven by the Contingency budget included here in this line. No Contingency funds are projected to be spent.

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Financial Statement Review- Full-Year Projections
October 2014

	Total Budget	Current Year Actuals (through Oct-2014)	Current Year Projected (Nov -Dec 2014)	CURRENT YEAR TOTAL PROJECTIONS	Current Year Projected vs Budget
Revenue					
Grants State	2,001,900	1,643,686	330,743	1,974,429	(27,471)
Grants County	1,000,000	834,000	166,000	1,000,000	0
Grants Federal	2,000	1,323	677	2,000	0
Member Technology Fees	2,634,943	2,220,673	440,345	2,661,018	26,075
Fund Raising & Contributions	150,300	83,120	13,000	96,120	(54,180)
Interest	2,000	2,814	600	3,414	1,414
WEBS & Other	54,000	37,902	8,280	46,182	(7,818)
Restricted Grants	516,743	493,746	153,396	647,142	130,399
Total Revenue	6,361,886	5,317,263	1,113,041	6,430,305	68,419
Expenditures					
Salaries	2,143,829	1,737,834	392,000	2,129,834	13,995
Fringe Benefits	1,125,063	922,440	158,556	1,080,996	44,067
Professional Fees	28,000	13,624	14,980	28,604	(604)
Equipment	217,382	246,185	38,347	284,532	(67,150)
Books, Film, etc.	394,827	309,518	79,200	388,718	6,109
Periodicals	44,200	34,986	3,850	38,836	5,364
Rent and Utilties	311,000	230,061	60,200	290,261	20,739
Repairs and Maintenance	432,200	345,815	85,450	431,265	935
Supplies	27,320	26,512	5,000	31,512	(4,192)
Telephone and Internet	344,400	268,555	54,600	323,155	21,245
Printing and Postage	37,500	43,656	6,522	50,177	(12,677)
Database	305,593	256,583	53,700	310,283	(4,690)
Professional Development	55,700	83,081	4,919	88,000	(32,300)
Travel	25,800	26,430	3,000	29,430	(3,630)
Memberships	10,350	11,521	0	11,521	(1,171)
Contractual Services	334,825	256,632	109,868	366,500	(31,675)
Delivery Service	365,000	298,800	66,200	365,000	0
Special Events	15,000	26,121	0	26,121	(11,121)
Insurance	20,000	16,725	3,200	19,925	75
Interest	1,100	0	1,100	1,100	0
Miscellaneous	49,000	15,382	2,814	18,197	30,803
Total Expenditures	6,288,089	5,170,463	1,143,505	6,313,968	(25,879)
Net Revenue Before Depreciation	73,797	146,801	(30,464)	116,337	
Non-Cash Activity					
Depreciation	0	64,770	12,954	77,724	(77,724)
Total Non-Cash Activity	0	64,770	12,954	77,724	(77,724)
Net Revenue	73,797	82,030	(43,418)	38,612	