



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



**NOTES FOR AUGUST 2018 BALANCE SHEET**

**Assets:**

Cash & Cash Equivalents – Over the last three months, WLS’s cash position improved by \$3 million. Approximately \$4.5 million was received during the June-August period, including \$2.5 million in State Aid, \$1.15 million in fees from the member libraries, \$550,000 from Westchester County (\$50,000 for the final 5% of 2017 monies and \$500,000 for the first 2 quarters of 2018), and \$50,000 in other revenues and contributions; expenditures during the same period totaled approximately \$1.5 million. In addition, \$254,000 in New York State Local Library Services Aid was received and passed through to the member libraries.

Unconditional Promises to Give – Approximately \$675,000 in unconditional promises were recorded against receipt of \$1,390,000 in revenues from County State and federal sources. The net effect of this activity was a reduction of approximately \$715,000 in this line since the end of May.

Accounts Receivable – This line decreased by approximately \$225,000, driven primarily by IT receivables for the July-December period.

Prepaid Expenses – Approximately \$150,000 in prepaid expenses was recorded and \$300,000 released during this period, most of it for prepaid insurance expenses, rent, database subscriptions and maintenance contracts. The net result is a decrease of approximately \$150,000 in this line between the end of May and the end of August.

## Financial Statement Review August 2018

	<u>8/31/2018</u>	<u>12/31/2017</u>	<u>YTD Change</u>	<u>YTD % Change</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	5,685,766	3,794,703	1,891,064	49.8%
Unconditional Promises to Give	169,167	250,000	(80,833)	-32.3%
Accounts Receivable	306,887	99,751	207,136	207.7%
Prepaid Expenses	671,442	578,037	93,405	16.2%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	6,833,262	4,722,490	2,110,771	44.7%
<b>Long-term Assets</b>				
Property & Equipment	<u>818,520</u>	<u>979,431</u>	<u>(160,911)</u>	<u>-16.4%</u>
Total Property & Equipment	<u>818,520</u>	<u>979,431</u>	<u>(160,911)</u>	<u>-16.4%</u>
Total Long-term Assets	<u>818,520</u>	<u>979,431</u>	<u>(160,911)</u>	<u>-16.4%</u>
Total Assets	<u>7,651,782</u>	<u>5,701,922</u>	<u>1,949,860</u>	<u>34.2%</u>
<b>Liabilities</b>				
<b>Short-term Liabilities</b>				
Accounts Payable	622,461	449,888	172,573	38.4%
Deferred Revenue	<u>2,427,287</u>	<u>624,430</u>	<u>1,802,857</u>	<u>288.7%</u>
Total Short-term Liabilities	3,049,748	1,074,317	1,975,431	183.9%
<b>Long-term Liabilities</b>				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	291,105	293,556	(2,451)	-0.8%
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>4,672,013</u>	<u>4,674,464</u>	<u>(2,451)</u>	<u>-0.1%</u>
Total Liabilities	<u>7,721,761</u>	<u>5,748,781</u>	<u>1,972,980</u>	<u>34.3%</u>
<b>Net Assets</b>				
	<u>(69,979)</u>	<u>(46,860)</u>	<u>(23,119)</u>	<u>49.3%</u>
Total Net Assets	<u>(69,979)</u>	<u>(46,860)</u>	<u>(23,119)</u>	<u>49.3%</u>
Total Liabilities and Net Assets	<u>7,651,782</u>	<u>5,701,922</u>	<u>1,949,860</u>	<u>34.2%</u>



**NOTES FOR AUGUST 2018 INCOME STATEMENT**

**Revenues:**

Revenues for August exceeded budget by \$2,000. Most lines came in very close to budget. The only notable shortfall is in the Fund Raising & Contributions; however, \$4,400 of the revenues included in the Temporarily Restricted Other Revenues line represents funds that were raised by Development.

**Expenses:**

Spending for the month of August was approximately \$65,000 less than the budget for the period before depreciation. None of the lines had any notable overspending.

## Financial Statement Review August 2018

	Current Period		YTD Budget			Total Budget	
	8/31/2018	Budget	Budget Variance	Current Year Actual	YTD Budget		Variance
<b>Revenue</b>							
Grants State	191,440	191,775	(336)	1,540,084	1,534,200	5,884	2,301,300
Grants County	83,333	83,333	0	666,667	666,667	0	1,000,000
Member Technology Fees	232,370	231,008	1,362	1,878,937	1,848,067	30,870	2,772,100
Fund Raising & Contributions	637	7,500	(6,863)	16,279	72,000	(55,721)	102,000
Interest	1,878	500	1,378	8,278	4,000	4,278	6,000
WEBS & Other	3,500	2,983	517	16,225	23,867	(7,642)	35,800
Temporarily Restricted Government Revenues	20,310	19,625	685	148,116	157,000	(8,884)	235,500
Temporarily Restricted Other Revenues	<u>6,925</u>	<u>1,667</u>	<u>5,258</u>	<u>57,996</u>	<u>13,333</u>	<u>44,663</u>	<u>20,000</u>
<b>Total Revenue</b>	<u>540,392</u>	<u>538,392</u>	<u>2,001</u>	<u>4,332,581</u>	<u>4,319,133</u>	<u>13,448</u>	<u>6,472,700</u>
<b>Expenditures</b>							
Salaries	195,343	198,075	2,732	1,556,238	1,584,600	28,362	2,376,900
Fringe Benefits	94,264	98,827	4,563	764,607	792,310	27,702	1,187,000
Professional Fees	1,078	1,992	914	7,415	15,933	8,518	28,900
Equipment	3,010	17,700	14,690	80,867	141,600	60,732	212,400
Library Materials	59,151	64,042	4,890	469,643	513,633	43,990	769,800
Rent and Utilities	27,552	28,133	581	217,945	225,067	7,122	337,600
Repairs and Maintenance	21,307	38,883	17,576	295,975	322,166	26,191	477,700
Supplies	1,345	3,092	1,747	16,632	24,733	8,101	38,100
Telephone and Internet	25,283	29,917	4,634	214,495	239,333	24,838	359,000
Printing and Postage	3,446	4,533	1,087	34,168	35,467	1,298	52,600
Bibliographic Fees	6,014	5,833	(181)	45,494	46,667	1,173	70,000
Professional Development	1,521	4,042	2,521	43,511	32,533	(10,978)	52,200
Travel	674	3,017	2,342	18,104	24,133	6,029	36,200
Memberships	1,766	800	(965)	10,394	13,100	2,706	15,100
Contractual Services	5,128	10,767	5,639	77,133	86,133	9,001	129,200
Delivery Service	31,100	32,792	1,692	260,110	262,333	2,224	393,500
Special Events	0	0	0	10,418	12,000	1,582	12,000
Insurance	1,810	2,083	273	13,555	16,667	3,112	25,000
Interest	0	42	42	0	333	333	500
Miscellaneous	<u>125</u>	<u>1,142</u>	<u>1,016</u>	<u>3,151</u>	<u>9,133</u>	<u>5,982</u>	<u>13,700</u>
<b>Total Expenditures</b>	<u>479,917</u>	<u>545,711</u>	<u>65,794</u>	<u>4,139,855</u>	<u>4,397,875</u>	<u>258,020</u>	<u>6,587,400</u>
<b>Net Revenue Before Depreciation</b>	60,475	(7,319)	67,794	192,726	(78,742)	271,468	(114,700)
<b>Non-Cash Activity</b>							
Depreciation	<u>20,343</u>	<u>0</u>	<u>(20,343)</u>	<u>160,911</u>	<u>0</u>	<u>(160,911)</u>	<u>0</u>
<b>Total Non-Cash Activity</b>	<u>20,343</u>	<u>0</u>	<u>(20,343)</u>	<u>160,911</u>	<u>0</u>	<u>(160,911)</u>	<u>0</u>
<b>Net Revenue</b>	<u>40,133</u>	<u>(7,319)</u>	<u>47,451</u>	<u>31,814</u>	<u>(78,742)</u>	<u>110,556</u>	<u>(114,700)</u>



### **Income Statement with Projections**

#### **Revenues:**

On the Revenue Side, total revenue is expected to come in about \$48,000 over budget, driven by the budget lines noted below:

State Revenues – WLS has received its NYS 2018-19 allocations and, based on that information, State revenues will exceed budget by \$17,000.

Member Technology Fees – Based upon current projections, this line will exceed budget by \$35,000, primarily driven by greater-than-anticipated revenues for professional services provided by IT to member libraries.

Fundraising & Contributions – Although this line is projected to close with a deficit of approximately \$80,000, \$33,000 of the revenue included in *Temporarily Restricted Other Revenues* is attributable to fundraising activities.

Temporarily Restricted Government Revenues – The projected \$1,700 deficit in this line is driven by a smaller-than-anticipated allocation from New York State for County Corrections.

Temporarily Restricted Other Revenues – The projected surplus in this line is the result of the \$33,000 which was raised as part of fundraising activities, \$11,000 in additional revenue for a second Palmer School class this year (not included in the 2018 budget), and \$30,000 in revenue from the Broadband Technology program at New Rochelle (also not included in the budget).

#### **Expenses:**

On the Expense side, total expenses are projected to come in approximately \$190,000 under budget before depreciation. Notable variances are discussed below:

Salaries – This line also includes hourly wages, and although the bi-weekly payment for hourly wages fluctuates with each payroll period, current projections indicate that not all of the budgeted hourly wages will be spent.

Fringe Benefits – The projected surplus in this line is driven by lower-than-anticipated cost for pension expenses.

Professional Development – Projected overspending in this line is the result of the second Palmer School class noted above.

## Financial Statement Review – Full-Year Projections August 2018

	Total Budget	Current Year Actuals (through Aug-2018)	Current Year Projected (Sep -Dec 2018)	CURRENT YEAR TOTAL PROJECTIONS	Current Year Projected vs Budget
<b>Revenue</b>					
Grants State	2,301,300	1,540,084	778,250	2,318,334	17,034
Grants County	1,000,000	666,667	333,333	1,000,000	0
Member Technology Fees	2,772,100	1,878,937	927,700	2,806,637	34,537
Fund Raising & Contributions	102,000	16,279	4,500	20,779	(81,221)
Interest	6,000	8,278	3,000	11,278	5,278
WEBS & Other	35,800	16,225	14,500	30,725	(5,075)
Temporarily Restricted Government Revenues	235,500	148,116	85,681	233,797	(1,703)
Temporarily Restricted Other Revenues	20,000	57,996	40,900	98,896	78,896
<b>Total Revenue</b>	<b><u>6,472,700</u></b>	<b><u>4,332,581</u></b>	<b><u>2,187,864</u></b>	<b><u>6,520,445</u></b>	<b><u>47,745</u></b>
<b>Expenditures</b>					
Salaries	2,376,900	1,556,238	808,035	2,364,273	12,627
Fringe Benefits	1,187,000	764,607	410,651	1,175,258	11,742
Professional Fees	28,900	7,415	18,814	26,229	2,671
Equipment	212,400	80,867	99,711	180,578	31,822
Library Materials	769,800	469,643	251,762	721,405	48,395
Rent and Utilities	337,600	217,945	111,620	329,565	8,035
Repairs and Maintenance	477,700	295,975	168,000	463,975	13,725
Supplies	38,100	16,632	12,000	28,632	9,468
Telephone and Internet	359,000	214,495	108,000	322,495	36,505
Printing and Postage	52,600	34,168	18,300	52,468	132
Bibliographic Fees	70,000	45,494	23,200	68,694	1,306
Professional Development	52,200	43,511	21,400	64,911	(12,711)
Travel	36,200	18,104	9,052	27,156	9,044
Memberships	15,100	10,394	4,706	15,100	0
Contractual Services	129,200	77,133	40,000	117,133	12,067
Delivery Service	393,500	260,110	136,416	396,526	(3,026)
Special Events	12,000	10,418	0	10,418	1,582
Insurance	25,000	13,555	10,000	23,555	1,445
Interest	500	0	0	0	500
Miscellaneous	13,700	3,151	2,847	5,998	7,702
<b>Total Expenditures</b>	<b><u>6,587,400</u></b>	<b><u>4,139,855</u></b>	<b><u>2,254,515</u></b>	<b><u>6,394,370</u></b>	<b><u>193,030</u></b>
Net Revenue Before Depreciation	(114,700)	192,726	(66,650)	126,075	
<b>Non-Cash Activity</b>					
Depreciation	0	160,911	82,000	242,911	(242,911)
<b>Total Non-Cash Activity</b>	<b><u>0</u></b>	<b><u>160,911</u></b>	<b><u>82,000</u></b>	<b><u>242,911</u></b>	<b><u>(242,911)</u></b>
<b>Net Revenue</b>	<b><u>(114,700)</u></b>	<b><u>31,814</u></b>	<b><u>(148,650)</u></b>	<b><u>(116,836)</u></b>	