



Westchester Library System
Financial Statement Review
September 2018



NOTES FOR SEPTEMBER 2018 BALANCE SHEET

Assets:

Cash & Cash Equivalents – During the month of September, WLS received approximately \$330,000 in cash, and paid out approximately \$435,000, resulting in a cash position that is \$105,000 less than August’s position. The major portion of the monies received were for fees paid by member libraries.

Unconditional Promises to Give – During September, this figure increased overall by \$81,000, the result of recording of \$83,000 for Westchester County revenues less a correction made to previously recorded NYS Literacy revenues.

Accounts Receivable – This line decreased by approximately \$290,000, driven primarily by receipt of IT receivables for the July – December period.

Prepaid Expenses – \$188,000 in prepaid expenses was released during the month of September, against the recording of \$120,000 in new prepaid expenses. The result was an \$68,000 overall decrease in this.

Liabilities:

Accounts Payable – This line increased \$55,000, primarily driven by accrual for pension and cable expenses.

Deferred Revenue – This line decreased by approximately \$450,000 during the period driven by recognition of NYS revenues (\$215,000), IT revenues (\$230,000), and other restricted revenues (\$5,000).

Financial Statement Review
September 2018

	<u>9/30/2018</u>	<u>12/31/2017</u>	<u>YTD Change</u>	<u>YTD % Change</u>
Assets				
Current Assets				
Cash & Cash Equivalents	5,580,549	3,794,703	1,785,847	47.1%
Unconditional Promises to Give	250,000	250,000	(0)	0.0%
Accounts Receivable	16,626	99,751	(83,125)	-83.3%
Prepaid Expenses	602,868	578,037	24,831	4.3%
Security Deposits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Current Assets	6,450,043	4,722,490	1,727,553	36.6%
Long-term Assets				
Property & Equipment	<u>798,177</u>	<u>979,431</u>	<u>(181,254)</u>	<u>-18.5%</u>
Total Property & Equipment	<u>798,177</u>	<u>979,431</u>	<u>(181,254)</u>	<u>-18.5%</u>
Total Long-term Assets	<u>798,177</u>	<u>979,431</u>	<u>(181,254)</u>	<u>-18.5%</u>
Total Assets	<u>7,248,220</u>	<u>5,701,922</u>	<u>1,546,299</u>	<u>27.1%</u>
Liabilities				
Short-term Liabilities				
Accounts Payable	677,032	449,888	227,144	50.5%
Deferred Revenue	<u>1,976,324</u>	<u>624,430</u>	<u>1,351,895</u>	<u>216.5%</u>
Total Short-term Liabilities	2,653,356	1,074,317	1,579,039	147.0%
Long-term Liabilities				
Capital Lease Obligations	0	0	0	0.0%
Deferred Rent	290,776	293,556	(2,780)	-1.0%
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>4,671,684</u>	<u>4,674,464</u>	<u>(2,780)</u>	<u>-0.1%</u>
Total Liabilities	<u>7,325,040</u>	<u>5,748,781</u>	<u>1,576,259</u>	<u>27.4%</u>
Net Assets				
	<u>(76,820)</u>	<u>(46,860)</u>	<u>(29,960)</u>	<u>63.9%</u>
Total Net Assets	<u>(76,820)</u>	<u>(46,860)</u>	<u>(29,960)</u>	<u>63.9%</u>
Total Liabilities and Net Assets	<u>7,248,220</u>	<u>5,701,922</u>	<u>1,546,299</u>	<u>27.1%</u>



NOTES FOR SEPTEMBER 2018 INCOME STATEMENT

Revenues:

Revenues for September exceeded budget by \$5,300. The only line with a notable deficit is *Fundraising & Contributions*, which fell short of budget by \$7,300. However, \$4,500 of the revenue recorded under *Temporarily Restricted Other Revenues* are monies which were the result of fundraising activities, so taken together the net effect is a deficit of \$2,800 in *Fundraising & Contributions*.

Expenses:

Spending for the month of September came in \$17,000 less than the monthly budget for the period. Most budget lines came in within budget or had deficits which were not material. Lines with exceptional activity were:

Library Materials – This line ended the month with a deficit of more than \$9,000. As has been previously noted, expenses for Hoopla have been running over budget throughout the year. In addition, expenses for the debit-credit program (in which libraries that are net lenders are given an annual allocation from WLS to purchase library materials) are included in this line. And with the deadline for these purchases approaching, a number of libraries submitted large invoices for reimbursement.

Repairs and Maintenance – This line closed the month with a deficit of \$15,500. However, this is largely the result of a timing issue. WLS purchases software maintenance to support purchases from Baker and Taylor, which are reimbursed by the libraries. The libraries were invoiced and receivables created in August, but the software maintenance invoice was not paid until September. This expense plus a one-off expense for mobile printing resulted in this deficit.

Delivery Service – The monthly deficit of \$4,700 is also caused by a timing issue. The budget for this line is allocated equally across the twelve months of the fiscal year. There were five invoices paid in September, which created the deficit in this line.

Financial Statement Review September 2018

	Current Period		Current Period	YTD Budget			Total Budget
	9/30/2018	Budget	Budget Variance	Current Year Actual	YTD Budget	Variance	
Revenue							
Grants State	194,563	191,775	2,788	1,734,646	1,725,975	8,671	2,301,300
Grants County	83,333	83,333	0	750,000	750,000	0	1,000,000
Member Technology Fees	231,925	231,008	917	2,110,862	2,079,075	31,787	2,772,100
Fund Raising & Contributions	200	7,500	(7,300)	16,479	79,500	(63,021)	102,000
Interest	2,620	500	2,120	10,898	4,500	6,398	6,000
WEBS & Other	3,600	2,983	617	18,325	26,850	(8,525)	35,800
Temporarily Restricted Government	20,425	19,625	800	168,541	176,625	(8,084)	235,500
Temporarily Restricted Other Revenues	<u>7,025</u>	<u>1,667</u>	<u>5,358</u>	<u>65,121</u>	<u>15,000</u>	<u>50,121</u>	<u>20,000</u>
Total Revenue	<u>543,691</u>	<u>538,392</u>	<u>5,299</u>	<u>4,874,871</u>	<u>4,857,525</u>	<u>17,346</u>	<u>6,472,700</u>
Expenditures							
Salaries	186,550	198,075	11,525	1,742,787	1,782,675	39,887	2,376,900
Fringe Benefits	92,377	98,870	6,494	856,984	891,180	34,196	1,187,000
Professional Fees	625	1,992	1,367	8,040	17,925	9,885	28,900
Equipment	2,438	17,700	15,262	83,305	159,300	75,995	212,400
Library Materials	73,189	64,042	(9,148)	542,832	577,675	34,843	769,800
Rent and Utilities	27,552	28,133	581	245,497	253,200	7,703	337,600
Repairs and Maintenance	54,375	38,883	(15,491)	350,349	361,049	10,700	477,700
Supplies	1,074	3,342	2,267	17,707	28,075	10,368	38,100
Telephone and Internet	30,239	29,917	(322)	244,734	269,250	24,516	359,000
Printing and Postage	1,321	4,533	3,212	35,489	40,000	4,511	52,600
Bibliographic Fees	5,902	5,833	(68)	51,396	52,500	1,104	70,000
Professional Development	2,676	4,042	1,365	46,188	36,575	(9,612)	52,200
Travel	1,319	3,017	1,697	19,423	27,150	7,727	36,200
Memberships	135	600	465	10,529	13,700	3,171	15,100
Contractual Services	8,867	10,767	1,900	86,000	96,900	10,900	129,200
Delivery Service	37,461	32,792	(4,670)	297,571	295,125	(2,446)	393,500
Special Events	0	0	0	10,418	12,000	1,582	12,000
Insurance	1,905	2,083	178	15,460	18,750	3,290	25,000
Interest	0	42	42	0	375	375	500
Miscellaneous	<u>784</u>	<u>1,142</u>	<u>358</u>	<u>3,935</u>	<u>10,275</u>	<u>6,340</u>	<u>13,700</u>
Total Expenditures	<u>528,789</u>	<u>545,804</u>	<u>17,015</u>	<u>4,668,644</u>	<u>4,943,679</u>	<u>275,035</u>	<u>6,587,400</u>
Net Revenue Before Depreciation	14,902	(7,412)	22,314	206,227	(86,154)	292,381	(114,700)
Non-Cash Activity							
Depreciation	<u>20,343</u>	<u>0</u>	<u>(20,343)</u>	<u>181,254</u>	<u>0</u>	<u>(181,254)</u>	<u>0</u>
Total Non-Cash Activity	<u>20,343</u>	<u>0</u>	<u>(20,343)</u>	<u>181,254</u>	<u>0</u>	<u>(181,254)</u>	<u>0</u>
Net Revenue	<u>(5,441)</u>	<u>(7,412)</u>	<u>1,971</u>	<u>24,973</u>	<u>(86,154)</u>	<u>111,127</u>	<u>(114,700)</u>

Income Statement with Projections

Revenues:

On the Revenue side, WLS has received approximately 75% of projected 2018 revenue; total revenue is expected to exceed budget by \$50,000, driven by the budget lines noted below:

State revenues – WLS has received just about all of its 2018-19 revenue. Based on those figures, State revenues will exceed budget by approximately \$17,000.

Member Library Fees – This line will exceed budget by \$20,000, primarily driven by greater-than-anticipated revenues for professional services provided by IT to member libraries.

Fundraising & Contributions – This line is projected to end the year with a deficit of approximately \$80,000. However, as stated in the notes for the income statement (above), some of the revenue recorded under *Temporarily Restricted Other Revenues* are attributable to fundraising activities (approximately \$34,000 for the full year), so taken together the deficit in *Fundraising & Contributions* is reduced to \$46,000.

WEBS & Other – A reduction in the number of programs provided by WEBS in 2018 has resulted in a projected shortfall of \$6,400 in this line at year-end.

Temporarily Restricted Other Revenues – As previously noted, the projected surplus in this line is the result of the \$34,000 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 \$175,000 under budget before depreciation, driven by the following budget lines:

Fringe Benefits – As previously noted, the projected surplus in this line is driven lower-than-anticipated projection for pension expenses.

Repairs and Maintenance – The projected deficit in this line is driven by a one-time cost associated with the mobile app.

Professional Development – As was noted in the August report, projected overspending in this line is the result of the second Palmer School class for which expenses and revenue had not been budgeted.

Financial Statement Review – Full-Year Projections September 2018

	Total Budget	Current Year Actuals (through Sep-2018)	Current Year Projected (Oct -Dec 2018)	CURRENT YEAR TOTAL PROJECTIONS	Current Year Projected vs Budget
Revenue					
Grants State	2,301,300	1,734,646	583,688	2,318,334	17,034
Grants County	1,000,000	750,000	250,000	1,000,000	(0)
Member Technology Fees	2,772,100	2,110,862	695,775	2,806,637	34,537
Fund Raising & Contributions	102,000	16,479	4,500	20,979	(81,021)
Interest	6,000	10,898	3,000	13,898	7,898
WEBS & Other	35,800	18,325	11,100	29,425	(6,375)
Temporarily Restricted Government Revenues	235,500	168,541	65,256	233,797	(1,703)
Temporarily Restricted Other Revenues	<u>20,000</u>	<u>65,121</u>	<u>33,675</u>	<u>98,796</u>	<u>78,796</u>
Total Revenue	<u>6,472,700</u>	<u>4,874,871</u>	<u>1,646,994</u>	<u>6,521,865</u>	<u>49,165</u>
Expenditures					
Salaries	2,376,900	1,742,787	625,835	2,368,622	8,278
Fringe Benefits	1,187,000	856,984	305,976	1,162,960	24,040
Professional Fees	28,900	8,040	18,392	26,432	2,468
Equipment	212,400	83,305	99,711	183,016	29,384
Library Materials	769,800	542,832	189,062	731,895	37,905
Rent and Utilities	337,600	245,497	83,715	329,212	8,388
Repairs and Maintenance	477,700	350,349	133,725	484,074	(6,374)
Supplies	38,100	17,707	6,000	23,707	14,393
Telephone and Internet	359,000	244,734	81,000	325,734	33,266
Printing and Postage	52,600	35,489	15,100	50,589	2,011
Bibliographic Fees	70,000	51,396	17,400	68,796	1,204
Professional Development	52,200	46,188	19,900	66,088	(13,888)
Travel	36,200	19,423	4,856	24,279	11,921
Memberships	15,100	10,529	4,571	15,100	0
Contractual Services	129,200	86,000	30,000	116,000	13,200
Delivery Service	393,500	297,571	98,955	396,526	(3,026)
Special Events	12,000	10,418	0	10,418	1,582
Insurance	25,000	15,460	7,500	22,960	2,040
Interest	500	0	0	0	500
Miscellaneous	<u>13,700</u>	<u>3,935</u>	<u>3,190</u>	<u>7,125</u>	<u>6,575</u>
Total Expenditures	<u>6,587,400</u>	<u>4,668,644</u>	<u>1,744,888</u>	<u>6,413,532</u>	<u>173,868</u>
Net Revenue Before Depreciation	(114,700)	206,227	(97,894)	108,333	
Non-Cash Activity					
Depreciation	<u>0</u>	<u>160,911</u>	<u>61,500</u>	<u>222,411</u>	<u>(222,411)</u>
Total Non-Cash Activity	<u>0</u>	<u>160,911</u>	<u>61,500</u>	<u>222,411</u>	<u>(222,411)</u>
Net Revenue	<u>(114,700)</u>	<u>45,316</u>	<u>(159,394)</u>	<u>(114,078)</u>	