

Memo

To: RAILS Finance Committee
From: Jim Kregor
CC:
Date: 12/7/2011
Re: Budget Overages

Please find attached a fully expanded revenue and expenditure report covering year-to-date October results. By this memorandum we wish to bring to your attention expenditure line items (excluding small amount items) in which we may or already have significantly exceeded the annual budget.

Unemployment Insurance expenditures are likely to exceed the annual budget of \$132,144 as RAILS employees, as of July 1, 2011, were considered to be under a new employer that was liable for unemployment payments on the first \$12,740 of earnings. Payments will again start up after January 1.

Worker's Compensation costs already are over the annual budget by 18.72%. The budget was created, approved, and submitted to the Illinois State Library before bids on insurance were received. The budgeted amounts came from averaging the five predecessor system costs, but ended up being far below the actual amount.

Vehicle Repairs and Maintenance costs currently are 38% over budget as RAILS has experienced several costly repairs to Delivery vehicles. It is unclear whether the total year budget will be exceeded.

Liability Insurance costs through October are over three times the budgeted annual amount. We are investigating this variance to be sure that all incurred costs are properly classified, as some of this may be vehicle insurance, but it appears that we will be significantly over budget in this category. The budget was created, approved, and submitted to the Illinois State Library before bids on insurance were received. The budgeted amounts came from averaging the five predecessor system costs, but ended up being far below the actual amount.

Under Professional Services, Accounting and Consulting Costs are well over budgeted amounts due to absorbing audit costs of the legacy systems and additional consulting needed due to the

complexities of the merger process, and the inability to hire a permanent Controller prior to the merger go-live date.

Despite the above variances, year-to date expenditures were \$209,280 under budget as personnel related expenditures were \$211,090 under, despite the unemployment insurance and workman's compensation expenditure overages, and lower expenditures for most of the remaining cost areas.

RAILS FY12
Statement of Revenues and Expenditures
From 10/1/2011 Through 10/31/2011

	Current Period Actual	YTD Actual	YTD Budget	YTD Budget Variance	Percent of YTD budget	Total Budget	Percent of Annual Budget
REVENUES							
State Grants							
Area And Per Capita	344,183.25	344,183.25	3,200,720.00	(2,856,536.75)	10.75%	9,602,160.00	3.58%
Blind And Physically Handicapped	0.00	0.07	309,260.00	(309,259.93)	0.00%	927,780.00	0.00%
System Automation And Technology	0.00	0.00	9,532.00	(9,532.00)	0.00%	28,596.00	0.00%
Other State Grants	463,887.00	463,887.00	0.00	463,887.00	0.00%	0.00	0.00%
Total State Grants	808,070.25	808,070.32	3,519,512.00	(2,711,441.68)	22.96%	10,558,536.00	7.65%
Fees for services and materials							
Fees For Services And Materials	54,502.96	458,643.92	668,620.00	(209,976.08)	68.59%	2,005,860.00	22.86%
Total Fees for services and materials	54,502.96	458,643.92	668,620.00	(209,976.08)	68.60%	2,005,860.00	22.87%
Reimbursements							
Reimbursements	0.00	820.99	12,356.00	(11,535.01)	6.64%	37,068.00	2.21%
Total Reimbursements	0.00	820.99	12,356.00	(11,535.01)	6.64%	37,068.00	2.21%
Investment Income							
Investment Income	273.39	1,346.24	4,500.00	(3,153.76)	29.91%	13,500.00	9.97%
Total Investment Income	273.39	1,346.24	4,500.00	(3,153.76)	29.92%	13,500.00	9.97%
Other Revenue							
Rental Income	1,301.88	3,103.76	0.00	3,103.76	0.00%	0.00	0.00%
Other Revenue	55,464.30	141,159.33	117,588.00	23,571.33	120.04%	352,764.00	40.01%
Gifts - Unrestricted	80.00	1,346.00	0.00	1,346.00	0.00%	0.00	0.00%
Gifts - Restricted - MITBC	0.00	370.00	0.00	370.00	0.00%	0.00	0.00%
Total Other Revenue	56,846.18	145,979.09	117,588.00	28,391.09	124.14%	352,764.00	41.38%
Total REVENUES	919,692.78	1,414,860.56	4,322,576.00	(2,907,715.44)	32.73%	12,967,728.00	10.91%
EXPENDITURES							
Personnel							
Library Professionals	59,673.21	233,685.11	275,176.00	41,490.89	84.92%	825,528.00	28.30%
Other Professionals	149,934.73	602,113.57	634,604.00	32,490.43	94.88%	1,903,812.00	31.62%
Support Services	155,574.64	626,439.37	658,576.00	32,136.63	95.12%	1,975,728.00	31.70%
Social Security Taxes	26,786.79	107,757.14	121,100.00	13,342.86	88.98%	363,300.00	29.66%
Unemployment Insurance	35,863.59	92,373.63	44,048.00	(48,325.63)	209.71%	132,144.00	69.90%
Worker'S Compensation	0.00	67,020.60	18,816.00	(48,204.60)	356.18%	56,448.00	118.72%
Retirement Benefits	45,354.06	184,422.83	196,760.00	12,337.17	93.72%	590,280.00	31.24%
Health, Dental And Life Insurance	39,044.70	198,430.03	397,292.00	198,861.97	49.94%	1,191,876.00	16.64%
Other Fringe Benefits	0.00	4,531.22	540.00	(3,991.22)	839.11%	1,620.00	279.70%
Temporary Help	9,416.80	19,567.37	0.00	(19,567.37)	0.00%	0.00	0.00%
Recruiting	304.50	1,449.00	1,968.00	519.00	73.62%	5,904.00	24.54%
Total Personnel	521,953.02	2,137,789.87	2,348,880.00	211,090.13	91.01%	7,046,640.00	30.34%
Library materials							
Print Materials	0.00	279.49	772.00	492.51	36.20%	2,316.00	12.06%
E-Resources	0.00	5,370.79	5,364.00	(6.79)	100.12%	16,092.00	33.37%
Total Library materials	0.00	5,650.28	6,136.00	485.72	92.08%	18,408.00	30.69%
Buildings and grounds							

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	Current Period Actual	YTD Actual	YTD Budget	YTD Budget Variance	Percent of YTD budget	Total Budget	Percent of Annual Budget
Rent/Lease	2,970.00	35,523.76	51,688.00	16,164.24	68.72%	155,064.00	22.90%
Utilities	19,951.65	71,316.51	78,500.00	7,183.49	90.84%	235,500.00	30.28%
Property Insurance	0.00	3,137.60	12,336.00	9,198.40	25.43%	37,008.00	8.47%
Repairs And Maintenance	14,295.37	27,071.65	31,896.00	4,824.35	84.87%	95,688.00	28.29%
Custodial/Janitorial Service And Supplies	3,076.92	11,284.78	14,348.00	3,063.22	78.65%	43,044.00	26.21%
Other Buildings and Grounds	2,003.36	11,949.21	9,552.00	(2,397.21)	125.09%	28,656.00	41.69%
Total Buildings and grounds	42,297.30	160,283.51	198,320.00	38,036.49	80.82%	594,960.00	26.94%
Vehicles Expenses							
Fuel	19,670.47	86,046.33	83,012.00	(3,034.33)	103.65%	249,036.00	34.55%
Repairs And Maintenance	11,689.48	33,070.44	23,932.00	(9,138.44)	138.18%	71,796.00	46.06%
Vehicle Insurance	0.00	0.00	11,368.00	11,368.00	0.00%	34,104.00	0.00%
Vehicles Leasing And Rent	0.00	0.00	1,000.00	1,000.00	0.00%	3,000.00	0.00%
Other Vehicle Expenses	95.83	406.72	5,352.00	4,945.28	7.59%	16,056.00	2.53%
Total Vehicles Expenses	31,455.78	119,523.49	124,664.00	5,140.51	95.88%	373,992.00	31.96%
Travel and continuing education							
In-State Travel	604.75	2,834.02	26,536.00	23,701.98	10.67%	79,608.00	3.55%
Out-Of-State Travel	0.00	0.00	7,852.00	7,852.00	0.00%	23,556.00	0.00%
Registrations And Meeting, Other Fees	130.00	914.03	5,600.00	4,685.97	16.32%	16,800.00	5.44%
Conferences And Continuing Education Meetings	224.26	853.38	3,768.00	2,914.62	22.64%	11,304.00	7.54%
Total Travel and continuing education	959.01	4,601.43	43,756.00	39,154.57	10.52%	131,268.00	3.51%
Public Relations	0.00	217.42	3,332.00	3,114.58	6.52%	9,996.00	2.17%
Commercial insurance							
Liability Insurance	8,152.00	155,248.80	16,852.00	(138,396.80)	921.24%	50,556.00	307.08%
Total Commercial insurance	8,152.00	155,248.80	16,852.00	(138,396.80)	921.25%	50,556.00	307.08%
Supplies, postage and printing							
Computers, Software And Supplies	42.50	5,340.32	34,632.00	29,291.68	15.42%	103,896.00	5.14%
General Office Supplies And Equipment	1,082.13	9,464.75	20,444.00	10,979.25	46.29%	61,332.00	15.43%
Postage	774.07	10,644.66	25,844.00	15,199.34	41.18%	77,532.00	13.72%
Binding	0.00	0.00	1,068.00	1,068.00	0.00%	3,204.00	0.00%
Delivery Supplies	4,209.64	11,761.56	13,540.00	1,778.44	86.86%	40,620.00	28.95%
Other Supplies	0.00	2,451.35	9,472.00	7,020.65	25.87%	28,416.00	8.62%
Total Supplies, postage and printing	6,108.34	39,662.64	105,000.00	65,337.36	37.77%	315,000.00	12.59%
Telephone and telecommunications	14,053.84	29,320.09	63,968.00	34,647.91	45.83%	191,904.00	15.27%
Equipment rental, repair and maintenance							
Equipment Rental	3,333.29	12,537.16	13,100.00	562.84	95.70%	39,300.00	31.90%
Equipment Repair And Maintenance Agreements	698.00	19,555.12	29,364.00	9,808.88	66.59%	88,092.00	22.19%

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	Current Period Actual	YTD Actual	YTD Budget	YTD Budget Variance	Percent of YTD budget	Total Budget	Percent of Annual Budget
Total Equipment rental, repair and maintenance	4,031.29	32,092.28	42,464.00	10,371.72	75.58%	127,392.00	25.19%
Professional services							
Legal	577.50	8,142.60	16,668.00	8,525.40	48.85%	50,004.00	16.28%
Accounting	13,532.50	99,384.37	33,664.00	(65,720.37)	295.22%	100,992.00	98.40%
Consulting	15,021.00	105,436.96	16,668.00	(88,768.96)	632.57%	50,004.00	210.85%
Payroll service fees	649.00	9,188.47	0.00	(9,188.47)	0.00%	0.00	0.00%
Contractual Staff	0.00	14,005.85	16,668.00	2,662.15	84.02%	50,004.00	28.00%
Total Professional services	29,780.00	236,158.25	83,668.00	(152,490.25)	282.26%	251,004.00	94.09%
Contractual services							
Information Service Costs	8,417.08	18,709.70	38,020.00	19,310.30	49.21%	114,060.00	16.40%
Contract Agreements w/ Systems, Member Libraries Other Coops	938.71	938.71	50,116.00	49,177.29	1.87%	150,348.00	0.62%
Outside Printing Services	0.00	672.14	13,268.00	12,595.86	5.06%	39,804.00	1.68%
Other Contractual Services	215.97	215.97	10,812.00	10,596.03	1.99%	32,436.00	0.66%
Total Contractual services	9,571.76	20,536.52	112,216.00	91,679.48	18.30%	336,648.00	6.10%
Professional association membership dues	0.00	9,560.00	4,916.00	(4,644.00)	194.46%	14,748.00	64.82%
Interest							
Interest	3,734.77	15,354.20	15,912.00	557.80	96.49%	47,736.00	32.16%
Principal Paid	0.00	20,905.59	0.00	(20,905.59)	0.00%	0.00	0.00%
Total Interest	3,734.77	36,259.79	15,912.00	(20,347.79)	227.88%	47,736.00	75.96%
Miscellaneous	156.76	568.00	26,668.00	26,100.00	2.12%	80,004.00	0.70%
Total EXPENDITURES	672,253.87	2,987,472.37	3,196,752.00	209,279.63	93.45%	9,590,256.00	31.15%
EXCESS(DEFICIENCY) OF REVENUE OVER EXPENDITURES	247,438.91	(1,572,611.81)	1,125,824.00	(2,698,435.81)	(139.68)%	3,377,472.00	(46.56)%