



Westchester Library System
Financial Statement Review
September 2017



NOTES FOR SEPTEMBER 2017 BALANCE SHEET

Assets:

Cash & Cash Equivalents – During the month of September, WLS received approximately \$805,000 in cash, and paid out approximately \$340,000, resulting in a cash position that is approximately \$465,000 greater than August’s position. Notable receipts in September included \$165,000 in member fees and \$585,000 from New York State. Most of the NYS monies represent allocations to WLS for the 2017-18 fiscal year; Grants-in-Aid of \$37,500 are being passed through to those libraries to which the money has been allocated.

Unconditional Promises to Give – During September, approximately \$130,000 in unconditional promises were recorded; at the same time, revenues received from New York State reduced this line by approximately \$275,000. The result of this activity was a decrease of \$145,000 over the August figure.

Accounts Receivable – This line decreased by approximately \$175,000, driven primarily by receipt of IT receivables for the July – December period.

Prepaid Expenses – This line decreased by \$106,000, driven by release of \$105,000 in pre-paid expenses and recording of \$1,000 in new pre-paid expenses.

Liabilities:

Accounts Payable – This line increased by just over \$110,000, primarily driven by accrual of expenses for pension, cable, bibliographic fees and payment of grants-in-aid to libraries.

Deferred Revenue – This line decreased by approximately \$105,000 during the period, primarily driven by the recording of approximately \$295,000 in NYS revenues, against recognition of approximately \$400,000 in NYS and IT revenues.

Financial Statement Review September 2017

| | <u>9/30/2017</u> | <u>12/31/2016</u> | <u>YTD Change</u> | <u>YTD % Change</u> |
|----------------------------------|------------------|-------------------|-------------------|---------------------|
| Assets | | | | |
| Current Assets | | | | |
| Cash & Cash Equivalents | 5,632,105 | 3,691,561 | 1,940,543 | 52.6% |
| Unconditional Promises to Give | 250,000 | 280,522 | (30,522) | -10.9% |
| Accounts Receivable | 154,370 | 72,116 | 82,254 | 114.1% |
| Prepaid Expenses | 540,751 | 701,656 | (160,905) | -22.9% |
| Security Deposits | <u>0</u> | <u>0</u> | <u>0</u> | <u>0.0%</u> |
| Total Current Assets | 6,577,226 | 4,745,855 | 1,831,370 | 38.6% |
| Long-term Assets | | | | |
| Property & Equipment | <u>766,736</u> | <u>912,638</u> | <u>(145,903)</u> | <u>-16.0%</u> |
| Total Property & Equipment | <u>766,736</u> | <u>912,638</u> | <u>(145,903)</u> | <u>-16.0%</u> |
| Total Long-term Assets | <u>766,736</u> | <u>912,638</u> | <u>(145,903)</u> | <u>-16.0%</u> |
| Total Assets | <u>7,343,962</u> | <u>5,658,494</u> | <u>1,685,468</u> | <u>29.8%</u> |
| Liabilities | | | | |
| Short-term Liabilities | | | | |
| Accounts Payable | 790,128 | 470,537 | 319,591 | 67.9% |
| Deferred Revenue | <u>1,962,678</u> | <u>646,284</u> | <u>1,316,394</u> | <u>203.7%</u> |
| Total Short-term Liabilities | 2,752,806 | 1,116,821 | 1,635,985 | 146.5% |
| Long-term Liabilities | | | | |
| Capital Lease Obligations | 0 | 0 | 0 | 0.0% |
| Deferred Rent | 292,804 | 146,026 | 146,778 | 100.5% |
| 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>4,316,477</u> | <u>4,169,699</u> | <u>146,778</u> | <u>3.5%</u> |
| Total Liabilities | <u>7,069,283</u> | <u>5,286,520</u> | <u>1,782,763</u> | <u>33.7%</u> |
| Net Assets | | | | |
| | <u>274,678</u> | <u>371,973</u> | <u>(97,295)</u> | <u>-26.2%</u> |
| Total Net Assets | <u>274,678</u> | <u>371,973</u> | <u>(97,295)</u> | <u>-26.2%</u> |
| Total Liabilities and Net Assets | <u>7,343,962</u> | <u>5,658,494</u> | <u>1,685,468</u> | <u>29.8%</u> |



NOTES FOR SEPTEMBER 2017 INCOME STATEMENT

Revenues:

Revenues for September exceeded budget by \$5,000. All revenue lines came in on or slightly over budget for the month.

Expenses:

Spending for the month of September was \$36,000 under budget for the period. Lines with notable overspending are noted below.

Library Materials – Spending in this line was \$6,100 greater than the monthly budget, driven by higher-than-anticipated use of e-content materials for which WLS is paying by usage. This overspending is being addressed by reductions in spending in other formats included in this line.

Repairs & Maintenance – Overspending in this line was driven by one-time expenses for software licensing renewals.

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

Financial Statement Review

September 2017

| | Current Period | | Current Period | Current Year | | YTD Budget | Total Budget |
|--|----------------------|-----------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|
| | 9/30/2017 | Budget | Budget Variance | Actual | YTD Budget | Variance | |
| Revenue | | | | | | | |
| Grants State | 186,411 | 186,083 | 328 | 1,675,111 | 1,674,750 | 361 | 2,233,000 |
| Grants County | 83,333 | 83,333 | 0 | 750,000 | 750,000 | 0 | 1,000,000 |
| Grants Federal | 0 | 0 | 0 | 317 | 0 | 317 | 0 |
| Member Technology Fees | 227,991 | 225,892 | 2,100 | 2,050,358 | 2,033,025 | 17,333 | 2,710,700 |
| Fund Raising & Contributions | 9,225 | 8,917 | 308 | 36,256 | 92,250 | (55,994) | 119,000 |
| Interest | 1,441 | 400 | 1,041 | 5,448 | 3,600 | 1,848 | 4,800 |
| WEBS & Other | 3,750 | 3,442 | 308 | 29,809 | 30,975 | (1,166) | 41,300 |
| Restricted Grants | 24,351 | 23,375 | 976 | 228,525 | 210,375 | 18,150 | 280,500 |
| Restricted Other | <u>836</u> | <u>417</u> | <u>419</u> | <u>16,752</u> | <u>3,750</u> | <u>13,002</u> | <u>5,000</u> |
| Total Revenue | 537,339 | 531,858 | 5,481 | 4,792,575 | 4,798,725 | (6,150) | 6,394,300 |
| Expenditures | | | | | | | |
| Salaries | 191,861 | 199,025 | 7,164 | 1,764,663 | 1,791,225 | 26,562 | 2,388,300 |
| Fringe Benefits | 89,783 | 95,758 | 5,975 | 833,866 | 861,826 | 27,959 | 1,149,100 |
| Professional Fees | 991 | 2,175 | 1,184 | 11,615 | 19,575 | 7,960 | 26,100 |
| Equipment | 7,519 | 18,183 | 10,664 | 110,087 | 163,650 | 53,563 | 218,200 |
| Library Materials | 63,256 | 57,088 | (6,169) | 516,310 | 513,788 | (2,523) | 685,050 |
| Rent and Utilities | 28,249 | 27,925 | (324) | 252,417 | 251,325 | (1,092) | 335,100 |
| Repairs and Maintenance | 37,915 | 34,975 | (2,940) | 336,055 | 314,775 | (21,280) | 419,700 |
| Supplies | 836 | 2,500 | 1,664 | 24,643 | 23,400 | (1,243) | 30,900 |
| Telephone and Internet | 25,772 | 30,733 | 4,962 | 246,574 | 276,600 | 30,026 | 368,800 |
| Printing and Postage | 910 | 5,275 | 4,365 | 38,323 | 47,475 | 9,152 | 63,300 |
| Bibliographic Fees | 5,731 | 5,833 | 102 | 49,977 | 52,500 | 2,523 | 70,000 |
| Professional Development | 337 | 4,425 | 4,089 | 37,042 | 39,825 | 2,784 | 53,100 |
| Travel | 1,548 | 3,179 | 1,631 | 22,824 | 28,613 | 5,788 | 38,150 |
| Memberships | (175) | 1,408 | 1,583 | 11,390 | 12,675 | 1,285 | 16,900 |
| Contractual Services | 9,814 | 15,425 | 5,611 | 157,840 | 138,825 | (19,015) | 185,100 |
| Delivery Service | 37,461 | 32,792 | (4,670) | 298,944 | 295,125 | (3,819) | 393,500 |
| Special Events | 0 | 0 | 0 | 12,986 | 12,000 | (986) | 12,000 |
| Insurance | 1,099 | 1,917 | 818 | 15,967 | 17,250 | 1,283 | 23,000 |
| Interest | 0 | 0 | 0 | 0 | 500 | 500 | 500 |
| Miscellaneous | <u>679</u> | <u>1,158</u> | <u>479</u> | <u>5,445</u> | <u>10,425</u> | <u>4,980</u> | <u>13,900</u> |
| Total Expenditures | 503,588 | 539,775 | 36,187 | 4,746,968 | 4,871,376 | 124,408 | 6,490,700 |
| Net Revenue Before Depreciation | 33,751 | (7,917) | 41,668 | 45,607 | (72,651) | 118,259 | (96,400) |
| Non-Cash Activity | | | | | | | |
| Depreciation | <u>16,211</u> | <u>0</u> | <u>(16,211)</u> | <u>145,903</u> | <u>0</u> | <u>(145,903)</u> | <u>0</u> |
| Total Non-Cash Activity | <u>16,211</u> | <u>0</u> | <u>(16,211)</u> | <u>145,903</u> | <u>0</u> | <u>(145,903)</u> | <u>0</u> |
| Net Revenue | <u>17,540</u> | <u>(7,917)</u> | <u>25,457</u> | <u>(100,295)</u> | <u>(72,651)</u> | <u>(27,644)</u> | <u>(96,400)</u> |



Income Statement with Projections

Revenues:

On the revenue side, WLS has received approximately 70% of projected 2017 revenue. The August projection for total revenue at year end was approximately \$1,400 greater than budget; for September that figure shows year-end revenue coming in approximately \$700 under budget. At this point, it is safe to say that revenues will come in right around budget, plus or minus \$1,000.

State revenues – WLS has received confirmation of its 2017-18 allocations; based on those allocations, State revenues will exceed budget by \$1,000.

Member Library Fees – Based upon current projections, this line will exceed budget by \$20,000, primarily driven by an increase in the number of PCs and laptops added by libraries.

Fundraising & Contributions/Restricted Contributions – These two lines together continue to project revenue of approximately \$75,000 against a combined budget of \$124,000, for a total deficit of \$49,000.

Restricted Grants – As noted in the August report, the surplus revenue projected in this line is primarily driven by the fact that WLS sponsored two LIU/Palmer School classes while the budget assumed only one class. Associated spending for *Professional Development* is noted below

Expenses:

On the expense side, total expenses are projected to come in approximately \$130,000 under budget before depreciation, driven by the following budget lines:

Salaries – As previously noted, this line is comprised of salaries and hourly wages, and current projections indicate that not all of the budgeted hourly wages will be spent.

Fringe Benefits – Again, as noted in the previous report, the projected surplus in this line is driven equally by underspending for health insurance and a lower-than-anticipated projection for pension expenses.

Professional Fees – The projected deficit is the result of greater than anticipated expenses associated with payroll fees. WLS is looking into possible ways to reduce these costs in 2018.

Repairs & Maintenance – Increases in maintenance fees from hardware vendors were not anticipated at the time the budget was developed, and as a result, this line is projected to be overspent for the year.

Telephone & Internet – Underspending in this line is driven by a decision not to upgrade bandwidth at member libraries as planned during 2017.

Professional Development – Spending in this line is expected to exceed budget for two reasons: WLS is sponsoring two courses given by the LIU Palmer School although only expenses for one class had been budgeted; at the same time, additional spending in this area has been reduced in order to address the budgeted deficit.

Financial Statement Review – Full-Year Projections September 2017

| | <u>Total Budget</u> | <u>Current Year Actuals (through Sep-2017)</u> | <u>Current Year Projected (Oct -Dec 2017)</u> | <u>CURRENT YEAR TOTAL PROJECTIONS</u> | <u>Current Year Projected vs Budget</u> |
|---------------------------------|-------------------------|--|---|---|---|
| Revenue | | | | | |
| Grants State | 2,233,000 | 1,675,111 | 558,895 | 2,234,006 | 1,006 |
| Grants County | 1,000,000 | 750,000 | 250,000 | 1,000,000 | (0) |
| Grants Federal | 0 | 317 | 0 | 317 | 317 |
| Member Technology Fees | 2,710,700 | 2,050,358 | 679,950 | 2,730,308 | 19,608 |
| Fund Raising & Contributions | 119,000 | 36,256 | 4,450 | 40,706 | (78,294) |
| Interest | 4,800 | 5,448 | 1,650 | 7,098 | 2,298 |
| WEBS & Other | 41,300 | 29,809 | 9,225 | 39,034 | (2,266) |
| Restricted Grants | <u>280,500</u> | <u>228,525</u> | <u>80,341</u> | <u>308,866</u> | <u>28,366</u> |
| Restricted Other | <u>5,000</u> | <u>16,752</u> | <u>16,500</u> | <u>33,252</u> | <u>28,252</u> |
| Total Revenue | <u>6,394,300</u> | <u>4,792,575</u> | <u>1,601,011</u> | <u>6,393,586</u> | <u>(714)</u> |
| Expenditures | | | | | |
| Salaries | 2,388,300 | 1,764,663 | 603,953 | 2,368,615 | 19,685 |
| Fringe Benefits | 1,149,100 | 833,866 | 261,417 | 1,095,283 | 53,817 |
| Professional Fees | 26,100 | 11,615 | 17,592 | 29,207 | (3,107) |
| Equipment | 218,200 | 110,087 | 94,339 | 204,426 | 13,774 |
| Library Materials | 685,050 | 516,310 | 163,734 | 680,044 | 5,006 |
| Rent and Utilities | 335,100 | 252,417 | 83,069 | 335,486 | (386) |
| Repairs and Maintenance | 419,700 | 336,055 | 106,215 | 442,270 | (22,570) |
| Supplies | 30,900 | 24,643 | 6,214 | 30,857 | 43 |
| Telephone and Internet | 368,800 | 246,574 | 82,191 | 328,766 | 40,034 |
| Printing and Postage | 63,300 | 38,323 | 17,796 | 56,119 | 7,181 |
| Bibliographic Fees | 70,000 | 49,977 | 17,400 | 67,377 | 2,623 |
| Professional Development | 53,100 | 37,042 | 19,900 | 56,942 | (3,842) |
| Travel | 38,150 | 22,824 | 6,452 | 29,276 | 8,874 |
| Memberships | 16,900 | 11,390 | 3,500 | 14,890 | 2,010 |
| Contractual Services | 185,100 | 157,840 | 25,186 | 183,026 | 2,074 |
| Delivery Service | 393,500 | 298,944 | 93,280 | 392,223 | 1,277 |
| Special Events | 12,000 | 12,986 | 0 | 12,986 | (986) |
| Insurance | 23,000 | 15,967 | 6,934 | 22,901 | 99 |
| Interest | 500 | 0 | 0 | 0 | 500 |
| Miscellaneous | <u>13,900</u> | <u>5,445</u> | <u>2,752</u> | <u>8,198</u> | <u>5,702</u> |
| Total Expenditures | <u>6,490,700</u> | <u>4,746,968</u> | <u>1,611,924</u> | <u>6,358,892</u> | <u>131,808</u> |
| Net Revenue Before Depreciation | (96,400) | 45,607 | (10,913) | 34,694 | |
| Non-Cash Activity | | | | | |
| Depreciation | <u>0</u> | <u>145,903</u> | <u>48,634</u> | <u>194,537</u> | <u>(194,537)</u> |
| Total Non-Cash Activity | <u>0</u> | <u>145,903</u> | <u>48,634</u> | <u>194,537</u> | <u>(194,537)</u> |
| Net Revenue | <u>(96,400)</u> | <u>(100,295)</u> | <u>(59,547)</u> | <u>(159,842)</u> | |