



Westchester Library System
Financial Statement Review
December 2016

NOTES FOR DECEMBER 2016 BALANCE SHEET

Assets:

Cash & Cash Equivalents – WLS received approximately \$500,000 in cash during the months of November and December, including \$250,000 from Westchester County for the third quarter of the year, \$52,000 in State Aid payments, \$75,000 in member fees and \$75,000 in program revenues (for WEBS, BTOP, WSOS and a new gift from Westchester Community Foundation). More than \$1,500,000 was paid out during this 2-month period, resulting in a cash position that is approximately \$1,000,000 less than October's position. Notable expenses included payroll expenses for 5 payroll periods (\$480,000), 2016 and 2017 e-resource expenses (\$300,000), benefits (\$100,000), \$250,000 in hardware and software purchases, and other recurring expenses such as delivery, telephone and internet (\$140,000).

Unconditional Promises to Give – This line decreased by approximately \$55,000 since October, driven by the recording of more than \$210,000 in Westchester County, New York State and IMLS revenues, and receipt of County and State revenue of approximately \$70,000.

Accounts Receivable – This line was reduced by \$77,000, the result of \$114,000 in monies received for the WSOS, WEBS, BTOP and LIU/Palmer School programs as well as member library payments for various supplies and services, against the recording of \$37,000 in new receivables.

Prepaid Expenses – The increase of more than \$240,000 in this line is driven by the release of approximately \$240,000 of prepaid expenses versus the recording of \$480,000 in new pre-paid expenses. Just about all of this activity is related to database e-content subscriptions and maintenance contracts.

Liabilities:

Accounts Payable – The large decrease in this line is primarily the result of payment of the 2015 pension invoice, for which monies were accrued throughout the year.

Deferred Revenue – This line decreased by approximately \$800,000 during the period, driven by the recognition of two months of IT and State revenues.

Deferred Rent – As has been previously noted, this new 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
December 2016**

	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	3,691,561	3,959,925	(268,364)	-6.8%
Unconditional Promises to Give	280,522	337,244	(56,722)	-16.8%
Accounts Receivable	71,286	70,252	1,034	1.5%
Prepaid Expenses	660,503	451,404	209,099	46.3%
Security Deposits	<u>0</u>	<u>35,737</u>	<u>(35,737)</u>	<u>-100.0%</u>
Total Current Assets	4,703,872	4,854,561	(150,689)	-3.1%
Long-term Assets				
Property & Equipment	<u>230,626</u>	<u>325,884</u>	<u>(95,259)</u>	<u>-29.2%</u>
Total Property & Equipment	<u>230,626</u>	<u>325,884</u>	<u>(95,259)</u>	<u>-29.2%</u>
Total Long-term Assets	<u>230,626</u>	<u>325,884</u>	<u>(95,259)</u>	<u>-29.2%</u>
Total Assets	<u>4,934,497</u>	<u>5,180,445</u>	<u>(245,948)</u>	<u>-4.8%</u>
Liabilities				
Short-term Liabilities				
Accounts Payable	457,339	421,624	35,715	8.5%
Deferred Revenue	<u>754,284</u>	<u>651,749</u>	<u>102,535</u>	<u>15.7%</u>
Total Short-term Liabilities	1,211,623	1,073,373	138,250	12.9%
Long-term Liabilities				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	146,026	0	146,026	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>4,262,374</u>	<u>4,116,348</u>	<u>146,026</u>	<u>3.6%</u>
Total Liabilities	<u>5,473,997</u>	<u>5,189,721</u>	<u>284,276</u>	<u>5.5%</u>
Net Assets				
Total Net Assets	<u>(539,500)</u>	<u>(9,276)</u>	<u>(530,224)</u>	<u>5716.1%</u>
Total Liabilities and Net Assets	<u>4,934,497</u>	<u>5,180,445</u>	<u>(245,948)</u>	<u>-4.8%</u>

NOTES FOR DECEMBER 2016 INCOME STATEMENT

Revenues:

Total revenues for December fell \$4,500 short of the monthly budget. Overall revenues for the year exceeded budget by \$59,000, primarily driven by greater-than-budgeted allocations for Grants State. The shortfall in Fundraising and Contributions is in part the result of how WLS recognizes gifts for which money has been received versus how it is recognized on the financial statements. (Specifically, a \$40,000 gift has been received from the Westchester Community Foundation which will be recognized in 2017.)

Expenses:

Overall spending for December came in \$5,000 under budget before depreciation. Lines that had notable activity during the month included:

Salaries – This line was overspent by \$22,000 for the month of December, and overspent by \$1,900 for the year.

Fringe Benefits – This line was underspent for the month and the year, primarily the result of lower-than-budgeted costs for pension. WLS accrues for these costs on a monthly basis and the year-end pension invoice came in lower than anticipated. Health insurance costs also came in lower than had been budgeted and contributed to the year-end surplus in this line.

Equipment – This line was overspent in the month of December but underspent by \$22,000 for the year, primarily the result of the impact of the move to WLS's new offices.

Bibliographic Fees – This line was underbudgeted for the year and as a result, came in \$2,800 over budget. For 2017, the budget for this line has been increased by 3% over the total spending for 2016.

Travel – The negative figure for December spending is the result of correcting an invoice which had originally been mis-coded to the Travel code.

Contracts Processing – As has been noted throughout the year, spending in this line fell short of budget as a result of IMLS Creative Aging expenses which had been budgeted in 2016 but were actually recorded at the end of 2015.

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

**Financial Statement Review
December 2016**

	Current Period		Current Period	Current Year		YTD Budget	Total Budget
	12/31/2016	Budget	Budget Variance	Actual	YTD Budget	Variance	
Revenue							
Grants State	193,224	178,408	14,816	2,223,528	2,140,700	82,828	2,140,700
Grants County	83,425	83,325	100	1,000,000	1,000,000	0	1,000,000
Grants Federal	0	0	0	2,168	0	2,168	0
Member Technology Fees	222,140	225,308	(3,169)	2,727,764	2,704,700	23,064	2,704,700
Fund Raising & Contributions	2,711	8,917	(6,206)	71,069	117,000	(45,931)	117,000
Interest	486	250	236	6,854	3,000	3,854	3,000
WEBS & Other	3,614	3,125	489	42,961	39,500	3,461	39,500
Restricted Grants	<u>28,728</u>	<u>39,458</u>	<u>(10,730)</u>	<u>471,843</u>	<u>482,100</u>	<u>(10,257)</u>	<u>482,100</u>
Total Revenue	<u>534,328</u>	<u>538,792</u>	<u>(4,464)</u>	<u>6,546,187</u>	<u>6,487,000</u>	<u>59,187</u>	<u>6,487,000</u>
Expenditures							
Salaries	216,800	194,556	(22,244)	2,343,603	2,341,700	(1,903)	2,341,700
Fringe Benefits	68,014	102,083	34,069	1,071,035	1,141,200	70,165	1,141,200
Professional Fees	2,128	8,542	6,414	18,705	25,400	6,695	25,400
Equipment	46,293	14,717	(31,576)	156,492	178,600	22,108	178,600
Library Materials	53,366	50,475	(2,891)	673,052	687,300	14,248	687,300
Rent and Utilities	24,338	25,233	896	299,132	301,000	1,868	301,000
Repairs and Maintenance	28,210	30,933	2,723	366,623	378,300	11,677	378,300
Supplies	2,154	2,908	755	32,684	37,400	4,716	37,400
Telephone and Internet	27,213	26,833	(379)	312,641	322,000	9,359	322,000
Printing and Postage	452	4,225	3,773	51,259	60,200	8,941	60,200
Bibliographic Fees	5,429	5,250	(179)	67,769	65,000	(2,769)	65,000
Professional Development	2,048	3,750	1,702	60,408	79,500	19,092	79,500
Travel	(489)	3,283	3,773	28,074	39,000	10,926	39,000
Memberships	0	17	17	11,993	17,500	5,507	17,500
Contractual Services	4,585	16,850	12,265	321,255	392,200	70,945	392,200
Delivery Service	37,479	31,875	(5,604)	370,676	382,500	11,824	382,500
Special Events	0	0	0	15,733	10,000	(5,733)	10,000
Insurance	1,850	1,900	50	19,366	22,000	2,634	22,000
Interest	0	500	500	0	500	500	500
Miscellaneous	<u>1,132</u>	<u>2,075</u>	<u>943</u>	<u>11,525</u>	<u>25,700</u>	<u>14,175</u>	<u>25,700</u>
Total Expenditures	<u>521,000</u>	<u>526,006</u>	<u>5,007</u>	<u>6,232,025</u>	<u>6,507,000</u>	<u>274,975</u>	<u>6,507,000</u>
Net Revenue Before Depreciation	<u>13,328</u>	<u>12,786</u>	<u>543</u>	<u>314,162</u>	<u>(20,000)</u>	<u>334,162</u>	<u>(20,000)</u>
Non-Cash Activity							
Depreciation	<u>7,879</u>	<u>0</u>	<u>(7,879)</u>	<u>94,552</u>	<u>0</u>	<u>(94,552)</u>	<u>0</u>
Total Non-Cash Activity	<u>7,879</u>	<u>0</u>	<u>(7,879)</u>	<u>94,552</u>	<u>0</u>	<u>(94,552)</u>	<u>0</u>
Net Revenue	<u>5,449</u>	<u>12,786</u>	<u>(7,337)</u>	<u>219,610</u>	<u>(20,000)</u>	<u>239,610</u>	<u>(20,000)</u>

***Financial Statement Review
Capital Budget SUMMARY* – December 2016***

**TOTAL CAPITAL BUDGET -
SUMMARY***

	<u>Total Budget</u>	<u>Current Year Actuals (through Dec-2016)</u>	<u>Variance</u>
Expenditures			
Equipment	610,000	551,478	58,522
Repairs and Maintenance	120,000	161,103	(41,103)
Contractual Services	30,000	17,753	12,247
Moving Expense	<u>45,000</u>	<u>19,500</u>	<u>25,500</u>
Total Expenditures	<u>805,000</u>	<u>749,834</u>	<u>55,166</u>

Capital spending came in under budget for both the IT projects and the move of WLS offices to Taxter Road.

The 2017 Capital budget includes IT activity which did not occur in 2016. See Page 7 for detail on Capital budget activity by project.

***Financial Statement Review
Capital Budget DETAIL – December 2016***

**CAPITAL BUDGET
Information Technology**

	<u>Total Budget</u>	<u>Current Year Actuals (through Dec-2016)</u>	<u>Variance</u>
Expenditures			
Equipment	415,000	351,729	63,271
Repairs and Maintenance	120,000	161,103	(41,103)
Contractual Services	<u>20,000</u>	<u>9,813</u>	<u>10,187</u>
Total Expenditures	<u>555,000</u>	<u>522,645</u>	<u>32,355</u>

**CAPITAL BUDGET
Taxter Move**

	<u>Total Budget</u>	<u>Current Year Actuals (through Dec-2016)</u>	<u>Variance</u>
Expenditures			
Equipment	195,000	199,749	(4,749)
Repairs and Maintenance	10,000	7,941	2,059
Moving Expense	<u>45,000</u>	<u>19,500</u>	<u>25,500</u>
Total Expenditures	<u>250,000</u>	<u>227,190</u>	<u>22,810</u>