



***Westchester Library System***  
***Financial Statement Review***  
***February 2018***



## **NOTES FOR FEBRUARY 2018 BALANCE SHEET**

### **Assets:**

Cash & Cash Equivalents – During the months of January and February, WLS received just under \$1.5 million in revenue. Included in this figure was approximately \$1.2 million in payments of fees from member libraries and \$200,000 from Westchester County. Payment from the County represented 80% of the 4<sup>th</sup> quarter payment; the remaining \$50,000 will be paid upon submission of the 2017 audit. Approximately \$1.35 million in expenses were paid out during these two months, including regularly occurring expenses for payroll, benefits, rent, delivery and telecommunications, as well as \$450,000 for 2018 e-content subscriptions and database maintenance.

Unconditional Promises to Give – This figure decreased by approximately \$30,000 during the month, the result of recording two months of 2018 Westchester County revenue against receipt of \$200,000 in 2017 monies from the County.

Accounts Receivable – The \$150,000 increase in this figure is primarily driven by receivables from the member libraries for January-June IT fees.

Prepaid Expenses – This line increased by approximately \$240,000, the result of recording of \$420,000 in new prepaid expenses and the recognition of \$180,000 for various licensing and database expenses.

### **Liabilities:**

Deferred Revenue – The increase of more than \$500,000 in this line during the months of January and February is the result of recording approximately \$1,150,000 in member fees in January against the recognition of approximately \$650,000 in revenues from New York State, member fees and other sources over the two-month period.

**Financial Statement Review**  
**February 2018**

	<u>2/28/2018</u>	<u>12/31/2017</u>	<u>YTD Change</u>	<u>YTD % Change</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	3,953,381	3,794,703	158,679	4.2%
Unconditional Promises to Give	218,467	250,000	(31,533)	-12.6%
Accounts Receivable	247,899	99,751	148,148	148.5%
Prepaid Expenses	794,966	552,827	242,138	43.8%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	5,214,712	4,697,281	517,432	11.0%
<b>Long-term Assets</b>				
Property & Equipment	<u>956,681</u>	<u>995,536</u>	<u>(38,854)</u>	<u>-3.9%</u>
Total Property & Equipment	<u>956,681</u>	<u>995,536</u>	<u>(38,854)</u>	<u>-3.9%</u>
Total Long-term Assets	<u>956,681</u>	<u>995,536</u>	<u>(38,854)</u>	<u>-3.9%</u>
Total Assets	<u>6,171,394</u>	<u>5,692,817</u>	<u>478,577</u>	<u>8.4%</u>
<b>Liabilities</b>				
<b>Short-term Liabilities</b>				
Accounts Payable	413,863	449,888	(36,025)	-8.0%
Deferred Revenue	<u>1,125,602</u>	<u>624,430</u>	<u>501,173</u>	<u>80.3%</u>
Total Short-term Liabilities	1,539,465	1,074,317	465,148	43.3%
<b>Long-term Liabilities</b>				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	294,057	293,556	501	0.2%
Post-Retirement Benefits Payable	<u>4,380,908</u>	<u>4,380,908</u>	<u>0</u>	<u>0.0%</u>
Total Long-term Liabilities	<u>4,674,965</u>	<u>4,674,464</u>	<u>501</u>	<u>0.0%</u>
Total Liabilities	<u>6,214,430</u>	<u>5,748,781</u>	<u>465,649</u>	<u>8.1%</u>
<b>Net Assets</b>				
	<u>(43,036)</u>	<u>(55,965)</u>	<u>12,929</u>	<u>-23.1%</u>
Total Net Assets	<u>(43,036)</u>	<u>(55,965)</u>	<u>12,929</u>	<u>-23.1%</u>
Total Liabilities and Net Assets	<u>6,171,394</u>	<u>5,692,817</u>	<u>478,577</u>	<u>8.4%</u>



## **NOTES FOR FEBRUARY 2018 INCOME STATEMENT**

### **Revenues:**

Overall, revenues for the month of February fell short of the monthly budget by approximately \$4,600, driven by the shortfall in *Fundraising & Contributions*; however, the budget assumes that 1/12 of those budgeted revenues will be received each month when in reality, monies raised fluctuates from month to month. For the two-month period, total revenues exceeded budget by \$18,000, driven by greater-than-budgeted revenues in *Member Technology Fees*.

This year, the *Restricted Grants* and *Restricted Grants Other* lines in the income statement's revenue section have been re-labeled as *Temporarily Restricted Government Revenues* and *Temporarily Restricted Other Revenues*. This change more closely aligns the income statements with the annual audited financial statements.

### **Expenses:**

Overall, spending for February was approximately \$74,000 less than the monthly budget; for the two-month period, spending was \$180,000 less than what was budgeted.

The only notable overspending occurred in the Equipment line, the result of purchased computers to be placed in libraries. Overspending in this line is the result of a timing issue as these expenditures were included in the overall budget.



Empowering libraries. Empowering communities.

## Financial Statement Review February 2018

	Current Period		Current Period	Current Year		YTD Budget	Total Budget
	2/28/2018	Budget	Budget Variance	Actual	YTD Budget	Variance	
Revenue							
Grants State	191,775	191,775	0	383,537	383,550	(13)	2,301,300
Grants County	83,333	83,333	0	166,667	166,667	0	1,000,000
Member Technology Fees	231,430	231,008	421	491,856	462,017	29,839	2,772,100
Fund Raising & Contributions	1,471	7,500	(6,029)	2,221	15,000	(12,779)	102,000
Interest	952	500	452	1,962	1,000	962	6,000
WEBS & Other	3,100	2,983	117	5,418	5,967	(549)	35,800
Temporarily Restricted Government	18,135	19,625	(1,490)	37,825	39,250	(1,425)	235,500
Temporarily Restricted Other Revenues	3,600	1,667	1,933	5,250	3,333	1,917	20,000
<b>Total Revenue</b>	<b>533,796</b>	<b>538,392</b>	<b>(4,596)</b>	<b>1,094,736</b>	<b>1,076,783</b>	<b>17,952</b>	<b>6,472,700</b>
Expenditures							
Salaries	178,943	198,075	19,132	379,424	396,150	16,726	2,376,900
Fringe Benefits	94,876	98,363	3,487	188,908	198,561	9,653	1,187,000
Professional Fees	1,062	1,992	929	1,882	3,983	2,101	28,900
Equipment	50,282	17,700	(32,582)	53,642	35,250	(18,392)	212,400
Library Materials	50,547	64,042	13,495	102,089	129,383	27,294	769,800
Rent and Utilities	250	28,133	27,883	27,940	56,267	28,327	337,600
Repairs and Maintenance	41,257	38,883	(2,374)	87,811	85,108	(2,703)	477,700
Supplies	(2,679)	3,092	5,771	2,588	6,183	3,595	38,100
Telephone and Internet	4,700	29,917	25,217	33,367	59,833	26,466	359,000
Printing and Postage	5,762	4,533	(1,228)	7,606	8,567	961	52,600
Bibliographic Fees	5,573	5,833	261	10,999	11,667	668	70,000
Professional Development	1,326	3,992	2,666	3,123	7,783	4,660	52,200
Travel	115	3,017	2,902	547	6,033	5,487	36,200
Memberships	140	1,300	1,160	7,142	7,600	458	15,100
Contractual Services	5,432	10,767	5,335	15,163	21,533	6,370	129,200
Delivery Service	31,100	32,792	1,692	60,787	65,583	4,797	393,500
Special Events	1,141	0	(1,141)	1,141	0	(1,141)	12,000
Insurance	1,815	2,083	268	3,630	4,167	537	25,000
Interest	0	42	42	0	83	83	500
Miscellaneous	124	1,142	1,017	230	2,283	2,053	13,700
<b>Total Expenditures</b>	<b>471,766</b>	<b>545,697</b>	<b>73,930</b>	<b>988,019</b>	<b>1,106,019</b>	<b>118,000</b>	<b>6,587,400</b>
Net Revenue Before Depreciation	62,029	(7,305)	69,334	106,717	(29,236)	135,953	(114,700)
Non-Cash Activity							
Depreciation	19,427	0	(19,427)	38,854	0	(38,854)	0
Total Non-Cash Activity	19,427	0	(19,427)	38,854	0	(38,854)	0
<b>Net Revenue</b>	<b>42,602</b>	<b>(7,305)</b>	<b>49,907</b>	<b>67,862</b>	<b>(29,236)</b>	<b>97,098</b>	<b>(114,700)</b>

***Financial Statement Review  
Capital Budget Activity – February 2018***

	<u>Total Budget</u>	<u>Current Year Actuals (through Feb-2018)</u>	<u>Variance</u>
Expenditures			
VDI equipment	60,000	54,934	5,066
LEADER Lab equipment	11,000		11,000
<b>Total Expenditures</b>	<b><u>71,000</u></b>	<b><u>54,934</u></b>	<b><u>16,066</u></b>

A budget of \$60,000 was proposed for the Virtual Desktop project in 2018. Spending of \$54,934 represents the total monies anticipated to be spent on the project during this fiscal year.