



Westchester Library System
Financial Statement Review
May 2017

NOTES FOR MAY 2017 BALANCE SHEET

Assets:

Cash & Cash Equivalents – During May, WLS’s cash position declined by approximately \$280,000. Approximately \$260,000 in revenue was received, and more than \$540,000 in expenses was paid out. This figure is \$48,000 less than the May 2016 figure. The only notable activity was receipt of the 1st quarter payment of \$250,000 from Westchester County.

Unconditional Promises to Give – This figure increased by approximately \$43,000 during the month, the result of recording \$293,000 of Westchester County and New York State monies, against receipt of the \$250,000 in County monies noted above.

Prepaid Expenses – This figure decreased by approximately \$80,000 during the month, driven by recognition of expenses for various licensing, database and maintenance fees.

Liabilities:

Deferred Revenue – Similar to last month, this figure decreased by approximately \$225,000 during the month of May, again primarily the result of recognition of IT revenues.

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	<u>5/31/2017</u>	<u>12/31/2016</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	3,020,757	3,691,561	(670,804)	-18.2%
Unconditional Promises to Give	636,417	280,522	355,894	126.9%
Accounts Receivable	168,917	72,116	96,802	134.2%
Prepaid Expenses	726,202	701,656	24,546	3.5%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	4,552,293	4,745,855	(193,562)	-4.1%
Long-term Assets				
Property & Equipment	<u>831,581</u>	<u>912,638</u>	<u>(81,057)</u>	<u>-8.9%</u>
Total Property & Equipment	<u>831,581</u>	<u>912,638</u>	<u>(81,057)</u>	<u>-8.9%</u>
Total Long-term Assets	<u>831,581</u>	<u>912,638</u>	<u>(81,057)</u>	<u>-8.9%</u>
Total Assets	<u>5,383,875</u>	<u>5,658,494</u>	<u>(274,619)</u>	<u>-8.9%</u>
Liabilities				
Short-term Liabilities				
Accounts Payable	563,380	470,537	92,842	19.7%
Deferred Revenue	<u>252,814</u>	<u>646,284</u>	<u>(393,470)</u>	<u>-60.9%</u>
Total Short-term Liabilities	816,194	1,116,821	(300,627)	-26.9%
Long-term Liabilities				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	267,715	146,026	121,689	83.3%
Post-Retirement Benefits Payable	<u>4,023,673</u>	<u>4,023,673</u>	<u>0</u>	<u>0.0%</u>
Total Long-term Liabilities	<u>4,291,388</u>	<u>4,169,699</u>	<u>121,689</u>	<u>2.9%</u>
Total Liabilities	<u>5,107,582</u>	<u>5,286,520</u>	<u>(178,939)</u>	<u>-3.4%</u>
Net Assets				
Total Net Assets	<u>276,293</u>	<u>371,973</u>	<u>(95,681)</u>	<u>-25.7%</u>
Total Liabilities and Net Assets	<u>5,383,875</u>	<u>5,658,494</u>	<u>(274,619)</u>	<u>-4.9%</u>



NOTES FOR MAY 2017 INCOME STATEMENT

Revenues:

Revenues for the month of May fell short of budget by \$12,000, driven by a shortfall in *Fundraising and Contributions* and *Restricted Grants*. As has been noted in the past, the budget assumes that 1/12 of *Fundraising and Contributions* revenues will be received each month when in reality, monies raised fluctuates from month to month.

Expenses:

On the expense side, expenditures for the month exceeded budget by \$42,000. Budget lines with notable overspending are discussed below:

Salaries – The budget for salaries assumes that 1/12 of the total budget will be spent each month; however, that is not the case. Overspending in this line is primarily driven by the fact that there is 1.5 more work days in May than is budgeted for the month. In addition, hourly wages were also overspent during the month. Overall, year-to-date expenses are within the year-to-date budget and are expected to remain so for the entire fiscal year.

Equipment – Overspending in this line is the result of a purchase of replacement computers for libraries. This overspending is a timing issue and not an indication that the line will be overspent for the year.

Library Materials – The deficit in this line is driven by expenditures by those member libraries participating in year three of the local collection development pilot project. Project spending will be completed by the end of October, and full-year expenses are anticipated to be within budget.

Repairs and Maintenance – Spending in this line has fluctuated each month, with some months showing overspending and some months showing activity within budget. However, at this point it is still anticipated that the line will come in within budget for the full year.



NOTES FOR MAY 2017 INCOME STATEMENT (continued)

Supplies – This line was overspent in May as the result of a one-time purchase of materials related to the telephone system. Spending in this line for the full year is not expected to exceed the total budget.

Printing and Postage – Overspending in this line is driven by a one-time expense for a WLS video. Year-to-date expenses are within budget and are expected to remain so throughout the full year expense.

Contractual Services – Most of the expenses incurred during the month of May were related to mini-grants (\$7,000), Outreach (\$8,000) and WEBS (\$7,000). These activities slow down during the summer so this overspending is not an indication that the line will be overspent at year-end.

Delivery Service – Overspending in this line is the result of a timing issue and not an indication that the line will be overspent at year-end.

Special Events – This line represents spending activity for the Breakfast event held in April. Monthly spending in this line exceeded budget by \$2,300; however, the budget assumed that the event would break even, with a \$12,000 revenue budget and a \$12,000 expense budget. To date, revenues from the event total \$12,300 and expenses total \$13,000, resulting in a deficit to date of \$700.



Empowering libraries. Empowering communities.

Financial Statement Review May 2017

	Current Period		YTD Budget			Total Budget	
	5/31/2017	Budget	Current Period Budget Variance	Current Year Actual	YTD Budget		Variance
Revenue							
Grants State	186,083	186,083	0	930,444	930,417	28	2,233,000
Grants County	83,333	83,333	0	416,667	416,667	0	1,000,000
Member Technology Fees	226,881	225,892	990	1,140,237	1,129,458	10,779	2,710,700
Fund Raising & Contributions	25	12,917	(12,892)	15,671	56,583	(40,912)	119,000
Interest	506	400	106	2,480	2,000	480	4,800
WEBS & Other	3,500	3,442	58	17,548	17,208	340	41,300
Restricted Grants	23,367	23,375	(8)	117,155	116,875	280	280,500
Restricted Other	0	417	(417)	0	2,083	(2,083)	5,000
Total Revenue	523,695	535,858	(12,163)	2,640,203	2,671,292	(31,089)	6,394,300
Expenditures							
Salaries	215,086	199,025	(16,061)	978,690	995,125	16,435	2,388,300
Fringe Benefits	94,267	95,758	1,492	466,810	478,792	11,982	1,149,100
Professional Fees	2,746	2,175	(571)	7,833	10,875	3,043	26,100
Equipment	28,179	18,183	(9,995)	43,260	90,917	47,657	218,200
Library Materials	66,905	57,088	(9,818)	282,145	285,438	3,292	685,050
Rent and Utilities	24,338	27,925	3,587	139,147	139,625	478	335,100
Repairs and Maintenance	36,631	34,975	(1,656)	179,607	174,875	(4,732)	419,700
Supplies	7,642	2,500	(5,142)	14,986	13,400	(1,586)	30,900
Telephone and Internet	24,930	30,733	5,804	155,800	153,667	(2,134)	368,800
Printing and Postage	7,040	5,275	(1,765)	20,628	26,375	5,747	63,300
Bibliographic Fees	5,485	5,833	349	31,556	29,167	(2,389)	70,000
Professional Development	1,376	4,425	3,049	35,341	22,125	(13,216)	53,100
Travel	1,323	3,179	1,856	10,789	15,896	5,107	38,150
Memberships	247	1,408	1,161	8,623	7,042	(1,582)	16,900
Contractual Services	25,903	17,425	(8,478)	87,763	75,125	(12,638)	185,100
Delivery Service	37,461	32,792	(4,670)	169,596	163,958	(5,637)	393,500
Special Events	6,313	4,000	(2,313)	12,986	12,000	(986)	12,000
Insurance	1,740	1,917	177	7,556	9,583	2,027	23,000
Interest	0	0	0	0	0	0	500
Miscellaneous	443	1,158	715	1,710	5,792	4,081	13,900
Total Expenditures	588,056	545,775	(42,280)	2,654,827	2,709,776	54,949	6,490,700
Net Revenue Before Depreciation	(64,361)	(9,917)	(54,444)	(14,624)	(38,484)	23,860	(96,400)
Non-Cash Activity							
Depreciation	16,211	0	(16,211)	81,057	0	(81,057)	0
Total Non-Cash Activity	16,211	0	(16,211)	81,057	0	(81,057)	0
Net Revenue	(80,572)	(9,917)	(70,655)	(95,681)	(38,484)	(57,196)	(96,400)