

BOARD OF TRUSTEES
BUFFALO & ERIE COUNTY PUBLIC LIBRARY
MEETING DATE: 3/17/2016

AGENDA ITEM NUMBER: E.2.c.

Budget & Finance Committee
Preliminary Financials for the Year Ending
12/31/2015

BACKGROUND:

The attached report provides a summary of revenue and expenditure performance in the Library's Operating Budget for the year as of December 31, 2015 preliminary year-end close. Final figures are subject to change as the outside audit process proceeds. The report also details monthly activity for December. Overall, the Library operated within its budget for the period. Revenue, excluding budgeted use of fund balance, ended the year at \$26,200,978 (100.0% of the budget for those items). Operating expenditures, excluding encumbrances and funds reservations ended the year at \$26,176,292 (95.6% of budget). Items of note include:

REVENUE:

- ✓ **Combined Revenue from Library Operations** ended the year at 103.9% of budget. Library fines and fees modestly exceeded budget. Delayed 2015 payments of café rent from the previous owner were received in 2016 with the change in operator, contributing to the above revenue performance in commission revenue.
- ✓ **State Aid Special** reflects "bullet aid" allocations sponsored by Senator Ranzenhofer.
- ✓ **Refunds - Contract Library** revenue represents a return of fine revenue collected by contracting member libraries in excess of local expenses of those libraries.
- ✓ **Refunds - P/ Y Expenses** revenue represents reimbursable expenses occurring in the prior year for which reimbursements were received in the current year. The account ended the year \$35,396 above budget. This is primarily contract library reimbursement of that portion of their 2014 salary and benefits covered by locally collected fine and fee revenue (payroll and benefits for all libraries' personnel is processed through the Library System, utilizing Erie County's SAP financial system). The account also includes just under \$8,000 in e-Rate discount reimbursements for 2014 expenses. The amounts were credited after the cut-off for 2014 year-end accruals.
- ✓ **Other Contributions** revenue represents proceeds from fundraising to support the Library Materials budget.

BUFFALO & ERIE COUNTY PUBLIC LIBRARY - PRELIMINARY

OPERATING FINANCIAL REPORT AS OF DECEMBER 31, 2015 – (100.0% of the Budget Year elapsed) Page 2 of 2

EXPENSE :

- ✓ **Salaries and wage expense ended under budget.** Turnover contributed to the under-budget condition with salary and wage expense consuming 96.2% of the budget. Other employee payments include payouts associated with the Contract Libraries Clerical & Maintenance Union (CMU) settlement and vacation leave sell back payments.
- ✓ **Fringe Benefit expense ended the year above budget at 105.5% overall.**
The impact of vacancies on percent driven benefits (payroll taxes) was more than offset by retiree health insurance expense ending at 127.3%, the latter subject to significant swings due to changes in usage by retirees. Utilization rates for active employee health insurance are also above previous levels with that ending at 108.5%. Workers compensation and Unemployment insurance expense ended over budget for the year by \$15,455 and \$4,596 respectively base upon actual usage; they are relatively small in comparison to other benefit costs with the total budgets being \$42,245 and \$14,109 respectively. *Salary savings were sufficient to offset the overage in fringe benefit expense, with total compensation related expense ending the year at 99.2% of budget.*
- ✓ **Telephone and Internet Service ended the year well under budget as the approved e-Rate discount increased mid-year.** The federal e-Rate program covered 62% of eligible expenses in this category (most expenses are eligible) in the first half of 2015, increasing to up to 90% for eligible Wide Area Network/Internet Access and up to 70% for plain old telephone service (POTS) on July 1st. This was the major factor in the account ending the year at 63.9% (\$78,157 below budget).
- ✓ **Erie County charges for purchasing and financial/personnel system charges ended over budget.** The Library utilizes Erie County's SAP based financial and personnel systems along with the procurement services provided by the Erie County Division of Purchase. These services are operated as internal enterprise operation with costs of providing the services recovered by charges to the users of the services. In 2015 charges for purchasing exceeded budget by \$7,553 while charges for SAP and related support exceeded budget by \$19,749.
- ✓ **Second long cold winter again affects natural gas utility expense, but much lower impact due to moderate rates.**
Natural gas charges of \$129,263, ended the year at 68.8% of the 2015 annual budget, however they were 36.7% LOWER than the \$204,335 paid in 2014. Electricity charges of \$579,489 ended the year at 75.8% of the 2015 annual budget and were 19.4% below the \$719,215 paid in 2014. The season's prolonged cold was not accompanied by the large rate spikes that occurred in early 2014, which moderated as the year progressed. This reduced the budget impact for both natural gas and electricity (as natural gas is used for both heating and electrical generation). **Combined, interfund utility charges ended the year \$214,797 (23.3%) BELOW those incurred in 2014.** The Library participates in Erie County's aggregated utility purchasing pool which saves costs compared to retail pricing.

ACTION REQUIRED: None – Informational Report

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY

2015 OPERATING BUDGET

Revenue Detail as of 12/31/2015

100.0% of Budget Year

SAP Account Number	Account Description	Adopted Budget	Adjustments	Adjusted Budget	Revenue December	YTD Revenue	To Be Realized	% of Budget Collected
REVENUE FROM LIBRARY OPERATIONS								
419000	Library Charges - Fines	329,165	0	329,165	29,216.97	341,510.68	(12,346)	103.8%
422000	Copies	20,413	0	20,413	2,283.61	20,994.38	(581)	102.8%
466040	Printing	50,000	0	50,000	5,447.41	52,856.64	(2,857)	105.7%
466030	Book Bags	1,500	0	1,500	98.00	1,215.50	285	81.0%
466020	Minor Sale - Other	7,500	0	7,500	630.50	6,978.15	522	93.0%
420510	Rent - Real Prop - Auditorium	18,000	0	18,000	1,659.16	14,603.86	3,396	81.1%
420530	Comm - Tel Booth Food Svs	16,000	0	16,000	1,334.94	21,807.64	(5,808)	136.3%
	TOTAL REVENUE FROM LIBRARY OPERATIONS	442,578	0	442,578	40,670.59	459,966.85	(17,389)	103.9%
REVENUE FROM STATE & COUNTY GOVT.								
400020	Library Real Prop Tax	23,013,857	0	23,013,857		23,013,857.01	(0)	100.0%
408140	NYS Aid-Lib Incl Incent	1,760,041	102,310	1,862,351		1,862,351.00	0	100.0%
408150	NYS Aid to Member Libraries	257,779	14,986	272,765		272,765.00	0	100.0%
408160	State Aid - Special		63,000	63,000		63,000.00	0	100.0%
409010	State Aid - Other					0.00	0	0.0%
486000	Interfund - Subsidy	0	4,000	4,000		4,000.00	0	100.0%
	TOTAL REVENUE FROM STATE & COUNTY GOVT.	25,031,677	184,296	25,215,973	0.00	25,215,973.01	(0)	100.0%
OTHER REVENUE								
419010	Refunds - Cont Library	418,597	0	418,597	399,923.00	399,923.00	18,674	95.5%
423000	Refund P/Y Expenses	10,000	0	10,000	24,590.35	45,395.89	(35,396)	454.0%
466170	Refund Contract Lib Retire	0	0	0		0.00	0	0.0%
466070	Refund P/Y Expenses			0		1,428.00	(1,428)	0.0%
445030	Int & Earn - Gen Inv	5,000	0	5,000	170.06	2,063.31	2,937	41.3%
466000	Misc Receipts	0	0	0		278.57	(279)	0.0%
466010	NSF Check Fees	15	0	15		0.00	15	0.0%
467000	Misc Depart Income	2,000	0	2,000	838.50	6,167.60	(4,168)	308.4%
479100	Other Contributions	100,000	0	100,000	69,782.25	69,782.25	30,218	69.8%
	TOTAL OTHER REVENUE	535,612	0	535,612	495,304.16	525,038.62	10,573	98.0%
USE OF FUND BALANCE								
402190	Appropriated Fund Balance	708,843	35,000	743,843		0.00	743,843	0.0%
	TOTAL USE OF FUND BALANCE	708,843	35,000	743,843	0.00	0.00	743,843	0.0%
	GRAND TOTAL OPERATING REVENUE	26,718,710	219,296	26,938,006	535,974.75	26,200,978.48	737,028	97.3%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY

2015 OPERATING BUDGET

Expenditure Detail as of 12/31/2015

100.0% of Budget Year

% Current Budget

SAP Acct. Nbr.	Account Description	2015 Adopted Budget	Encumbe red & PY Capital Balances	2015 Budget Adjust- ments/ Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	YTD Expend	YTD Expend /% Encumb
OPERATING EXPENDITURES													
PERSONAL SERVICES													
Regular Salaries & Wages													
500000	Full Time - Salaries	8,765,133		0	8,765,133	810,583	8,567,405.14			8,567,405.14	197,728	97.7%	97.7%
500010	Part Time - Wages	3,983,602		0	3,983,602	279,176	3,478,778.76			3,478,778.76	504,823	87.3%	87.3%
500020	Regular PT - Wages	1,048,444		0	1,048,444	98,275	1,092,126.66			1,092,126.66	(43,683)	104.2%	104.2%
500030	Seasonal Emp. Wages	0		0	0	0	0.00			0.00	0	0.0%	0.0%
500300	Shift Differential	15,000		0	15,000	2,164	16,702.19			16,702.19	(1,702)	111.3%	111.3%
500330	Holiday Worked	15,000		0	15,000	3,355	18,394.41			18,394.41	(3,394)	122.6%	122.6%
500350	Other Employee Payments	60,000		0	60,000	33,270	132,970.96			132,970.96	(72,971)	221.6%	221.6%
	Salaries & Wages	13,887,179	0	0	13,887,179	1,226,822	13,306,378.12	0.00	0.00	13,306,378.12	580,801	95.8%	95.8%
501000	Overtime Salaries & Wages	191,000		0	191,000	\$19,792	209,079.97			209,079.97	(18,080)	109.5%	109.5%
	TOTAL, PERSONAL SERVICES	14,078,179	0	0	14,078,179	1,246,615	13,515,458.09	0.00	0.00	13,515,458.09	562,721	96.0%	96.0%
504990	Reduction From Personal Services	(172,868)		0	(172,868)		0.00			0.00	(172,868)	0.0%	0.0%
504992	Contractual Salary Reserves	137,512		0	137,512		0.00			0.00	137,512	0.0%	0.0%
	NET PERSONAL SERVICES	14,042,823	0	0	14,042,823	1,246,615	13,515,458.09	0.00	0.00	13,515,458.09	527,365	96.2%	96.2%
FRINGE BENEFITS													
502000	Fringe Benefits	0		0	0		0.00			0.00	0	0.0%	0.0%
502010	Employer FICA - REGULAR	872,853		0	872,853	71,921	828,720.02			828,720.02	44,133	94.9%	94.9%
502020	Employer FICA - MEDICARE	204,108		0	204,108	16,899	193,919.92			193,919.92	10,188	95.0%	95.0%
502030	Employee Health Insurance	2,237,163		14,986	2,252,149	296,620	2,443,512.54			2,443,512.54	(191,364)	108.5%	108.5%
502040	Dental Plan	114,404		0	114,404	12,429	92,900.09			92,900.09	21,504	81.2%	81.2%
502050	Workers Compensation	42,245		0	42,245	6,882	57,700.13			57,700.13	(15,455)	136.6%	136.6%
502060	Unemployment Insurance	14,109		0	14,109	308	18,704.54			18,704.54	(4,596)	132.6%	132.6%
502070	Hospital & Medical - Retirees	999,354		83,810	1,083,164	98,888	1,379,175.77			1,379,175.77	(296,012)	127.3%	127.3%
502090	Health Insurance Waiver (Incl: 117)	37,608		0	37,608	2,901	33,589.00			33,589.00	4,019	89.3%	89.3%
502100	Retirement	2,066,053		0	2,066,053	84,506	1,925,215.54			1,925,215.54	140,837	93.2%	93.2%
502000	Unallocated Fringe Benefits	(76,955)		0	(76,955)		0.00			0.00	(76,955)	0.0%	0.0%
	TOTAL, FRINGE BENEFITS	6,510,942	0	98,796	6,609,738	591,355	6,973,437.55	0.00	0.00	6,973,437.55	(363,700)	105.5%	105.5%
	TOTAL COMPENSATION RELATED	20,553,765	0	98,796	20,652,561	1,837,969	20,488,895.64	0.00	0.00	20,488,895.64	163,665	99.2%	99.2%

**BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2015 OPERATING BUDGET**

Expenditure Detail as of 12/31/2015

100.0% of Budget Year

% Current Budget

SAP Acct. Nbr.	Account Description	2015 Adopted Budget	Encumbe red & PY Capital Project Balances	2015 Budget Adjust- ments/ Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
												YTD Expend	YTD / & Encumb
505000	Office Supplies	140,350		0	140,350	15,405	136,023.36	0.00		136,023.36	4,327	96.9%	96.9%
505200	Clothing Supplies	3,350		0	3,350	270	2,395.84	225.50		2,621.34	729	71.5%	78.2%
505600	Auto Truck & Heavy Equip Supplies	9,150		0	9,150	115	5,929.48			5,929.48	3,221	64.8%	64.8%
505800	Medical & Health Supplies	1,000		0	1,000		835.85			835.85	164	83.6%	83.6%
506200	Maintenance & Repair	92,200	2,107	11,000	105,307	9,698	97,418.16	702.28		98,120.44	7,186	92.5%	93.2%
506400	Highway Supplies (Rock Salt)	14,000		0	14,000		12,009.15	0.00		12,009.15	1,991	85.8%	85.8%
510000	Local Mileage Reimbursement	14,200		0	14,200	1,488	11,681.58			11,681.58	2,518	82.3%	82.3%
510100	Out of Area Travel	15,000		0	15,000		10,954.21			10,954.21	4,046	73.0%	73.0%
510200	Training and Education	57,040		0	57,040	(785)	46,664.16	0.00		46,664.16	10,376	81.8%	81.8%
515000	Utility Charges (Telecom/water/sewer)												
	Water/Sewer	33,917			33,917	2,429	31,836.00			31,836.00	2,081	93.9%	93.9%
	Fuel Oil	1,000			1,000								
	Telephone & Internet Service	230,831		(14,400)	216,431	(28,446)	138,274.18			138,274.18	78,157	63.9%	63.9%
515000	Total Utility Charges	265,748		(14,400)	251,348	(26,018)	170,110.18	0.00	0.00	170,110.18	80,238	67.7%	67.7%
516010	CONTRACTUAL PAYMENTS												
	Newstead Public - Akron	0		11,000	11,000		11,000.00			11,000.00	0	100.0%	100.0%
	Ewell Free - Alden	293		0	293		293.00			293.00	0	100.0%	100.0%
	Amherst Public	0		41,000	41,000		41,000.00			41,000.00	0	100.0%	100.0%
	Aurora Public	0		1,000	1,000		1,000.00			1,000.00	0	100.0%	100.0%
	Clarence Public	0		11,000	11,000		11,000.00			11,000.00	0	100.0%	100.0%
	Elma Public	0		1,000	1,000		1,000.00			1,000.00	0	100.0%	100.0%
	Lackawanna Public	12,323		0	12,323		12,323.00			12,323.00	0	100.0%	100.0%
	Marilla Free	0		1,000	1,000		1,000.00			1,000.00	0	100.0%	100.0%
	West Seneca Public	0		1,000	1,000		1,000.00			1,000.00	0	100.0%	100.0%
	Total Cnt Pmts-NP Pur Svs	12,616	0	67,000	79,616	\$0	79,616.00	0.00	0.00	79,616.00	0	100.0%	100.0%

**BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2015 OPERATING BUDGET**

Expenditure Detail as of 12/31/2015

100.0% of Budget Year

% Current Budget

SAP Acct. Nbr.	Account Description	2015 Adopted Budget	Encumbe red & PY Capital Project Balances	2015 Budget Adjust-ments/ Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	YTD Expend	YTD /% Encumb
516020	Professional Services Contracts & Fees	964,380	124,074	0	1,088,454	56,123	782,964.06	82,687.29		865,651.35	222,803	71.9%	79.5%
516030	Maintenance Contracts	121,022	2,201	0	123,223	6,109	103,348.24	1,564.03		104,912.27	18,311	83.9%	85.1%
530000	Other Expenses	166,160	21,221	(5,000)	182,381	23,090	154,323.23	657.06	20,415.00	175,395.29	6,986	84.6%	96.2%
545000	Rental Charges	4,794	151	14,400	19,345	568	17,309.95	0.00		17,309.95	2,035	89.5%	89.5%
555050	Insurance Premiums	115,000		0	115,000	1,921	111,508.72			111,508.72	3,491	97.0%	97.0%
559000	County Share Grants			0	0		0.00			0.00	0	0.0%	0.0%
561410	Lab & Technical Equipment	73,005	96,978	0	169,983	1,646	132,147.23	35.00	31,978.00	164,160.23	5,823	77.7%	96.6%
561420	Office Equip, Furn & Fixtures			0	0	(4)	(4.19)			(4.19)	4	0.0%	0.0%
561430	Building, Grounds and Heavy Equip		6,322	22,500	28,822	17,519	28,319.70			28,319.70	502	98.3%	98.3%
561440	Motor Vehicles			25,000	25,000	22,899	22,899.02			22,899.02	2,101	91.6%	91.6%
561450	Library Books and Media	3,009,000	189,234	0	3,198,234	165,163	2,891,934.29		178,970.00	3,070,904.29	127,329	90.4%	96.0%
575040	Interfund Exp - Utilities												
	Fuel Oil	0		0	0		0.00			0.00	0	0.0%	0.0%
	Natural Gas	187,911		0	187,911	12,466	129,263.36			129,263.36	58,648	68.8%	68.8%
	Electricity	764,070		0	764,070	35,262	579,489.25			579,489.25	184,581	75.8%	75.8%
	Total Interfund Exp - Utilites	951,981	0	0	951,981	47,728	708,752.61	0.00	0.00	708,752.61	243,228	74.5%	74.5%
942000	Interfund - Holding Center	(90,017)		0	(90,017)	(3,147)	(85,662.44)			(85,662.44)	(4,355)	95.2%	95.2%
	Interfund - Correctional Facility	(104,672)			(104,672)	(6,711)	(102,660.80)			(102,660.80)	(2,011)	98.1%	98.1%
	Interfund - Court Storage	(8,598)			(8,598)	(717)	(8,598.00)			(8,598.00)	0	100.0%	100.0%
	Total ID Library Services	(203,287)	0	0	(203,287)	(\$10,575)	(196,921.24)			(196,921.24)	(6,366)	96.9%	96.9%
910600	Intefund Expense - Purchasing Services	20,979		0	20,979	\$9,911	28,531.52			28,531.52	(7,553)	136.0%	136.0%
910700	Interfund Expnese - Fleet Services	47,252		0	47,252	\$22,415	38,891.81			38,891.81	8,360	82.3%	82.3%
980000	Interdepart Services DISS	270,005		0	270,005	29,504	289,753.55			289,753.55	(19,749)	107.3%	107.3%
	System Operating Grand Totals	26,718,710	442,287	219,296	27,380,293	2,232,159	26,176,292.11	85,871.16	231,363.00	26,493,526.27	885,767	95.6%	96.8%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2015 OPERATING BUDGET
 Expenditure Detail as of 12/31/2015
 100.0% of Budget Year

% Current Budget

SAP Acct. Nbr.	Account Description	2015 Adopted Budget	Encumbered & PY Capital Project Balances	2015 Budget Adjustments/Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reservations	Total Expenditures & Encumbrances	Remaining Balance	YTD Expend	YTD Expend /& Encumb
<u>ERIE COUNTY CAPITAL FUNDING FOR LIBRARY</u>													
	Library Debt Service	1,001,744			1,001,744	31,247	1,001,744.22			1,001,744.22	0	100.0%	100.0%
490	General Obligation Bond Proceeds												
561250	Building Improvements		26,699		26,699		0.00			0.00	26,699	0.0%	0.0%
	Total General Obligations	0	26,699	0	26,699	0	0.00	0.00	0.00	0.00	26,699	0.0%	0.0%
	Total Erie County Capital for Library	1,001,744	26,699	0	1,028,443	31,247	1,001,744.22	0.00	0.00	1,001,744.22	26,699	97.4%	97.4%
	Grand Total Operating and Erie County Capital	27,720,454	468,986	219,296	28,408,736	2,263,406	27,178,036.33	85,871.16	231,363.00	27,495,270.49	912,466	95.7%	96.8%

Buffalo and Erie County Public Library
Treasurer's Report of
Year to Date Donations
Results for the Period Ending December 31, 2015

Main Trust	\$1,106,407.76
Encore Editions Proceeds (Invested per resolution 2006-19)	\$92,777.08
2014 Ending Balance	\$1,199,184.84

2015 Activity and Balances

Restricted Donations	\$351,222.01
(Donations received with instructions restricting them to the Buffalo & Erie County Public Library direct uses and fundraising for identified program use)	
Unrestricted Donations	
Pending Board Action	\$7,244.80
Board Directed to Direct Library Programs	\$0.00
Board Directed to Library Foundation	\$0.00
Total Unrestricted Donations	\$7,244.80
Interest Income	\$690.09
Less Disbursements	
Direct For Library Programs/Services/Support	(\$398,911.46)
To Library Foundation	\$0.00
Total Disbursements	(\$398,911.46)
Balance, 2015 Activity	(\$39,754.56)

Cumulative Balance Library Trust **\$1,159,430.28**

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

Library material purchases (direct from trust)	(\$2,519.14)
To Library Operating Fund to support Library material purchases	(\$69,782.25)
Programming support	(\$78,153.91)
Equipment, furnishings & supplies	(\$74,285.21)
Exhibit/display preparation and support/Rare Book Room	\$0.00
Preservation/Conservation (Audubon Birds)	(\$3,985.05)
Construction Grant Match	(\$150,000.00)
Raiser's Edge Software and General Fundraising Expense	(\$6,862.59)
Fundraiser Event Expense	(\$12,850.77)
Other	(\$472.54)
Total	(\$398,911.46)