



***Westchester Library System***  
***Financial Statement Review***  
***September 2016***

**NOTES FOR SEPTEMBER 2016 BALANCE SHEET**

**Assets:**

Cash & Cash Equivalents – During the month of September, WLS received approximately more than \$1,000,000 in cash, and paid out approximately \$500,000, resulting in a cash position that is approximately \$500,000 greater than August’s position. Notable receipts in September included \$218,000 in member fees; \$100,000 in IMLS funds for the Creative Aging project; and \$590,000 from New York State. Most of the NYS monies represent allocations to WLS for the 2016-17 fiscal year; Grants-in-Aid of \$52,500 are being passed through to the libraries to which the money has been allocated.

Unconditional Promises to Give – During September, approximately \$150,000 in unconditional promises were recorded; at the same time, revenues received from New York State and IMLS (noted above) reduced this line by approximately \$350,000. The result of this activity was a decrease of \$200,000 over the August figure.

Accounts Receivable – This line decreased by approximately \$200,000, driven primarily by receipt of IT receivables for the July–December period.

Prepaid Expenses – There was little change in this line during the month of September; \$114,000 in prepaid expenses was recorded and \$118,000 was released during the month, resulting in a decrease of \$4,000 in this line.

Security Deposits – This line was zeroed out with the return of WLS’s deposit for its former offices at 540 White Plains Road.

**Liabilities:**

Deferred Revenue – This line decreased by approximately \$75,000 during the period, the result of recording approximately \$315,000 in NYS and grant revenues against recognition of approximately \$390,000, primarily in NYS and IT revenues.

Deferred Rent – This category has been created to record the cost of rent over the full 11 years of the lease, even though WLS is not actually paying rent for the first 12 months.

**Financial Statement Review**  
**September 2016**

|                                  | <u>9/30/2016</u> | <u>12/31/2015</u> | <u>YTD Change</u> | <u>YTD % Change</u> |
|----------------------------------|------------------|-------------------|-------------------|---------------------|
| <b>Assets</b>                    |                  |                   |                   |                     |
| <b>Current Assets</b>            |                  |                   |                   |                     |
| Cash & Cash Equivalents          | 5,504,070        | 3,959,925         | 1,544,145         | 39.0%               |
| Unconditional Promises to Give   | 302,299          | 337,244           | (34,944)          | -10.4%              |
| Accounts Receivable              | 191,304          | 70,252            | 121,052           | 172.3%              |
| Prepaid Expenses                 | 419,087          | 451,404           | (32,316)          | -7.2%               |
| Security Deposits                | <u>0</u>         | <u>35,737</u>     | <u>(35,737)</u>   | <u>-100.0%</u>      |
| Total Current Assets             | 6,416,761        | 4,854,561         | 1,562,200         | 32.2%               |
| <b>Long-term Assets</b>          |                  |                   |                   |                     |
| Property & Equipment             | <u>248,135</u>   | <u>325,884</u>    | <u>(77,749)</u>   | <u>-23.9%</u>       |
| Total Property & Equipment       | <u>248,135</u>   | <u>325,884</u>    | <u>(77,749)</u>   | <u>-23.9%</u>       |
| Total Long-term Assets           | <u>248,135</u>   | <u>325,884</u>    | <u>(77,749)</u>   | <u>-23.9%</u>       |
| Total Assets                     | <u>6,664,896</u> | <u>5,180,445</u>  | <u>1,484,451</u>  | <u>28.7%</u>        |
| <b>Liabilities</b>               |                  |                   |                   |                     |
| <b>Short-term Liabilities</b>    |                  |                   |                   |                     |
| Accounts Payable                 | 786,948          | 421,624           | 365,324           | 86.7%               |
| Deferred Revenue                 | <u>1,991,849</u> | <u>651,749</u>    | <u>1,340,100</u>  | <u>205.6%</u>       |
| Total Short-term Liabilities     | 2,778,797        | 1,073,373         | 1,705,423         | 158.9%              |
| <b>Long-term Liabilities</b>     |                  |                   |                   |                     |
| Capital Lease Obligations        | 0                | 0                 | 0                 | 0.0%                |
| Deferred Rent                    | 73,013           | 0                 | 73,013            | 100.0%              |
| Post-Retirement Benefits Payable | <u>4,116,348</u> | <u>4,116,348</u>  | <u>0</u>          | <u>0.0%</u>         |
| Total Long-term Liabilities      | <u>4,189,361</u> | <u>4,116,348</u>  | <u>73,013</u>     | <u>1.8%</u>         |
| Total Liabilities                | <u>6,968,158</u> | <u>5,189,721</u>  | <u>1,778,437</u>  | <u>34.3%</u>        |
| <b>Net Assets</b>                |                  |                   |                   |                     |
|                                  | <u>(303,262)</u> | <u>(9,276)</u>    | <u>(293,986)</u>  | <u>3169.3%</u>      |
| Total Net Assets                 | <u>(303,262)</u> | <u>(9,276)</u>    | <u>(293,986)</u>  | <u>3169.3%</u>      |
| Total Liabilities and Net Assets | <u>6,664,896</u> | <u>5,180,445</u>  | <u>1,484,451</u>  | <u>28.7%</u>        |



**NOTES FOR SEPTEMBER 2016 INCOME STATEMENT**

**Revenues:**

Revenues for September exceeded budget by \$9,000. The only notable activity was in the Grant State line, which exceeded budget by \$12,000. This is the result of New York State posting the actual 2016-2017 New York State allocations, which are greater than what had been budgeted for 2016.

**Expenses:**

Spending for the month of September was \$7,400 greater than the monthly budget for the period. Most budget lines came in within the monthly budget or had deficits of less than \$1,000. The only line with a large deficit was the Equipment line, driven by expenses associated with purchases for the virtual desktop initiative.

**Financial Statement Review**  
**September 2016**

|                                 | Current Period |                |                 | Current Year     |                  |                     | Total Budget     |
|---------------------------------|----------------|----------------|-----------------|------------------|------------------|---------------------|------------------|
|                                 | 9/30/2016      | Budget         | Budget Variance | Actual           | YTD Budget       | YTD Budget Variance |                  |
| Revenue                         |                |                |                 |                  |                  |                     |                  |
| Grants State                    | 190,500        | 178,408        | 12,092          | 1,636,577        | 1,605,475        | 31,102              | 2,140,700        |
| Grants County                   | 83,325         | 83,325         | 0               | 749,925          | 749,925          | 0                   | 1,000,000        |
| Grants Federal                  | 0              | 0              | 0               | 2,168            | 0                | 2,168               | 0                |
| Member Technology Fees          | 218,500        | 225,308        | (6,808)         | 2,069,396        | 2,028,775        | 40,621              | 2,704,700        |
| Fund Raising & Contributions    | 8,000          | 8,917          | (917)           | 62,841           | 90,250           | (27,409)            | 117,000          |
| Interest                        | 2,021          | 250            | 1,771           | 5,220            | 2,250            | 2,970               | 3,000            |
| WEBS & Other                    | 3,360          | 3,325          | 35              | 32,797           | 29,925           | 2,872               | 39,500           |
| Restricted Grants               | 42,499         | 39,558         | 2,941           | 338,237          | 363,525          | (25,288)            | 482,100          |
| <b>Total Revenue</b>            | <b>548,205</b> | <b>539,092</b> | <b>9,113</b>    | <b>4,897,161</b> | <b>4,870,125</b> | <b>27,036</b>       | <b>6,487,000</b> |
| Expenditures                    |                |                |                 |                  |                  |                     |                  |
| Salaries                        | 194,780        | 196,356        | 1,576           | 1,734,850        | 1,750,093        | 15,243              | 2,341,700        |
| Fringe Benefits                 | 92,414         | 94,881         | 2,467           | 824,734          | 852,790          | 28,056              | 1,141,200        |
| Professional Fees               | 708            | 1,342          | 633             | 15,504           | 13,675           | (1,829)             | 25,400           |
| Equipment                       | 45,128         | 14,717         | (30,412)        | 96,325           | 134,450          | 38,125              | 178,600          |
| Library Materials               | 57,173         | 59,175         | 2,002           | 510,239          | 520,675          | 10,436              | 687,300          |
| Rent and Utilities              | 24,338         | 25,233         | 896             | 209,919          | 225,300          | 15,381              | 301,000          |
| Repairs and Maintenance         | 31,403         | 31,333         | (70)            | 274,847          | 284,300          | 9,453               | 378,300          |
| Supplies                        | 2,214          | 4,008          | 1,794           | 22,552           | 27,375           | 4,823               | 37,400           |
| Telephone and Internet          | 26,850         | 26,833         | (16)            | 231,827          | 241,500          | 9,673               | 322,000          |
| Printing and Postage            | 4,274          | 5,425          | 1,151           | 46,650           | 46,900           | 250                 | 60,200           |
| Bibliographic Fees              | 5,146          | 5,250          | 104             | 51,385           | 49,250           | (2,135)             | 65,000           |
| Professional Development        | 438            | 3,850          | 3,412           | 33,120           | 65,950           | 32,830              | 79,500           |
| Travel                          | 840            | 3,783          | 2,943           | 25,754           | 28,249           | 2,495               | 39,000           |
| Memberships                     | 56             | 517            | 460             | 10,400           | 17,150           | 6,750               | 17,500           |
| Contractual Services            | 34,193         | 33,200         | (993)           | 244,081          | 299,400          | 55,319              | 392,200          |
| Delivery Service                | 28,611         | 31,875         | 3,264           | 288,976          | 286,875          | (2,101)             | 382,500          |
| Special Events                  | 0              | 0              | 0               | 15,733           | 10,000           | (5,733)             | 10,000           |
| Insurance                       | 450            | 1,900          | 1,450           | 14,629           | 16,300           | 1,671               | 22,000           |
| Interest                        | 0              | 0              | 0               | 0                | 0                | 0                   | 500              |
| Miscellaneous                   | 229            | 2,195          | 1,966           | 9,542            | 19,355           | 9,813               | 25,700           |
| <b>Total Expenditures</b>       | <b>549,244</b> | <b>541,874</b> | <b>(7,370)</b>  | <b>4,661,064</b> | <b>4,889,587</b> | <b>228,522</b>      | <b>6,507,000</b> |
| Net Revenue Before Depreciation | (1,039)        | (2,782)        | 16,483          | 236,097          | (19,462)         | (201,486)           | (20,000)         |
| Non-Cash Activity               |                |                |                 |                  |                  |                     |                  |
| Depreciation                    | 8,639          | 0              | (8,639)         | 77,749           | 0                | (77,749)            | 0                |
| <b>Total Non-Cash Activity</b>  | <b>8,639</b>   | <b>0</b>       | <b>(8,639)</b>  | <b>77,749</b>    | <b>0</b>         | <b>(77,749)</b>     | <b>0</b>         |
| <b>Net Revenue</b>              | <b>(9,678)</b> | <b>(2,782)</b> | <b>(6,895)</b>  | <b>158,348</b>   | <b>(19,462)</b>  | <b>177,809</b>      | <b>(20,000)</b>  |



**NOTES FOR SEPTEMBER 2016 INCOME STATEMENT WITH PROJECTIONS**

**Revenues:**

On the Revenue Side, WLS has received approximately 75% of projected 2016 revenue; total revenue is expected to exceed budget by \$15,000, driven by the budget lines noted below:

State Revenues – WLS has received confirmation of its 2016-17 allocations; based on those allocations, State revenues will exceed budget by approximately \$73,800.

Member Library Fees – Based upon current projections, this line will exceed budget by \$20,000, primarily driven by greater-than anticipated revenues for professional services provided by IT to member libraries.

Restricted Grants – As previously noted, the projected deficit in this line is driven by the fact that some of the revenue budgeted for the IMLS grant in 2016 was in fact recognized in 2015.

**Expenses:**

On the Expense side, total expenses are projected to come in approximately \$245,000 under budget before depreciation, driven by the following budget lines:

Fringe Benefits – As previously noted, the projected surplus in this line is driven both by underspending for health insurance and the lower-than-anticipated projection for pension expenses.

Professional Fees – The projected deficit is the result of expenses associated with legal fees related to the lease of the Taxter Road office.

Telephone & Internet – WLS received discounts greater than anticipated as a result of exceeding benchmarks in the County's contract with Lightpath. WLS had also expected that there would be additional costs related to services changes at some libraries; those costs were not realized.

Bibliographic Fees – Unanticipated increases in costs are the driver of the overspending in this line.

Contracts Processing – Spending in this line is projected to fall short of budget by approximately \$70,000. Approximately 2/3 of this underspending is related to the shortfall in Restricted Grants revenue noted above. Some IMLS expenses which were budgeted for 2016 were actually recorded at the end of 2015.

Special Events – This line will close the year with a deficit of approximately \$5,700; however, revenues from special events (included under Fundraising & Contributions) exceeded budget by \$4,000 so the net will be a deficit of \$1,700 for the event.

## Financial Statement Review – Full-Year Projections September 2016

| 75.5%                           | <u>Total Budget</u> | <u>Current Year Actuals<br/>(through Sep-2016)</u> | <u>Current Year Projected<br/>(Oct -Dec 2016)</u> | <u>CURRENT YEAR TOTAL<br/>PROJECTIONS</u> | <u>Current Year<br/>Projected vs Budget</u> |
|---------------------------------|---------------------|--|---|---|---|
| <b>Revenue</b>                  |                     |  |   |   |   |
| Grants State                    | 2,140,700           | 1,636,577  | 577,926   | 2,214,503                                 | 73,803                                      |
| Grants County                   | 1,000,000           | 749,925  | 250,075   | 1,000,000                                 | 0   |
| Grants Federal                  | 0                   | 2,168  | 0   | 2,168                                     | 2,168                                       |
| Member Technology Fees          | 2,704,700           | 2,069,396  | 655,500   | 2,724,896                                 | 20,196                                      |
| Fund Raising & Contributions    | 117,000             | 62,841   | 15,000  | 77,841                                    | (39,159)                                    |
| Interest                        | 3,000               | 5,220  | 900   | 6,120                                     | 3,120                                       |
| WEBS & Other                    | 39,500              | 32,797   | 10,530  | 43,327                                    | 3,827                                       |
| Restricted Grants               | <u>482,100</u>      | <u>338,237</u>                                     | <u>94,857</u>                                     | <u>433,094</u>                            | <u>(49,006)</u>                             |
| <b>Total Revenue</b>            | <b>6,487,000</b>    | <b>4,897,161</b>                                   | <b>1,604,788</b>                                  | <b>6,501,949</b>                          | <b>14,949</b>                               |
| <b>Expenditures</b>             |                     |  |   |   |   |
| Salaries                        | 2,341,700           | 1,734,850  | 588,785   | 2,323,635                                 | 18,065                                      |
| Fringe Benefits                 | 1,141,200           | 824,734  | 241,232   | 1,065,966                                 | 75,234                                      |
| Professional Fees               | 25,400              | 15,504   | 14,665  | 30,169                                    | (4,769)                                     |
| Equipment                       | 178,600             | 96,325   | 79,515  | 175,840                                   | 2,760                                       |
| Library Materials               | 687,300             | 510,239  | 151,550   | 661,789                                   | 25,511                                      |
| Rent and Utilities              | 301,000             | 209,919  | 78,200  | 288,119                                   | 12,881                                      |
| Repairs and Maintenance         | 378,300             | 274,847  | 102,500   | 377,347                                   | 953   |
| Supplies                        | 37,400              | 22,552   | 12,000  | 34,552                                    | 2,848                                       |
| Telephone and Internet          | 322,000             | 231,827  | 80,558  | 312,385                                   | 9,615                                       |
| Printing and Postage            | 60,200              | 46,650   | 14,353  | 61,003                                    | (803)                                       |
| Bibliographic Fees              | 65,000              | 51,385   | 17,128  | 68,513                                    | (3,513)                                     |
| Professional Development        | 79,500              | 33,120   | 20,000  | 53,120                                    | 26,380                                      |
| Travel                          | 39,000              | 25,754   | 10,085  | 35,839                                    | 3,161                                       |
| Memberships                     | 17,500              | 10,400   | 6,000   | 16,400                                    | 1,100                                       |
| Contractual Services            | 392,200             | 244,081  | 78,000  | 322,081                                   | 70,119                                      |
| Delivery Service                | 382,500             | 288,976  | 93,704  | 382,680                                   | (180)                                       |
| Special Events                  | 10,000              | 15,733   | 0   | 15,733                                    | (5,733)                                     |
| Insurance                       | 22,000              | 14,629   | 7,100   | 21,729                                    | 271   |
| Interest                        | 500                 | 0  | 500   | 500                                       | 0   |
| Miscellaneous                   | <u>25,700</u>       | <u>9,542</u>                                       | <u>5,011</u>                                      | 14,553                                    | <u>11,148</u>                               |
| <b>Total Expenditures</b>       | <b>6,507,000</b>    | <b>4,661,064</b>                                   | <b>1,600,887</b>                                  | <b>6,261,951</b>                          | <b>245,049</b>                              |
| Net Revenue Before Depreciation | (20,000)            | 236,097  | 3,901   | 239,998                                   |   |
| <b>Non-Cash Activity</b>        |                     |  |   |   |   |
| Depreciation                    | <u>0</u>            | <u>77,749</u>                                      | <u>43,916</u>                                     | <u>121,665</u>                            | <u>(121,665)</u>                            |
| <b>Total Non-Cash Activity</b>  | <b>0</b>            | <b>77,749</b>                                      | <b>43,916</b>                                     | <b>121,665</b>                            | <b>(121,665)</b>                            |
| <b>Net Revenue</b>              | <b>(20,000)</b>     | <b>158,348</b>                                     | <b>(40,015)</b>                                   | <b>118,333</b>                            |   |