



***Westchester Library System***  
***Financial Statement Review***  
***December 2017***

**NOTES FOR DECEMBER 2017 BALANCE SHEET**

**Assets:**

Cash & Cash Equivalents – WLS received approximately \$300,000 in cash during the months of November and December, including \$250,000 from Westchester County for the third quarter of the year, \$12,000 in member fees and \$38,000 in other revenues (for WEBS, Palmer School, contributions and miscellaneous). More than \$1,500,000 was paid out during this 2-month period, resulting in a cash position that is approximately \$1,400,000 less than October’s position. Notable expenses included payroll expenses for 4 payroll periods (\$375,000), 2017 and 2018 e-resource expenses (80,000), benefits (\$465,000), hardware and software purchases (\$350,000), and other recurring expenses such as delivery, telephone and internet (\$240,000).

Unconditional Promises to Give – This line decreased by approximately \$83,000 since October, driven by the recording of more than \$167,000 and receipt of revenue of \$250,000, all of which was related to the Westchester County 2017 allocation of \$1,000,000.

Prepaid Expenses – The increase of approximately \$45,000 in this line is driven by the release of approximately \$240,000 of prepaid expenses versus the recording of \$285,000 in new pre-paid expenses. The majority of this activity is related to database e-content subscriptions and maintenance contracts.

**Liabilities:**

Accounts Payable – The large decrease in this line (\$320,000) is primarily the result of payment of the 2017 pension invoice, for which monies were accrued throughout the year.

Deferred Revenue – This line decreased by approximately \$900,000 during the period, primarily driven by the recognition of two months of IT and State revenues.

**Financial Statement Review  
December 2017**

	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>YTD Change</u>	<u>YTD % Change</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	3,794,703	3,691,561	103,141	2.8%
Unconditional Promises to Give	250,000	280,522	(30,522)	-10.9%
Accounts Receivable	94,550	72,116	22,434	31.1%
Prepaid Expenses	568,524	701,656	(133,132)	-19.0%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	4,707,776	4,745,855	(38,079)	-0.8%
<b>Long-term Assets</b>				
Property & Equipment	<u>952,744</u>	<u>912,638</u>	<u>40,105</u>	<u>4.4%</u>
Total Property & Equipment	<u>952,744</u>	<u>912,638</u>	<u>40,105</u>	<u>4.4%</u>
Total Long-term Assets	<u>952,744</u>	<u>912,638</u>	<u>40,105</u>	<u>4.4%</u>
Total Assets	<u>5,660,520</u>	<u>5,658,494</u>	<u>2,026</u>	<u>0.0%</u>
<b>Liabilities</b>				
<b>Short-term Liabilities</b>				
Accounts Payable	460,069	470,537	(10,468)	-2.2%
Deferred Revenue	<u>638,408</u>	<u>646,284</u>	<u>(7,876)</u>	<u>-1.2%</u>
Total Short-term Liabilities	1,098,477	1,116,821	(18,344)	-1.6%
<b>Long-term Liabilities</b>				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	293,556	146,026	147,529	101.0%
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>4,317,229</u>	<u>4,169,699</u>	<u>147,529</u>	<u>3.5%</u>
Total Liabilities	<u>5,415,706</u>	<u>5,286,520</u>	<u>129,185</u>	<u>2.4%</u>
<b>Net Assets</b>				
	<u>244,815</u>	<u>371,973</u>	<u>(127,159)</u>	<u>-34.2%</u>
Total Net Assets	<u>244,815</u>	<u>371,973</u>	<u>(127,159)</u>	<u>-34.2%</u>
Total Liabilities and Net Assets	<u>5,660,520</u>	<u>5,658,494</u>	<u>2,026</u>	<u>0.0%</u>



## NOTES FOR DECEMBER 2017 INCOME STATEMENT

### Revenues:

Total revenues for December exceeded the monthly budget by \$45,000; however, \$27,000 of that figure is the result of correcting an error in recording State pass-through revenues in a previous month. Overall revenues for the year exceeded budget by \$28,000, primarily driven by greater-than-budgeted IT revenues.

### Expenses:

Overall spending for December came in \$6,000 under budget before depreciation. Lines that had notable activity during the month included:

Salaries – This line was overspent by \$3,500 for the month of December, but underspent by \$25,000 for the year.

Fringe Benefits – This line was underspent for the year by \$40,000, primarily the result of lower-than-budgeted costs for health insurance and pension. In the case of pension, WLS accrues for pension costs on a monthly basis and the year-end pension invoice came in lower than anticipated.

Professional Fees – Overspending for the month and the year in this line is driven by greater than budgeted expenses for payroll and audit fees. In the case of audit fees, the budget was developed and approved before WLS had learned that this fee would increase for 2017.

Equipment – This line was underspent for the month of December and for the year because expenses shifted from hardware to software (which is included in Repairs & Maintenance).

Library Materials – Spending in this line exceeded budget by \$14,000 for the year. As has previously been noted, this overspending was driven by higher-than-anticipated use of e-content materials for which WLS is paying by usage.

Repairs & Maintenance – This line was overspent by close to \$20,000 for the year. As noted above, overspending in this line was driven by shifts in expenses from the Equipment line.

Telephone & Internet – Planned upgrades were not executed due to anticipated budget shortfalls and as a result, this line was underspent by \$45,000 for 2017.

Professional Development – Overspending of \$15,000 in this line was driven by the fact that the budget assumed that the Palmer School would offer one class, but during 2017, two classes were offered. However, the overspending in this line is offset by the increased revenue received from the program (included under *Restricted Grants*).

Contractual Services – Total 2017 spending in this line exceeded budget by approximately \$25,000, primarily due to the fact that WLS received a grant in December 2016 and expenses associated with that grant were not included when the 2017 budget was developed.

Special Events – This line closed the year with a deficit of approximately \$1,100; however, revenues from special events (included under Fundraising & Contributions) exceeded budget by \$600 so the net effect is a loss of \$500.

**Financial Statement Review**  
**December 2017**

	Current Period		Current Period	Current Year		YTD Budget	Total Budget
	12/31/2017	Budget	Budget Variance	Actual	YTD Budget	Variance	
Revenue							
Grants State	214,073	186,083	27,990	2,234,011	2,233,000	1,011	2,233,000
Grants County	83,334	83,333	0	1,000,000	1,000,000	0	1,000,000
Grants Federal	0	0	0	317	0	317	0
Member Technology Fees	223,752	225,892	(2,140)	2,732,392	2,710,700	21,692	2,710,700
Fund Raising & Contributions	11,240	8,917	2,323	69,876	119,000	(49,124)	119,000
Interest	1,314	400	914	9,707	4,800	4,907	4,800
WEBS & Other	3,975	3,442	533	42,584	41,300	1,284	41,300
Restricted Grants	28,614	23,375	5,239	307,899	280,500	27,399	280,500
Restricted Other	10,416	417	9,999	25,500	5,000	20,500	5,000
<b>Total Revenue</b>	<b>576,717</b>	<b>531,859</b>	<b>44,859</b>	<b>6,422,287</b>	<b>6,394,300</b>	<b>27,987</b>	<b>6,394,300</b>
Expenditures							
Salaries	202,561	199,025	(3,536)	2,363,274	2,388,300	25,026	2,388,300
Fringe Benefits	96,198	95,758	(441)	1,109,150	1,149,100	39,950	1,149,100
Professional Fees	16,027	2,175	(13,852)	29,546	26,100	(3,446)	26,100
Equipment	16,190	18,183	1,993	116,240	218,200	101,960	218,200
Library Materials	54,244	57,088	2,844	698,889	685,050	(13,839)	685,050
Rent and Utilities	28,389	27,925	(464)	336,186	335,100	(1,086)	335,100
Repairs and Maintenance	34,227	34,975	748	438,185	419,700	(18,485)	419,700
Supplies	1,184	2,500	1,316	28,478	30,900	2,422	30,900
Telephone and Internet	28,018	30,733	2,715	323,000	368,800	45,800	368,800
Printing and Postage	102	5,275	5,173	50,950	63,300	12,350	63,300
Bibliographic Fees	5,778	5,833	55	66,379	70,000	3,621	70,000
Professional Development	906	4,425	3,519	67,824	53,100	(14,724)	53,100
Travel	1,193	3,179	1,986	25,375	38,150	12,775	38,150
Memberships	0	1,408	1,408	12,762	16,900	4,138	16,900
Contractual Services	8,220	15,425	7,205	210,074	185,100	(24,973)	185,100
Delivery Service	22,470	32,792	10,322	390,221	393,500	3,279	393,500
Special Events	0	0	0	12,986	12,000	(986)	12,000
Insurance	1,815	1,917	102	21,388	23,000	1,612	23,000
Interest	0	0	0	0	500	500	500
Miscellaneous	212	1,158	946	6,176	13,900	7,724	13,900
<b>Total Expenditures</b>	<b>517,735</b>	<b>539,774</b>	<b>22,039</b>	<b>6,307,084</b>	<b>6,490,700</b>	<b>183,616</b>	<b>6,490,700</b>
Net Revenue Before Depreciation	58,982	(7,915)	66,898	115,202	(96,400)	211,603	(96,400)
Non-Cash Activity							
Depreciation	16,211	0	(16,211)	194,537	0	(194,537)	0
<b>Total Non-Cash Activity</b>	<b>16,211</b>	<b>0</b>	<b>(16,211)</b>	<b>194,537</b>	<b>0</b>	<b>(194,537)</b>	<b>0</b>
<b>Net Revenue</b>	<b>42,771</b>	<b>(7,915)</b>	<b>50,686</b>	<b>(79,334)</b>	<b>(96,400)</b>	<b>17,066</b>	<b>(96,400)</b>

***Financial Statement Review  
Capital Budget Activity – December 2017***

	<b>Total Budget</b>	<b>Current Year Actuals (through Dec-2017)</b>	<b>Variance</b>
Expenditures			
Equipment	\$360,000	\$53,416	\$306,584
Software	\$175,000	\$193,518	(\$18,518)
Contractual Services	\$0	\$16,105	(\$16,105)
<b>Total Expenditures</b>	<b><u>\$535,000</u></b>	<b><u>\$263,038</u></b>	<b><u>\$271,962</u></b>

A budget of \$350,000 was proposed for the Virtual Desktop project, of which approximately \$210,000 was spent on software and contractual services.

The budget for network hardware was \$175,000 of which approximately \$47,500 was spent on equipment. A new, less expensive type of hardware was purchased and the IT Department is evaluating this equipment before moving forward with purchasing the full complement of this equipment.

Of the \$10,000 budget for the Innovation/LEADER Lab, \$5,591 was spent for additional equipment.