



Westchester Library System
Financial Statement Review
September 2015



NOTES FOR SEPTEMBER 2015 BALANCE SHEET

Assets:

Cash & Cash Equivalents – During the month of September, WLS received approximately more than \$1.35 Million in cash, and paid out approximately \$1 Million, resulting in a cash position that is approximately \$350,000 greater than August’s position. Notable receipts in September included more than \$1 Million from New York State, more than \$700,000 of which was allocated to WLS for the 2015-16 fiscal year; the remaining monies were Local Library Services Aid which is passed through to the member libraries (\$241,000) and Bullet Aid (\$42,500) which was passed through to the libraries to which the money had been allocated.

Unconditional Promises to Give – During September, \$170,000 in unconditional promises were recorded; at the same time, revenues received from New York State (noted above) reduced this line by more than \$340,000. The result of this activity was a decrease of \$170,000 over the August figure.

Accounts Receivable – This line was reduced by approximately \$300,000, primarily the result of monies received from the Westchester Community College pass-through.

Prepaid Expenses – There was little change in this line. \$61,000 in prepaid expenses was recorded and \$67,000 was released during the month, resulting in a decrease of \$6,700 in this line.

Liabilities:

Accounts Payable – This line decreased by approximately \$200,000, driven by the Westchester Community College \$326,000 check cut in September (for an invoice processed in August), offset by \$100,000 in newly recorded accrued expenses.

Deferred Revenue – This line decreased by approximately \$1,600,000 during the period, primarily the result of recording approximately \$1 Million in NYS revenues and just over \$1 Million in IT (July-December) revenues against recognition of approximately \$450,000, primarily in IT revenues.

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	<u>9/30/2015</u>	<u>12/31/2014</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	5,401,405	3,515,888	1,885,517	53.6%
Unconditional Promises to Give	359,678	586,273	(226,595)	-38.7%
Accounts Receivable	138,998	89,385	49,612	55.5%
Prepaid Expenses	457,853	362,592	95,261	26.3%
Security Deposits	<u>35,737</u>	<u>35,737</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	6,393,671	4,589,875	1,803,796	39.3%
Long-term Assets				
Property & Equipment	<u>278,703</u>	<u>351,057</u>	<u>(72,354)</u>	<u>-20.6%</u>
Total Property & Equipment	<u>278,703</u>	<u>351,057</u>	<u>(72,354)</u>	<u>-20.6%</u>
Total Long-term Assets	<u>278,703</u>	<u>351,057</u>	<u>(72,354)</u>	<u>-20.6%</u>
Total Assets	<u>6,672,374</u>	<u>4,940,932</u>	<u>1,731,442</u>	<u>35.0%</u>
Liabilities				
Short-term Liabilities				
Accounts Payable	675,956	455,713	220,243	48.3%
Deferred Revenue	<u>1,875,377</u>	<u>517,485</u>	<u>1,357,892</u>	<u>262.4%</u>
Total Short-term Liabilities	2,551,333	973,198	1,578,135	162.2%
Long-term Liabilities				
Capital Lease Obligations	7,197	7,197	0	0.0%
Post-Retirement Benefits Payable	<u>3,822,358</u>	<u>3,822,358</u>	<u>0</u>	<u>0.0%</u>
Total Long-term Liabilities	<u>3,829,555</u>	<u>3,829,555</u>	<u>0</u>	<u>0.0%</u>
Total Liabilities	<u>6,380,888</u>	<u>4,802,753</u>	<u>1,578,135</u>	<u>32.9%</u>
Net Assets				
	<u>291,485</u>	<u>138,179</u>	<u>153,306</u>	<u>111.0%</u>
Total Net Assets	<u>291,485</u>	<u>138,179</u>	<u>153,306</u>	<u>111.0%</u>
Total Liabilities and Net Assets	<u>6,672,374</u>	<u>4,940,932</u>	<u>1,731,442</u>	<u>35.0%</u>



NOTES FOR SEPTEMBER 2015 INCOME STATEMENT

Revenues:

Total revenues for September exceeded budget by \$19,000, primarily driven by the recording of actual 2015-16 New York State revenues, which are 3% higher than had been budgeted.

Expenses:

Overall spending for the period was slightly less than had been budgeted for September (\$495,000 spent against a monthly budget of \$524,000). Lines that had notable overspending during the month included:

Books, Film, etc. – Once again, overspending in this line is driven by expenditures by libraries participating in the local collection development pilot project requested by PLDA. All spending on this project will be completed by the end of October.

Periodicals – This line includes expenses for videos and DVDs. As with Books, Film, etc., the September deficit in this line is the result of libraries using some of their allocations for videos and DVDs.

Databases – The deficit in this line is driven by the addition of the WLS subscription to Zepheira, which the Board approved at the June meeting.

Financial Statement Review September 2015

	Current Period		Current Period	Current Year		YTD Budget	Total Budget
	9/30/2015	Budget	Budget Variance	Actual	YTD Budget	Variance	
Revenue							
Grants State	192,400	167,175	25,225	1,490,725	1,503,275	(12,550)	2,004,000
Grants County	85,800	85,800	0	749,600	749,600	0	1,000,000
Grants Federal	0	1,700	(1,700)	1,323	1,700	(377)	1,700
Member Technology Fees	210,710	209,308	1,402	2,076,369	2,057,775	18,594	2,685,700
Fund Raising & Contributions	1,500	8,083	(6,583)	85,990	88,750	(2,760)	115,000
Interest	250	250	(0)	1,999	2,250	(251)	3,000
WEBS & Other	3,475	3,400	75	32,915	30,700	2,215	40,500
Restricted Grants	<u>36,472</u>	<u>35,533</u>	<u>939</u>	<u>375,382</u>	<u>334,600</u>	<u>40,782</u>	<u>440,500</u>
Total Revenue	<u>530,607</u>	<u>511,250</u>	<u>19,357</u>	<u>4,814,302</u>	<u>4,768,650</u>	<u>45,652</u>	<u>6,290,400</u>
Expenditures							
Salaries	191,214	190,670	(544)	1,661,327	1,716,684	55,357	2,288,721
Fringe Benefits	96,479	93,389	(3,090)	822,083	841,713	19,630	1,121,879
Professional Fees	1,554	1,700	146	14,261	13,400	(861)	29,000
Equipment	13,032	20,667	7,635	123,646	162,100	38,454	238,100
Books, Film, etc.	27,275	21,400	(5,875)	203,139	189,500	(13,639)	253,200
Periodicals	4,329	1,400	(2,929)	16,217	11,500	(4,717)	15,000
Rent and Utilities	22,562	24,442	1,880	200,314	217,975	17,661	292,200
Repairs and Maintenance	17,351	32,250	14,899	278,976	288,550	9,575	385,300
Supplies	4,280	4,000	(280)	25,599	26,800	1,201	36,800
Telephone and Internet	24,285	28,000	3,715	211,673	250,300	38,627	334,100
Printing and Postage	3,823	4,467	643	39,321	36,900	(2,421)	49,000
Database	36,294	34,467	(1,827)	320,572	311,600	(8,972)	415,000
Professional Development	2,121	4,350	2,229	41,153	33,850	(7,303)	47,900
Travel	477	3,310	2,833	24,462	20,970	(3,492)	30,300
Memberships	334	25	(309)	12,229	13,025	796	13,400
Contractual Services	20,027	24,100	4,073	198,880	308,700	109,820	399,000
Delivery Service	27,778	31,200	3,423	273,880	280,400	6,520	374,000
Special Events	0	0	0	18,059	10,000	(8,059)	10,000
Insurance	1,734	1,900	166	16,626	16,300	(326)	22,000
Interest	0	0	0	0	0	0	500
Miscellaneous	732	2,270	1,538	3,744	20,330	16,586	27,200
Total Expenditures	<u>495,679</u>	<u>524,006</u>	<u>28,326</u>	<u>4,506,161</u>	<u>4,770,597</u>	<u>264,436</u>	<u>6,382,600</u>
Net Revenue Before Depreciation	<u>34,928</u>	<u>(12,756)</u>	<u>47,683</u>	<u>308,142</u>	<u>(1,947)</u>	<u>310,089</u>	<u>(92,200)</u>
Non-Cash Activity							
Depreciation	<u>8,039</u>	<u>0</u>	<u>(8,039)</u>	<u>72,354</u>	<u>0</u>	<u>(72,354)</u>	<u>0</u>
Total Non-Cash Activity	<u>8,039</u>	<u>0</u>	<u>(8,039)</u>	<u>72,354</u>	<u>0</u>	<u>(72,354)</u>	<u>0</u>
Net Revenue	<u>26,888</u>	<u>(12,756)</u>	<u>39,644</u>	<u>235,787</u>	<u>(1,947)</u>	<u>237,735</u>	<u>(92,200)</u>



NOTES FOR SEPTEMBER 2015 INCOME STATEMENT WITH PROJECTIONS

Revenues:

On the Revenue side, WLS has received just about 75% of projected 2015 revenue; total revenue is expected to exceed budget by more than \$125,000, driven by the budget lines noted below:

State Revenues – WLS has received confirmation of all of the NYS 2015-16 allocations; based on those allocations, State revenues will exceed budget by approximately \$65,000.

Member Library Fees – Based upon current projections, this line will exceed budget by \$16,000; as previously noted, this surplus is driven by greater-than-anticipated revenues for WLS- and Locally-Supported PCs.

Fundraising and Contributions – Approximately \$47,000 in additional gifts are anticipated between now and the end of the year.

Restricted Grants – The projected surplus in this line is the result of revenues received for the New Rochelle BTOP program and the LIU Certificate Program, for which no monies had been budgeted. Additionally, this is the category where the NYS Coordinated Outreach and Corrections grants are budgeted, and now that the 2015-16 allocations have been established, these lines are projected to have a total increase of about \$8,200. The surplus is lower in this line than had been projected in the August financials, the result of a decreased revenue projection for the IMLS Creative Aging grant; based on current projections, it appears that more of this revenue will be received in 2016, which is the final year of the grant.

NOTES FOR SEPTEMBER 2015 INCOME STATEMENT WITH PROJECTIONS (continued)

Expenses:

On the Expense side, total expenses are projected to come in approximately \$225,000 under budget before depreciation, driven by the following budget lines:

Salaries – A small surplus continues to be projected in this line, primarily due to the fact that the Technology Trainer was not hired until mid-year. As has been previously noted, this line also includes hourly wages, and the bi-weekly payment for hourly wages fluctuates with each payroll period.

Fringe Benefits – Careful analysis of all of the elements that feed this line indicates that there will be a very small surplus here. This is a change from last month, when a small deficit had been projected.

Equipment – As previously noted, projected underspending in this line is driven by the fact that WLS replaced many computers last year out of cycle to upgrade from Windows XP to Windows 7, and as a result, has been replacing PCs at a slower rate this year.

Periodicals – This line also includes the purchase of video and DVDs. Overspending of approximately \$10,000 is anticipated in this line, the result of purchases made by member libraries that participated in the collection development pilot project. All pilot project expenses should be posted by the end of October.

Rent & Utilities – Projected spending in this line is somewhat of a soft figure. It is driven primarily by the fact that the monthly rent for 2015 is less than had been budgeted. However, BASF has not yet given WLS its July 1 rent increase nor all invoices for maintenance activities in 2015; both of those factors have been included in the year-end projection.

Repairs & Maintenance – Projected underspending in this line is driven by the fact that the SIRSI annual maintenance contract for the period April 2015 – March 2016 is lower than had been anticipated during preparation of the budget.

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.

Databases – Revised analysis of this line indicates it will be overspent by approximately \$8,000, in part due to the addition of the Zepheira subscription, for which monies had not been included in the budget, but was approved for purchased by the Board at its June meeting.

Contracts Processing – Spending in this line is projected to fall short of budget by approximately \$82,000. This projection was revised upward from what had been presented in the August financials and is the result of IMLS Creative Aging activities that will now take place in 2016 instead of 2015.

Special Events – This line will close the year with a deficit of approximately \$8,000; however, revenues from special events (included under Fundraising & Contributions) exceeded budget by \$7,000.

Miscellaneous – The underspending in this line is being driven by the fact that the Contingency budget is included here, and at this point, it is not anticipated that WLS will use any of the Contingency funds.

Financial Statement Review – Full-Year Projections September 2015

	Total Budget	Current Year Actuals (through Sep-2015)	Current Year Projected (Oct -Dec 2015)	CURRENT YEAR TOTAL PROJECTIONS	Current Year Projected vs Budget
Revenue					
Grants State	2,004,000	1,490,725	577,620	2,068,345	64,345
Grants County	1,000,000	749,600	250,400	1,000,000	0
Grants Federal	1,700	1,323	377	1,700	0
Member Technology Fees	2,685,700	2,076,369	625,431	2,701,800	16,100
Fund Raising & Contributions	115,000	85,990	47,000	132,990	17,990
Interest	3,000	1,999	1,001	3,000	0
WEBS & Other	40,500	32,915	9,700	42,615	2,115
Restricted Grants	440,500	375,382	93,183	468,566	28,066
Total Revenue	<u>6,290,400</u>	<u>4,814,302</u>	<u>1,604,713</u>	<u>6,419,015</u>	<u>128,615</u>
Expenditures					
Salaries	2,288,721	1,661,327	599,000	2,260,327	28,394
Fringe Benefits	1,121,879	822,083	298,398	1,120,481	1,398
Professional Fees	29,000	14,261	15,525	29,786	(786)
Equipment	238,100	123,646	78,303	201,949	36,151
Books, Film, etc.	253,200	203,139	45,500	248,639	4,561
Periodicals	15,000	16,217	8,550	24,767	(9,767)
Rent and Utilities	292,200	200,314	77,800	278,114	14,086
Repairs and Maintenance	385,300	278,976	85,715	364,691	20,610
Supplies	36,800	25,599	10,500	36,099	701
Telephone and Internet	334,100	211,673	77,100	288,773	45,327
Printing and Postage	49,000	39,321	10,000	49,321	(321)
Database	415,000	320,572	102,900	423,472	(8,472)
Professional Development	47,900	41,153	9,900	51,053	(3,153)
Travel	30,300	24,462	6,000	30,462	(162)
Memberships	13,400	12,229	900	13,129	271
Contractual Services	399,000	198,880	117,500	316,380	82,620
Delivery Service	374,000	273,880	98,974	372,854	1,146
Special Events	10,000	18,059	0	18,059	(8,059)
Insurance	22,000	16,626	5,250	21,876	124
Interest	500	0	500	500	0
Miscellaneous	<u>27,200</u>	<u>3,744</u>	<u>1,750</u>	<u>5,494</u>	<u>21,706</u>
Total Expenditures	<u>6,382,600</u>	<u>4,506,161</u>	<u>1,650,065</u>	<u>6,156,225</u>	<u>226,375</u>
Net Revenue Before Depreciation	(92,200)	308,142	(45,352)	262,790	
Non-Cash Activity					
Depreciation	<u>0</u>	<u>72,354</u>	<u>25,500</u>	<u>97,854</u>	<u>(97,854)</u>
Total Non-Cash Activity	<u>0</u>	<u>72,354</u>	<u>25,500</u>	<u>97,854</u>	<u>(97,854)</u>
Net Revenue	<u>(92,200)</u>	<u>235,787</u>	<u>(70,852)</u>	<u>164,936</u>	

Financial Statement Review
August 2015

	<u>Total Budget</u>	<u>Current Year Actuals (through Aug-2015)</u>	<u>Current Year Projected (Sep -Dec 2015)</u>	<u>CURRENT YEAR TOTAL PROJECTIONS</u>	<u>Current Year Projected vs Budget</u>
Expenditures					
Equipment	355,000	81,085	125,000	206,085	148,915
Repairs and Maintenance	180,000	0	0	0	180,000
Contractual Services	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,000</u>
Total Expenditures	<u>555,000</u>	<u>81,085</u>	<u>125,000</u>	<u>206,085</u>	<u>348,915</u>

NOTES ON CAPITAL EXPENDITURES:

Equipment - This line includes equipment, computer equipment and network hardware.

- Aggressive negotiation and favorable trade-in resulted in WLS being able to purchase a new vehicle for \$15,456
- Current Year Actuals and Current Year Projected both include expenses for network hardware for wireless project and computer equipment for virtual desktop pilot project

Repairs and Maintenance & Contractual Services - Phase 1 of virtual desktop project budgeted for 2015 will not happen until 2016