Central New York Library Resources Council

Finance Committee

September 26, 2012

2:00pm

**Present:** Jeff Wooldridge, Chair (MYLS); Katy Benson (Maxwell Memorial Library); Mary Fitzgerald (CLRC Accountant); Debby Emerson (CLRC Executive Director), liaison; Jim Williamson (SUNY ESF); Déirdre Joyce (CLRC Assistant Director); Drew Urbanek (Herkimer Community College, via teleconference); Charla Roth (Dannible & McKee, LLC); Peggy Rowe (Dannible & McKee, LLC, partner)

**Excused:** Nancy Howe (Baldwinsville Public Library)

**Jeff Wooldridge called the meeting to order at 2:02 p.m.**

Jeff suggested that the committee move the audit report to the top of the agenda with respect to the auditor’s time.

**Agenda Items:**

1. **2011-12 Audit**
   * Presented by Dannible & McKee
   * Started with the Financial Statements and the report to the Finance Committee
   * Peggy Rowe thanked the staff and the committee and the Board
   * Began with Independent Auditor’s report
     + Fairly presented in accordance with accounting principles
   * Statements of Financial position (Charla Roth)
     + Noted 2 major changes from the prior year, cash remained positive
       - Furniture and equipment, computer upgrades and conference room tables were above threshholds
       - Liabilities biggest increase was with accruals, accrued sick and the deferred revenue from the 2011 RBDB
   * Statement of Activities
     + Fluctuations in revenue, 6% drop
     + NO service income from WALDO
     + No special legislative
     + Expenses have shifted in allocation. 77% of dollars in programming, 14% in management, the rest on membership – a larger drive in developing membership reflected in Debby’s time
   * Statement of Cash Flows
     + Net increase in cash of $65,000, as directed by CLRC’s Board of Trustees
   * Notes
     + Mary commented on the revenue recognition; stated that CLRC recognizes the state aid on the same basis as the membership funds. Peggy responded that they were trying to differentiate the state aid, for external financial statement it can be recognized at the time of the award, rather than incurred monthly as “expended”. Mary agreed.
     + Furniture and equipment is a new note. (see report)
     + Drew asked how fair market value is determined. Peggy responded that it depends, if some vendor gives it to you – what would they sell it for. If it’s a piece of used furniture, the question is whether or not there would be any value left.
     + Affirmed 501c3 status, which determined by functional statements
     + Opinion date will be filled in as it is made, with no new subsequent events
   * Independent Auditor’s Report
     + Salaries went up due to the sick accrual with a full year of Debby and an additional staff member (Katie O’Connell, Claire Enkosky)
     + Decrease in services due to things not renewed
     + Everything else very consistent
   * Report to the Finance Committee (see report)
     + Sick accrual was larger than it should have been, and would have only been 9K if booked last year.
   * Control deficiencies
     + Get board member involved in segregating financial activities, such as reviewing payroll and QuickBooks access
     + Will come up with management responses
     + Katy asked about the Payroll register; Mary clarified that what is presented to the Finance Committee is the Check and Deposit Register. Accountants advised that this be shown to the Finance Committee.
     + Motion to approve the reports as presented and recommend the auditor’s presentation to the full Board of Trustees at the October meeting (Williamson/S/A)
2. **Approval of the Minutes**

A motion was made to accept the minutes from the May 2 meeting as presented. (Benson/S/A)

1. **Check and Deposit Register through August 31, 2012**
   * Mary presented the check and deposit register through 8/31/2012.
   * A substantial portion of the funding came in; RBDB 2012 showed up in August 2012 as opposed to after the end of the year (as in 2011).
   * Katy asked where the Operating Funds come from. Debby clarified that this comes from DLD.
   * Dues coming in.
   * There is Empire Library Delivery (ELD) which members were given an option of paying in quarterly increments, or as a single payment. This is a pass-through. ELD used to be LAND and is now run by the NY3Rs and each Council bills participating members. NY3Rs provided an invoice to CLRC against which to pay the ELD bills (should be net/net when complete). This is a timing issue more than anything. Participating members are paying in a variety of different ways, and keeps Mary billing all year.
   * Jeff asked if we receive State Aid electronically and has this switched to Chase? In process (see Bank Update, below).
   * Katy asked what Lynda.com and ReadyTalk is. RT is conference call service. Déirdre explained Lynda.com as an educational tool being offered to CLRC members during the 2012-13 year.
   * Jeff asked about the Check Register, asked about the 19K payment, it is related to ELD.
   * Mary noted that there are a number of substantial checks due to the renewal of Newsbank, Encyclopedia Britannica (also a pass through), OCLC, StatREF, etc.
   * Katy asked about the awards. Once the 2012 RBDB money was received and deposited; CLRC sent the checks out to the 2012 recipients (which had been awarded last December).
   * Motion to approve Check and Deposit register. (Benson/S/A)
2. **Financial Reports ending August 31, 2012**
   * Mary noted the negative cash balance due to timing; the transfer was made after the holiday.
   * A/R higher due to ELD, membership dues, Newsbank billings, etc.
   * Misc grant receivables much lower due to the receipt of major pieces of funding. There are a few reimbursement grants that are the exceptions (DHP, LSTA).
   * A/P higher due to unpaid portion of Britannica, ELD, Newsbank – as the money comes in, it gets paid. CLRC does not front the money.
   * Audit adjustments were not received until after the statement was created. Payroll liabilities due to sick pay. No adjustments made because there was no significance. Deferred revenue accounts still pretty high because we have yet to spend the money
   * Income by Class – Revenue is recognized with spending, so therefore a balance of zero. Operating looks like a loss due to ELD, and issues with timing. Mary has an increase in her time due to the year-end audit, helping Debby prepare state report, a flurry of billing activity (ELD, membership, databases) and setting up accounts for the beginning of year. Mary also did quite a bit of work related to the allocations of activity (done by the accounting firm last year, Mary’s time was significantly less expensive).
   * Budget to Actuals
     + Jeff asked for clarification on the RBDB schedules, one is 2011 and one is 2012 (pages 10 & 11). Mary will correct this. More 2011 money continues to be spent. The second page refers to the 2012 funding. All funding for 2011 was received in 2012 and has not been fully expended. Mary will adjust labels.
   * Motion to accept the Financial Statements (Williamson/S/Approved).
3. **Bank Update**
   * Moving accounts to Chase including: operational checking, savings, and PayPal checking. These are all now open at Chase while working on closing HSBC. Started writing checks on Chase account this last week. Debby is almost ready to move the money market, not yet ready to move checking due to outstanding checks.
   * Jeff asked if there will be an online component to Chase. Debby said that it will be similar to HSBC with transferring, etc. Mary noted that we were previously waiting to make sure the Payroll was removed correctly, which was confirmed this week as payday was Wednesday 9/26.
   * Jeff confirmed that the payroll vendor is ADP.
   * Debby had completed paperwork to change electronic deposit with the state, but the routing number was incorrect. This is something that will be resolved imminently.
   * Jeff asked about the auditor’s recommendations for checks and balances. Debby said that account signers needed to activate the debit card in order to use online banking. Jeff and Déirdre were hesitating with the debit cards but will do so in order to access the accounts online.
4. **Other Business –** 
   * This was Jim Williamson’s (SUNY ESF) last meeting. Committee members thanked Jim for his service.

**NEXT MEETING: December 5, 2012 at 2:00pm.**

A motion was made to adjourn at 3:01 pm (Benson/S/A).

Respectfully submitted,

Déirdre Joyce

Assistant Director, CLRC