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Date: April 30, 2012

To: Chair Stephen Albers and Members of the Board of Trustees

From: Clifford Jo, Finance & Business Director

Subject: 2011 Year End Financial Review

Attached are the following 2011 year-end statements:

- Year End Actuals—General Fund
- Board Report—Budget to Actual by Object (Eden report)

During the Board meeting, we will highlight the financial results. Below are some analyses of the revenues and expenditures for each fund.

- GENERAL FUND -

Revenues

New revenues came in at 1.9% more than the original budget. Note that delinquent property taxes collected is less than anticipated (\$177,000 less) continuing the trend since 2008; all of this was offset by current property tax payments, due to a late December 2009 revised levy certificate that included more property tax revenue. During the upcoming mid-year budget, we will review our property tax calculations and make appropriate adjustments. Erate reimbursement (from prior year telecommunications services) added over \$122,000 to revenue. Total donations and related reimbursements added \$127,000. The total revenue increase was 546,056 above the revenues approved by the Board for 2011 operations.

Expenditures

Compared to the original 2011 original budget, total expenditures came in under by \$805,000 million, which represents a -2.9% decrease. Personnel savings were \$1.23 million due mostly to unfilled positions, lower medical coverage costs, and lower retirement rates.

Collection expenditures for 2010 were slightly over budget by 79,000, which translated to slightly higher than the 16% goal, at 16.1%.

For maintenance and operations, the Library was over budget by \$346,000, which is 9.6% more than the original budget. The increase is primarily due to:

- Software purchases and software services for HR, Foundation, Polaris, statistical gathering, Staffweb, and the Public Website (+\$142,000). These were purposefully approved in fall and winter 2011.

- Network data line costs not reimbursed in 2011 but reimbursed in 2012 (+\$142,000).
- Materials processing services to build up the Fife collection (+\$86,000).
- Insurance premium increase for to add a \$20 million umbrella policy. Also the library was double charged for a portion of the general liability premium in 2011 and received the refund in 2012 (+70,000).

The net of all other line items amounted to -\$94,000.

2011 Year-End Cash Balance (General Fund)

The net effect for the fund balance is an increase as follows:

Beginning Cash Fund Balance (Jan 1).....	\$13,393,738
Add: Net of revenues less expenditures.....	807,172
Less: Transfer from General Fund (2010 operations) to Capital Fund....	(1,643,860)
Less: Transfer from General Fund to Capital Fund for Fife.....	(3,000,000)
Add: Warrants & Sales payable, benefit accruals, and other adj.....	207,977
Ending Cash Fund Balance (Dec 31).....	<u>\$9,765,027</u>

Of this \$807,172, the following items were major contributors to the savings:

Contingency set aside (planned)	\$250,000
Election set aside (planned)	80,000
Net of all other factors	<u>477,172</u>
Net of revenues less expenditures.....	<u>\$807,172</u>