

BOARD OF TRUSTEES
BUFFALO & ERIE COUNTY PUBLIC LIBRARY
MEETING DATE: 2/17/2011

AGENDA ITEM NUMBER: E.2.a. Budget & Finance Committee
Preliminary Financials for the Month Ending
12/31/2010

BACKGROUND:

The attached reports provide a preliminary summary of revenues and expenditures in the Library's Operating and Erie County Capital for Library Budgets for the year as of December 31, 2010 month-end close. This represents the initial, pre-audit closing results. Final results will be available after the Erie County Comptroller and the County's outside auditor complete the year-end audit process. The report also details monthly activity for December. Overall, the Library operated within its budget for the period.

Items of note include:

REVENUE:

- ✓ **Combined New York State Library Aid payments estimated to end the year approximately 4% below budget.** Library aid payments are normally released by the State beginning two to three months after the State's budget is adopted. The year-end totals include a receivable for aid authorized but not yet received disbursements pursuant to guidance received on January 11th from the State Library. The Library did receive a payment of \$1,483,065 in December 2010 representing the basic aid portion (in the form of a paper check!).
- ✓ **Misc. Receipts revenue includes the \$3,000,000 approved by Erie County on December 23, 2010.** The proceeds were transmitted to the Library fund on January 7th and booked to the 2010 budget as "miscellaneous revenue" year-end transaction. The proceeds are now in the Library Fund and are available for use to support weekly open hours throughout the System in 2011.

EXPENSE:

- ✓ **Salaries and wage expense ran under budget.** Retirements and aggressive turnover management contributed to the under-budget condition with salary and wage expense consuming 95.9% of the budget even after meeting the offsetting credit of \$440,000 in the "Reduction From Personal Services" account (budgeted in anticipation of turnover).
- ✓ **Fringe Benefits - Health insurance costs performed better than budget.** Continuing a trend from the last two years, the County's experienced rated single provider system, in which the Library participates, has experienced lower than expected costs. The net result is charges for active employee health insurance being under by \$108,193 and retiree health insurance charges being under by \$589,830. However, the combined charges ended the year \$296,613 (11.9%) above the amount charged in 2009.

- ✓ **County reimbursement of the Library's share of an early payoff to a retirement system amortization payment plan was provided in August.** Earlier this year, Erie County elected to take an early payoff option offered by the New York State Retirement System on a retirement amortization series that would have otherwise extended through 2015. The amortization, which allowed employers to smooth out the cost of a sharp increase in employer contributions which took place in 2003-04 over a 10 year period (at approximately 8% interest) would have continued payments through February 1, 2015. The Library had been paying \$102,492 per year for its share of this amortization. Paying \$546,227 in 2010 (the regular \$102,492 payment plus the principal balance of \$443,735) eliminates future year payments that would have totaled \$614,952 (including 2010's \$102,492 payment), saving the Library \$68,725 and eliminating the \$102,492 recurring cost in 2011 and beyond.

Pursuant to the County Administration's recommendation, supported by the Erie County Legislature Finance and Management Committee's April 26, 2010 recommendation, the Erie County Legislature designated 2009 ending general fund balance in the amount of \$8,354,170 to be used to fund the principal balance payment. This amount included the \$443,735 principal balance of the Library's share. The change had been expected to be made via interfund revenue subsidy, increasing the Library's Interfund Subsidy Revenue Line and NYS Retirement expense lines by \$443,735. However, the County Comptroller's office ended up applying the reimbursement as a \$443,735 credit (reduction) to expense.

- ✓ **Natural gas and Electric utility cost ended the year well below budget.** Year-end natural gas charges of \$184,061, at 75.7% of the 2010 annual budget, came in \$59,142 under budget AND \$35,683 less than 2009's total \$219,744 natural gas expense. Year-end electricity charges of \$810,590 came in \$64,995 under budget while being 10.5% above 2009's total \$733,489 electricity expense. The library participates in Erie County's aggregated utility purchasing pool which saves cost compared to retail pricing.
- ✓ **The "Service Restoration" expense account revised budget includes the \$3,000,000 approved by Erie County on December 23, 2010.** None of these proceeds were expended in 2010 so they are fully available in the Library Fund for use to support weekly open hours throughout the System in 2011.

ACTION REQUIRED: None - Informational Report

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2010 OPERATING BUDGET
Preliminary Revenue Detail as of 12/31/2010 (Pre-Audit)

100.0% of Budget Year

SAP Account Number	Account Description	Adopted Budget	Adjustments	Adjusted Budget	Revenue December	YTD Revenue	To Be Realized	Budget Collected
REVENUE FROM LIBRARY OPERATIONS								
419000	Library Charges - Fines	\$373,663	\$0	\$373,663	\$29,091	\$353,559	\$20,104	94.6%
422000	Copies	23,957	0	23,957	1,850	\$27,278	(3,321)	113.9%
466040	Printing	34,509	0	34,509	3,162	\$40,110	(5,601)	116.2%
466030	Book Bags	2,500	0	2,500	149	\$2,802	(302)	112.1%
466020	Minor Sale - Other	30,000	0	30,000	11,292	\$40,735	(10,735)	135.8%
419020	InterLibrary Loan Shipping	0	0	0		\$0	0	0.0%
420510	Rent - Real Prop - Auditorium	7,000	0	7,000	1,858	\$13,343	(6,343)	190.6%
420530	Comm - Tel Booth Food Svs	23,868	0	23,868	1,886	\$22,521	1,347	94.4%
	TOTAL REVENUE FROM LIBRARY OPERATIONS	\$495,497	\$0	\$495,497	\$49,289	\$500,348	(\$4,851)	101.0%
REVENUE FROM STATE & COUNTY GOVT.								
400020	Library Real Prop Tax	\$22,171,833	\$0	\$22,171,833		\$22,171,833	\$0	100.0%
408140	NYS Aid-Lib Incl Incent	1,769,160	0	1,769,160	1,668,627	\$1,668,627	100,533	94.3%
408150	NYS Aid to Member Libraries	254,674	0	254,674	269,488	\$274,542	(19,868)	107.8%
408160	State Aid - Special		0	0		\$0	0	0.0%
409010	State Aid - Other					\$0	0	0.0%
486000	Interfund - Subsidy	750,000	443,735	1,193,735		\$0	1,193,735	0.0%
	TOTAL REVENUE FROM STATE & COUNTY GOVT.	\$24,945,667	\$443,735	\$25,389,402	\$1,938,115	\$24,115,002	\$1,274,400	95.0%
OTHER REVENUE								
419010	Refunds - Cont Library	\$590,461	\$0	\$590,461	\$590,871	\$590,871	(\$410)	100.1%
423000	Refund P/Y Expenses	10,000	0	\$10,000		\$81,508	(\$71,508)	815.1%
466170	Refund Contract Lib Retire	0	0	0		\$846	(846)	0.0%
445030	Int & Earn - Gen Inv	20,000	0	20,000	1,601	\$18,965	1,035	94.8%
466000	Misc Receipts		3,000,000	3,000,000	3,000,110	\$3,027,243	(27,243)	100.9%
466010	NSF Check Fees	15	0	15		\$80	(65)	533.3%
467000	Misc Depart Income	4,000	0	4,000	182	\$3,067	933	76.7%
499100	Accrued Invest Interest			0		\$0	0	0.0%
	TOTAL OTHER REVENUE	\$624,476	\$3,000,000	\$3,624,476	\$3,592,763	\$3,722,580	(\$98,104)	102.7%
USE OF FUND BALANCE								
402190	Appropriated Fund Balance	\$1,192,126	\$1,144,355	\$2,336,481		\$0	\$2,336,481	0.0%
	TOTAL USE OF FUND BALANCE	\$1,192,126	\$1,144,355	\$2,336,481	\$0	\$0	\$2,336,481	0.0%
	GRAND TOTAL OPERATING REVENUE	\$27,257,766	\$4,588,090	\$31,845,856	\$5,580,168	\$28,337,929	\$3,507,926	89.0%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2010 OPERATING BUDGET
Preliminary Expenditure Detail as of 12/31/2010 (Pre-Audit)
100.0% of Budget Year

SAP Account Number	Account Description	2009		2010 Budget	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reservations	Total Expenditures & Encumbrances	Remaining Balance	YTD % Expend
		2010 Adopted Budget	Encumbered & PY Capital Project Balances									
OPERATING EXPENDITURES												
PERSONAL SERVICES												
Regular Salaries & Wages												
500000	Full Time - Salaries	\$9,800,838		\$0	\$9,800,838	\$828,734	\$9,208,125			\$9,208,125	\$592,713	94.0%
500010	Part Time - Wages	3,695,876		\$0	3,695,876	274,702	\$3,504,311			3,504,311	191,565	94.8%
500020	Regular PT - Wages	887,666		\$0	887,666	95,793	\$1,069,837			1,069,837	(182,171)	120.5%
500030	Seasonal Emp. Wages	107,379		\$0	107,379	3,704	\$45,176			45,176	62,204	42.1%
500300	Shift Differential	18,000		\$0	18,000	1,771	\$15,089			15,089	2,911	83.8%
500330	Holiday Worked	18,000		\$0	18,000	3,100	\$14,473			14,473	3,527	80.4%
500350	Other Employee Payments	30,000		\$0	30,000	17,840	\$42,922			42,922	(12,922)	143.1%
	Salaries & Wages	\$14,557,759	\$0	\$0	\$14,557,759	\$1,225,644	\$13,899,934	\$0	\$0	\$13,899,934	\$657,825	95.5%
501000	OVERTIME SALARIES & WAGES	\$275,000		\$0	\$275,000	\$35,160	\$189,919			189,919	\$85,081	69.1%
	TOTAL, PERSONAL SERVICES	\$14,832,759	\$0	\$0	\$14,832,759	\$1,260,804	\$14,089,854	\$0	\$0	\$14,089,854	\$742,905	95.0%
504990	REDUCTION FROM PERSONAL SERVICES	(440,000)		\$0	(440,000)		\$0			\$0	(440,000)	0.0%
504992	Contractual Salary Reserves	\$0		\$300,000	\$300,000		\$0			\$0	\$300,000	0.0%
	NET PERSONAL SERVICES	\$14,392,759	\$0	\$300,000	\$14,692,759		\$14,089,854	\$0	\$0	\$14,089,854	\$602,905	95.9%
FRINGE BENEFITS												
502000	Fringe Benefits			\$0	\$0		\$0			0	\$0	0.0%
502010	Employer FICA - REGULAR	\$915,927		\$0	915,927	77,900	\$872,468			872,468	43,459	95.3%
502020	Employer FICA - MEDICARE	\$214,209		\$0	214,209	18,218	\$204,071			204,071	10,138	95.3%
502030	Employee Health Insurance	\$2,222,348		\$0	2,222,348	278,129	\$2,114,155			2,114,155	108,193	95.1%
502040	Dental Plan	\$126,401		\$0	126,401	(24)	\$105,989			105,989	20,412	83.9%
502050	Workers Compensation	\$96,413		\$0	96,413	28,607	\$96,958			96,958	(545)	100.6%
502060	Unemployment Insurance	\$20,766		\$0	20,766	3,785	\$22,348			22,348	(1,582)	107.6%
502070	Hospital & Medical - Retirees	\$1,260,785		\$0	1,260,785	(40,942)	\$670,955			670,955	589,830	53.2%
502090	Health Insurance Waiver (Incl: 117)	\$44,400		\$0	44,400	3,234	\$41,140			41,140	3,260	92.7%
502100	Retirement	\$1,210,898		\$443,735	1,654,633	120,382	\$1,307,504			1,307,504	347,129	79.0%
502110	Flex Benefit Spending	\$2,000		\$0	2,000		\$0			0	2,000	0.0%
	TOTAL, FRINGE BENEFITS	\$6,114,147	\$0	\$443,735	\$6,557,882	\$489,288	\$5,435,589	\$0	\$0	\$5,435,589	\$1,122,293	82.9%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2010 OPERATING BUDGET
Preliminary Expenditure Detail as of 12/31/2010 (Pre-Audit)
100.0% of Budget Year

SAP Account Number	Account Description	2009		2010	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reservatio ns	Total Expenditures & Encumbrances	Remaining Balance	YTD % Expend
		2010 Adopted Budget	Encumbered & PY Capital Project Balances	Adjustments / Revisions								
504997	Service Restoration	\$0		\$3,000,000	\$3,000,000		\$0			\$0	\$3,000,000	0.0%
505000	Office Supplies	148,700	6,492	0	155,192	4,188	\$82,120	16,409		98,529	56,663	52.9%
505200	Clothing Supplies	3,350	2,280	0	5,630		\$2,272			2,272	3,359	40.3%
505600	Auto Truck & Heavy Equip Supplies	8,300		0	8,300	1,356	\$5,753			5,753	2,547	69.3%
505800	Medical & Health Supplies	2,500		0	2,500		\$421			421	2,079	16.9%
506200	Maintenance & Repair	94,850	858	0	95,708	11,274	\$89,818	5,609		95,427	282	93.8%
506400	Highway Supplies (Rock Salt)	15,600		0	15,600	1,978	\$6,911			6,911	8,689	44.3%
510000	Local Mileage Reimbursement	6,600		0	6,600	1,111	\$6,068			6,068	532	91.9%
510100	Out of Area Travel	34,525		0	34,525	1,357	\$24,286			24,286	10,239	70.3%
510200	Training and Education	45,175		0	45,175	569	\$32,719	2,000		34,719	10,456	72.4%
515000	Utility Charges (Telecom/water/sewer)											
	Water/Sewer	31,054			31,054	3,995	\$30,446			30,446	608	98.0%
	Telephone & Internet Service	141,223		17,500	158,723	4,329	\$150,450			150,450	8,273	94.8%
515000	Total Utility Charges	172,277		17,500	189,777	8,324	180,896	0		180,896	8,881	95.3%
516010	CONTRACTUAL PAYMENTS											
	Amherst Public	\$0	6,128	0	6,128		\$6,128			6,128	0	100.0%
	Boston Free	\$0	569	0	569		\$0	569		569	0	0.0%
	Cheektowaga Public	\$0	10,742	0	10,742		\$10,742	0		10,742	0	100.0%
	Elma Public	\$0	750	0	750		\$0	750		750	0	0.0%
	Grand Island Memorial	\$0	2,000	0	2,000		\$0	2,000		2,000	0	0.0%
	City of Tonawanda Public	\$0	1,689	0	1,689		\$0	1,689		1,689	0	0.0%
	Total Cnt Pmts-NP Pur Svs	\$0	\$21,878	\$0	\$21,878	\$0	\$16,870	\$5,008		\$21,878	\$0	77.1%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2010 OPERATING BUDGET
Preliminary Expenditure Detail as of 12/31/2010 (Pre-Audit)
100.0% of Budget Year

SAP Account Number	Account Description	2010 Adopted Budget	2009	2010	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reservatio ns	Total	Remaining Balance	YTD % Expend
			Encumbered & PY Capital Project Balances	Adjustments / Revisions						Expenditures & Encumbrances		
516020	Professional Services Contracts & Fees	791,874	218,812	163,000	1,173,686	35,818	\$778,171	273,984		1,052,154	121,532	66.3%
516030	Maintenance Contracts	118,243	9,470	0	127,713	1,635	\$76,829	8,264		85,093	42,620	60.2%
530000	Other Expenses	316,785	17,152	(1,000)	332,937	(32,578)	\$182,604	0		182,604	150,333	54.8%
545000	Rental Charges	1,569	22	0	1,591	59	\$1,484	84		1,568	23	93.3%
555050	Insurance Premiums	45,000		0	45,000	21,957	\$41,654			41,654	3,346	92.6%
559000	County Share Grants			431,507	431,507		\$186,750			186,750	244,757	43.3%
561250	Acq: Building Improvements			0	0		\$0			0	0	0.0%
561410	Lab & Technical Equipment	58,587	20,647	100,764	179,998	(1,985)	\$131,938	6,195		138,133	41,865	73.3%
561420	Office Equip, Furn & Fixtures		333	80,170	80,503		\$5,065	13,519		18,584	61,919	6.3%
561430	Building, Grounds and Heavy Equip			26,778	26,778		\$674			674	26,104	2.5%
561440	Motor Vehicles			25,636	25,636					0		
561450	Library Books and Media	3,582,120	170,506	0	3,752,626	155,658	\$3,522,643	1,422	196,683	3,720,748	31,877	93.9%
575000	Interfund Trans (RFID Efficiency Grant)	250,000			250,000		\$0			0	250,000	0.0%
570040	Interfund Subsidy Debt Svc	0		0	0		\$0			0	0	0.0%
575040	Interfund Exp - Utilities									0		
	Fuel Oil	20,000		0	20,000		\$0			0	20,000	0.0%
	Natural Gas	243,203		0	243,203	30,953	184,061			184,061	59,142	75.7%
	Electricity	875,585		0	875,585	95,379	\$810,590			810,590	64,995	92.6%
	Total Interfund Exp - Utilites	1,138,788	0	0	1,138,788	126,332	994,651	0		994,651	144,137	87.3%
942000	Interfund - Holding Center	(117,229)		0	(117,229)	(29,307)	(\$117,229)			(117,229)	(0)	100.0%
	Interfund - Correctional Facility	(174,119)			(174,119)	(43,530)	(\$174,119)			(174,119)	0	100.0%
	Interfund - Court Storage	(8,598)			(8,598)	(2,150)	(\$8,598)			(8,598)	0	100.0%
	Total ID Library Services	(\$299,946)	\$0	\$0	(\$299,946)	(\$74,987)	(\$299,946)	\$0		(\$299,946)	\$0	100.0%
980000	Interdepart Services DISS	215,963		0	215,963	24,877	\$214,565			214,565	1,398	99.4%
	System Operating Grand Totals	\$27,257,766	\$468,451	\$4,588,090	\$32,314,307	\$2,037,034	\$25,810,659	\$332,493	\$196,683	\$26,339,836	\$5,948,834	79.9%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2010 OPERATING BUDGET
Preliminary Expenditure Detail as of 12/31/2010 (Pre-Audit)
100.0% of Budget Year

SAP Account Number	Account Description	2010 Adopted Budget	2009 Encumbered & PY Capital Project Balances	2010 Budget Adjustments / Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reservations	Total Expenditures & Encumbrances	Remaining Balance	YTD % Expend
<u>ERIE COUNTY CAPITAL FUNDING FOR LIBRARY</u>												
	Library Debt Service	1,490,845			1,490,845	0	\$983,701			983,701	507,144	66.0%
490	General Obligation Bond Proceeds											
561250	Building Improvements		36,795		36,795		\$3,561			3,561	33,234	9.7%
	Total General Obligations	\$0	\$36,795	\$0	\$36,795	\$0	\$3,561	\$0		\$3,561	\$33,234	9.7%
	Total Erie County Capital for Library	\$1,490,845	\$36,795	\$0	\$1,527,640	\$0	\$987,262	\$0		\$987,262	\$540,378	64.6%
	Grand Total Operating and Erie County Capital	\$28,748,611	\$505,246	\$4,588,090	\$33,841,946	\$2,037,034	\$26,797,921	\$332,493	\$196,683	\$27,327,098	\$6,489,212	79.2%

**Buffalo and Erie County Public Library
Treasurer's Report of
Year to Date Donations
Results for the Period Ending December 31, 2010**

2009 Ending Balance **\$700,791.46**

2010 Activity and Balances

Restricted Donations **\$87,207.57**

(Donations received with specific instructions restricting them to the Buffalo & Erie County Public Library direct uses)

Unrestricted Donations

Pending Board Action	\$41,379.85
Board Directed to Direct Library Programs	\$0.00
Board Directed to Library Foundation	\$0.00

Total Unrestricted Donations **\$41,379.85**

Interest Income **\$4,328.69**

Less Disbursements

Direct For Library Programs/Services/Support	(\$82,793.88)
To Library Foundation	\$0.00

Total Disbursements **(\$82,793.88)**

Balance, 2010 Activity **\$50,122.23**

Cumulative Balance Library Trust **\$750,913.69**

	Beg Balance	Net Deposits (Withdrawals)	Interest	Ending Balance
Encore Editions Proceeds				
Invested Per Resolution 2006-19	\$87,570.28	\$4,785.96	\$525.00	\$92,881.24

Combined Balance Trust and Invested Encore Proceeds: **\$843,794.93**

Year-to-date Disbursements Pursuant to Resolution 2010-8 Include:

Library material purchases	(\$2,925.06)
Programming support	(\$20,464.68)
Equipment, furnishings & supplies	(\$14,647.92)
Exhibit/display preparation and support	(\$28,957.35)
Other	(\$15,798.87)

Total **(\$82,793.88)**
