

BOARD OF TRUSTEES
BUFFALO & ERIE COUNTY PUBLIC LIBRARY
MEETING DATE: 3/16/2017

AGENDA ITEM NUMBER: E.2.d.

Budget & Finance Committee, Preliminary
Financials for the Month Ending **12/31/2016**

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, 2016 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 \$26,720,310 (99.9% of the budget for those items). Operating expenditures, excluding encumbrances and funds reservations ended the year at \$26,041,850 (93.2% of budget). Including encumbrances and funds reservations, we ended the year at 94.5%. Items of note include:

REVENUE:

- ✓ **Library Charges - Fines:** Ended the year at 83.1% of budget reflecting overall circulation activity; the increasing shift to downloadables / e-books / other e-content which expire automatically (hence they are never overdue); and higher than normal credit card transaction fees in the November billing resulting from a third party software issue (promptly corrected).
- ✓ **Property Tax for Library Proceeds:** The full \$23,474,134 Library Tax allocation was booked to the Library Fund in January.
- ✓ **Initial New York State Library Aid payments received in July, final payment received in September.** Library aid payments are normally released by the State beginning two to three months after the State's budget is adopted, with the balance transmitted in the late fall. Receipt of the last payment in September is earlier than usual.
- ✓ **Refunds - P/Y Expenses** revenue represents reimbursable expenses occurring in the prior year for which reimbursements were received in the current year. The year-to-date amount is from contract library reimbursement of that portion of their 2015 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 amounts were credited after the cut-off for 2015 year-end accruals.
- ✓ **Refunds - Contract Library** revenue represents a return of fine revenue collected by contracting member libraries in excess of local expenses of those libraries. The revenue is transmitted as part of the year-end closing process.

EXPENSE :

- ✓ **Salaries and wage expense ended under budget.** Turnover contributed to the under-budget condition with net salary and wage expense consuming 96.4% of the budget.

- ✓ **Fringe Benefit expense also ended the year under budget at 94.0% overall.**
Vacancies resulted in below budget charges for payroll taxes. Vacancies, usage changes and negotiated increased employee contributions contributed to Active Employee Health insurance cost being under budget (it was 0.3% above 2015 Year-end). NY State Retirement charges also ended under budget (and 11.3% below 2015 charges), reflecting a decrease in rates and the continued shift to the lower cost Tier 6 plan via turnover. Workers compensation and unemployment insurance expense ended the year above budget (a combined \$31,181 over budget). For both accounts, the Library is charged based upon actual expense incurred which, is usually relatively low. The small budgeted amount for these accounts can lead to an over budget condition at times. Overall savings in other accounts were more than sufficient to offset the overage. Finally, the rate of growth in retiree medical charges this year continued to moderate, ending under budget at 89.6% of budget (and it was 1.1% BELOW 2015 charges).

- ✓ **Telephone and Internet Service charges ended at 90.0% as a large e-Rate reimbursement was processed.** The federal e-Rate program covers up to 90% of eligible services in this expense category. While our Internet Access provider directly discounts this amount from our bill, our phone and data lines contractor, Time Warner Cable Business Class, processes e-Rate discounts on a reimbursement basis. Factoring in payment timing and anticipated reimbursements, these charges had been expected to end the year within budget.

EXPENSE (continued):

✓ **A mild winter and continued moderate rates again generate electric and natural gas savings.**

Natural gas charges of \$91,543, came in at 54.5% of the 2016 annual budget, and they were 29.2% LOWER than the \$116,798 paid in 2015. Electricity charges of \$542,801 came in at 76.4% of the 2016 annual budget and were 6.3% BELOW the \$544,227 paid in 2015. The winter season's relatively mild temperatures reduced usage and rates remained moderate. 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 were \$74,408 (10.5%) BELOW those incurred in 2015.** 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
2016 OPERATING BUDGET
Revenue Detail as of 12/31/2016 (Preliminary, Pre-Audit)

		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	336,493	0	336,493	24,503	\$279,467.12	57,026	83.1%	
422000	Copies	18,839	0	18,839	2,043	\$23,262.85	(4,424)	123.5%	
466040	Printing	52,217	0	52,217	5,525	\$61,439.33	(9,222)	117.7%	
466030	Book Bags	1,300	0	1,300	55	\$1,002.00	298	77.1%	
466020	Minor Sale - Other	8,000	0	8,000	446	\$6,196.08	1,804	77.5%	
420510	Rent - Real Prop - Auditorium	18,000	0	18,000	1,029	\$19,083.75	(1,084)	106.0%	
420530	Comm - Tel Booth Food Svs	18,240	0	18,240	1,133	\$17,258.83	981	94.6%	
TOTAL REVENUE FROM LIBRARY OPERATIONS		453,089	0	453,089	34,734	\$407,709.96	45,379	90.0%	
REVENUE FROM STATE & COUNTY GOVT.									
400020	Library Real Prop Tax	23,474,134	0	23,474,134		\$23,474,134.01	(0)	100.0%	
408140	NYS Aid-Lib Incl Incent	1,862,346	80,333	1,942,679		\$1,942,679.00	0	100.0%	
408150	NYS Aid to Member Libraries	272,758	11,772	284,530		\$284,530.00	0	100.0%	
408160	State Aid - Special	0	111,500	111,500		\$111,500.00	0	100.0%	
409010	State Aid - Other	0	0	0		\$0.00	0	0.0%	
486000	Interfund - Subsidy	0	0	0		\$0.00	0	0.0%	
TOTAL REVENUE FROM STATE & COUNTY GOVT.		25,609,238	203,605	25,812,843	0	\$25,812,843.01	(0)	100.0%	
OTHER REVENUE									
419010	Refunds - Cont Library	407,906	0	407,906	394,246	\$394,246.00	13,660	96.7%	
423000	Refund P/Y Expenses	10,000	0	10,000		\$37,047.58	(27,048)	370.5%	
466170	Refund Contract Lib Retire	0	0	0		\$0.00	0	0.0%	
466070	Refund P/Y Expenses	0		0		\$0.00	0	0.0%	
445030	Int & Earn - Gen Inv	3,000	0	3,000	196	\$2,355.56	644	78.5%	
466000	Misc Receipts	0	0	0		\$379.90	(380)	0.0%	
466010	NSF Check Fees	15	0	15		\$0.00	15	0.0%	
467000	Misc Depart Income	3,000	0	3,000	397	\$5,728.04	(2,728)	190.9%	
479100	Other Contributions	60,000	0	60,000	60,000	\$60,000.00	0	100.0%	
TOTAL OTHER REVENUE		483,921	0	483,921	454,839	\$499,757.08	(15,836)	103.3%	
USE OF FUND BALANCE									
402190	Appropriated Fund Balance	714,843	152,895	867,738		\$0.00	867,738	0.0%	
TOTAL USE OF FUND BALANCE		714,843	152,895	867,738	0	\$0.00	867,738	0.0%	
GRAND TOTAL OPERATING REVENUE		27,261,091	356,500	27,617,591	489,573	\$26,720,310.05	897,281	96.8%	

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 12/31/2016 (Preliminary, Pre-Audit)
 100.0% of Budget Year

SAP Acct. Nbr.	Account Description	2016 Adopted Budget	2015 Encumbered & PY Capital Balances	2016 Budget Adjustments/Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reservations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
												YTD Expended	YTD Encumb
OPERATING EXPENDITURES													
PERSONAL SERVICES													
Regular Salaries & Wages													
500000	Full Time - Salaries	9,085,418		0	9,085,418	775,920	8,955,070.20			8,955,070.20	130,348	98.6%	98.6%
500010	Part Time - Wages	4,024,053		0	4,024,053	285,416	3,598,245.69			3,598,245.69	425,807	89.4%	89.4%
500020	Regular PT - Wages	1,062,824		0	1,062,824	54,378	793,470.46			793,470.46	269,354	74.7%	74.7%
500300	Shift Differential	15,000		0	15,000	2,525	16,619.73			16,619.73	(1,620)	110.8%	110.8%
500330	Holiday Worked	15,000		0	15,000	3,209	15,157.80			15,157.80	(158)	101.1%	101.1%
500350	Other Employee Payments	60,000		0	60,000	5,255	86,489.03			86,489.03	(26,489)	144.1%	144.1%
	Salaries & Wages	14,262,295	-	0	14,262,295	1,126,703	13,465,052.91	0.00	0	13,465,052.91	797,242	94.4%	94.4%
501000	Overtime Salaries & Wages	195,000		0	195,000	\$20,046	209,644.91			209,644.91	(14,645)	107.5%	107.5%
	TOTAL, PERSONAL SERVICES	14,457,295	-	0	14,457,295	1,146,749	13,674,697.82	0.00	0	13,674,697.82	782,597	94.6%	94.6%
504990	Reduction From Personal Serv	(318,881)		0	(318,881)		0.00			0.00	(318,881)	0.0%	0.0%
504992	Contractual Salary Reserves	51,557		0	51,557		0.00			0.00	51,557	0.0%	0.0%
	NET PERSONAL SERVICES	14,189,971	-	0	14,189,971	1,146,749	13,674,697.82	0.00	0	13,674,697.82	515,273	96.4%	96.4%
FRINGE BENEFITS													
502000	Fringe Benefits	0		0	0		0.00			0.00	0	0.0%	0.0%
502010	Employer FICA - REGULAR	896,354		0	896,354	65,486	836,316.85			836,316.85	60,037	93.3%	93.3%
502020	Employer FICA - MEDICARE	209,672		0	209,672	15,324	195,599.57			195,599.57	14,072	93.3%	93.3%
502030	Employee Health Insurance	2,586,136		0	2,586,136	187,281	2,450,609.67			2,450,609.67	135,526	94.8%	94.8%
502040	Dental Plan	117,436		0	117,436	11,066	91,495.33			91,495.33	25,941	77.9%	77.9%
502050	Workers Compensation	51,034		0	51,034	12,292	80,147.15			80,147.15	(29,113)	157.0%	157.0%
502060	Unemployment Insurance	17,055		0	17,055	874	19,122.36			19,122.36	(2,067)	112.1%	112.1%
502070	Hospital & Medical - Retirees	1,522,245		0	1,522,245	36,340	1,364,429.03			1,364,429.03	157,816	89.6%	89.6%
502090	Health Insurance Waiver	40,008		0	40,008	2,331	31,890.00			31,890.00	8,118	79.7%	79.7%
502100	Retirement	1,762,233		0	1,762,233	236,795	1,707,186.38			1,707,186.38	55,047	96.9%	96.9%
502000	Unallocated Fringe Benefits	3,617		0	3,617		0.00			0.00	3,617	0.0%	0.0%
	TOTAL, FRINGE BENEFITS	7,205,790	-	0	7,205,790	567,788	6,776,796.34	0.00	0	6,776,796.34	428,994	94.0%	94.0%
	TOTAL COMPENSATION RELATE	21,395,761	-	0	21,395,761	1,714,537	20,451,494.16	0.00	0	20,451,494.16	944,267	95.6%	95.6%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 12/31/2016 (Preliminary, Pre-Audit)

100.0% of Budget Year

% Current Budget

SAP Acct. Nbr.	Account Description	2016 Adopted Budget	2015 Encumbered & PY Capital Project Balances	2016 Budget Adjustments/Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reservations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
												YTD Expended	YTD Encumb
505000	Office Supplies	140,350		9,000	149,350	20,877	147,030.95			147,030.95	2,319	98.4%	98.4%
505200	Clothing Supplies	4,000	225.50	0	4,226	892	983.80	814.25		1,798.05	2,427	23.3%	42.6%
505600	Auto Truck & Heavy Equip Supplie	8,550		0	8,550	1,641	8,116.14			8,116.14	434	94.9%	94.9%
505800	Medical & Health Supplies	1,000		0	1,000	801	989.65			989.65	10	99.0%	99.0%
506200	Maintenance & Repair	102,500	702.28	9,000	112,202	15,072	99,869.19		8,876	108,745.19	3,457	89.0%	96.9%
506400	Highway Supplies (Rock Salt)	14,000		1,000	15,000	2,587	9,923.71			9,923.71	5,076	66.2%	66.2%
510000	Local Mileage Reimbursement	14,200		(2,500)	11,700	1,022	9,843.62			9,843.62	1,856	84.1%	84.1%
510100	Out of Area Travel	15,000		5,500	20,500	2,361	19,790.85			19,790.85	709	96.5%	96.5%
510200	Training and Education	54,755		(3,000)	51,755	2,684	27,404.50			27,404.50	24,351	53.0%	53.0%
515000	Utility Charges (Telecom/water/sewer)												
	Water/Sewer	33,975			33,975	4,450	29,725.87			29,725.87	4,249	87.5%	87.5%
	Fuel Oil	1,000			1,000					0.00	1,000	0.0%	0.0%
	Telephone & Internet Service	74,159		0	74,159	2,872	66,722.44			66,722.44	7,437	90.0%	90.0%
515000	Total Utility Charges	109,134		0	109,134	7,321	96,448.31	0.00	0	96,448.31	12,686	88.4%	88.4%
516010	CONTRACTUAL PAYMENTS												
	Ewell Free - Alden	1,153		4,000	5,153		5,153.00			5,153.00	0	100.0%	100.0%
	Amherst Public	0		44,000	44,000		44,000.00			44,000.00	0	100.0%	100.0%
	Aurora Public	0		4,000	4,000		4,000.00			4,000.00	0	100.0%	100.0%
	Boston Free	0		4,000	4,000		4,000.00			4,000.00	0	100.0%	100.0%
	Clarence Public	0		10,000	10,000		10,000.00			10,000.00	0	100.0%	100.0%
	Collins Public	0		4,000	4,000		4,000.00			4,000.00	0	100.0%	100.0%
	Concord Public	0		4,000	4,000		4,000.00			4,000.00	0	100.0%	100.0%
	Eden Library	0		4,000	4,000		4,000.00			4,000.00	0	100.0%	100.0%
	Elma Public	0		4,500	4,500		4,500.00			4,500.00	0	100.0%	100.0%
	Lackawanna Public	11,749		0	11,749		11,748.90			11,748.90	0	100.0%	100.0%
	Lancaster Public	0		5,500	5,500		5,500.00			5,500.00	0	100.0%	100.0%
	Marilla Free	0		4,000	4,000		4,000.00			4,000.00	0	100.0%	100.0%
	Newstead Public - Akron	0		10,000	10,000		10,000.00			10,000.00	0	100.0%	100.0%
	North Collins Public	0		4,000	4,000		4,000.00			4,000.00	0	100.0%	100.0%
	West Seneca Public	0		5,500	5,500		5,500.00			5,500.00	0	100.0%	100.0%
	Total Cnt Pmts-NP Pur Svs	12,902	-	111,500	124,402	\$0	124,401.90	0.00	0	124,401.90	0	100.0%	100.0%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 12/31/2016 (Preliminary, Pre-Audit)
 100.0% of Budget Year

SAP Acct. Nbr.	Account Description	2016 Adopted Budget	2015 Encumbered & PY Capital Project Balances	2016 Budget Adjustments/ Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
												YTD Expend/ & Encumb	YTD Expend
516020	Professional Services Contracts & Fees	864,427	82,687.29	0	947,114	45,285	789,691.19	75,828.93		865,520.12	81,594	83.4%	91.4%
516030	Maintenance Contracts	121,857	1,564.03	0	123,421	4,314	114,367.37	4,032.50		118,399.87	5,021	92.7%	95.9%
530000	Other Expenses	177,050	21,072.06	(6,500)	191,622	8,942	155,146.92	421.11	14,920	170,488.03	21,134	81.0%	89.0%
545000	Rental Charges	4,725		0	4,725	324	4,352.27			4,352.27	373	92.1%	92.1%
555050	Insurance Premiums	119,550		2,500	122,050	1,668	121,468.00			121,468.00	582	99.5%	99.5%
559000	County Share Grants			0	0		0.00			0.00	0	0.0%	0.0%
561410	Lab & Technical Equipment	75,145	32,013.00	230,000	337,158	10,022	243,715.93	9,662.38	82,186	335,564.31	1,594	72.3%	99.5%
561420	Office Equip, Furn & Fixtures			0	0		0.00			0.00	0	0.0%	0.0%
561430	Building, Grounds and Heavy Equip			0	0		0.00			0.00	0	0.0%	0.0%
561440	Motor Vehicles			0	0		0.00			0.00	0	0.0%	0.0%
561450	Library Books and Media	3,009,000	178,970.00	0	3,187,970	399,382	2,872,701.49		170,805	3,043,506.49	144,464	90.1%	95.5%
575040	Interfund Exp - Utilities												
	Fuel Oil	0		0	0		0.00			0.00	0	0.0%	0.0%
	Natural Gas	167,911		0	167,911	15,602	91,543.31			91,543.31	76,368	54.5%	54.5%
	Electricity	710,479		0	710,479	35,194	542,800.93			542,800.93	167,678	76.4%	76.4%
	Total Interfund Exp - Utilites	878,390	-	0	878,390	50,796	634,344.24	0.00	0	634,344.24	244,046	72.2%	72.2%
942000	Interfund - Holding Center	(90,865)		0	(90,865)	(3,181)	(86,473.70)			(86,473.70)	(4,391)	95.2%	95.2%
	Interfund - Correctional Facility	(104,461)			(104,461)	(5,576)	(101,331.77)			(101,331.77)	(3,129)	97.0%	97.0%
	Interfund - Court Storage	(8,598)			(8,598)	(717)	(8,598.00)			(8,598.00)	0	100.0%	100.0%
	Total ID Library Services	(203,924)	-	0	(203,924)	(\$9,473)	(196,403.47)			(196,403.47)	(7,521)	96.3%	96.3%
910600	Intefund Expense - Purchasing Services	33,120		0	33,120	\$3,276	28,394.27			28,394.27	4,726	85.7%	85.7%
910700	Interfund Expense - Fleet Service	40,510		0	40,510	\$10,725	22,051.25			22,051.25	18,459	54.4%	54.4%
980000	Interdepart Services DISS	269,089		0	269,089	9,059	255,724.24			255,724.24	13,365	95.0%	95.0%
	System Operating Grand Totals	27,261,091	317,234.16	356,500	27,934,825	2,304,118	26,041,850.48	90,759.17	276,787	26,409,396.65	1,525,429	93.2%	94.5%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
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 100.0% of Budget Year

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												YTD Expend	YTD & Encumb	
<u>ERIE COUNTY CAPITAL FUNDING FOR LIBRARY</u>														
	Library Debt Service	940,143			940,143	0	940,143.07			940,143.07	0.00	100.0%	100.0%	
490	General Obligation Bond Proceeds													
561250	Building Improvements		26,699.00		26,699		2,510	21,700		24,209.64	2,489	9.4%	90.7%	
	Total General Obligations	0	26,699.00	0	26,699	0	2,510.04	21,699.60	0	24,209.64	2,489	9.4%	90.7%	
	Total Erie County Capital for Library	940,143	26,699.00	0	966,842	0	942,653.11	21,699.60	0	964,352.71	2,489	97.5%	99.7%	
	Grand Total Operating and Erie County Capital	28,201,234	343,933.16	356,500	28,901,667	2,304,118	26,984,503.59	112,458.77	276,787	27,373,749.36	1,527,918	93.4%	94.7%	

**Buffalo and Erie County Public Library
Treasurer's Report of
Year to Date Donations
Results for the Period Ending December 31, 2016**

Main Trust	\$1,066,784.93
Encore Editions Proceeds (Invested per resolution 2006-19)	\$92,647.26
2015 Ending Balance	\$1,159,432.19

2016 Activity and Balances

Restricted Donations	\$208,873.72
(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	\$43,312.65
Board Directed to Direct Library Programs	\$0.00
Board Directed to Library Foundation	\$0.00
Total Unrestricted Donations	\$43,312.65

Interest Income	\$706.80
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Less Disbursements	
Direct For Library Programs/Services/Support	(\$241,538.08)
To Library Foundation	\$0.00
Total Disbursements	(\$241,538.08)

Balance, 2016 Activity	\$11,355.09
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Cumulative Balance Library Trust	\$1,170,787.28
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Year-to-date Disbursements Pursuant to Resolution 2010-8 Include:	
Library material purchases (direct from trust)	(\$360.45)
To Library Operating Fund to support Library material purchases	(\$60,000.00)
Programming support	(\$71,321.28)
Equipment, furnishings & supplies	(\$14,358.66)
Exhibit/display preparation and support/Rare Book Room	(\$10,493.48)
Preservation/Conservation (Audubon Birds)	(\$61,980.00)
Construction Grant Match	\$0.00
Raiser's Edge Software and General Fundraising Expense	(\$17,296.15)
Fundraiser Event Expense	(\$1,135.47)
Other	(\$4,592.59)
Total	(\$241,538.08)