

Annotated Profit and Loss Statement, FY 2013-2014

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Common Questions

- What is a Profit and Loss Statement (P&L)?
 - A P&L a record of all income and expenses (spending) over the course of a year. It is basically a Variance Statement without the comparison to the Budget.
- What is an Annotated P&L?
 - An Annotated P&L is a tool that aims to explain important items in the P&L with words. The goal for members who are unfamiliar or uncomfortable with P&Ls to still receive the important information reflected therein. Additionally, it is used as a guide to focus Board attention on items deemed particularly important or noteworthy by the Finance Office.
- Terms
 - FY#### - FY stands for Fiscal Year, and can be thought of as a budget period. The ICC's Fiscal Year begins on May 1 and ends on April 30 of the following calendar year. The numbers after "FY" represent the years of the Fiscal Year, e.g., FY1314 means the Fiscal Year beginning May 1, 2013 and ending April 30, 2014.
- What the numbers to the left of each line item? And what *is* a line item anyway?
 - Accounting is a method of organizing money with labels, and line items are the different "labels" with which we do this. For example, when you pay charges, the income is labeled "ICC Charges" and gets put in the ICC Charges line item (31000). The numbers to the left of the line items are unique identifiers that help accountants identify and differentiate each line item.

The Annotated Variance

DISCLAIMER – The ICC's FY1314 P&L is *unaudited*, meaning it has not yet been checked by CPAs to verify that it is reasonably correct. This P&L is correct *to the best of our ability thus far*, but there may be some mistakes, items not reported, and things that aren't the way we'd prefer them to be. The ICC audit is taking place at the end of October, and the board will be presented with audited financial statements as soon as they are available.

- Income – "Money in," such as charges, fees, and proceeds on money we've loaned out
 - *31000 ICC Charges* – Revenue from ICC Charges. The old system involved pretending that we were 100% full and then subtracting out Vacancies to get a proper "net" amount.
 - *32000 Member Fees* – New members pay \$100 when they join the ICC
 - *32020 Surcharge Income* – Fall-only fees, \$500 per person
- Expense – "Money out," such as checks written for bills, loans, payroll, or maintenance

- *41001 Loan Interest Expense* – The ICC normally has two loans with Comerica: a Mortgage Loan of ~\$1.8 million and a Line of Credit (sort of like a credit card for a business; it was paid off in full in September) of \$500,000. Payments on these are automatically withdrawn from our Comerica bank account, and were logged in QuickBooks using Journal Entries.
- *42000 Property Tax* – The ICC currently pays property taxes of about \$280,000 annually
- *42100 Building Expenses* – These items essentially make up the ICC’s Utilities
- *44150 Major Projects* – Major Maintenance spending gets charged to this line over the course of the year. However, this spending is “capitalized” (please see Annotated Balance Sheet) to “Building Improvements” on the Balance Sheet at the end of the year to represent the fact that the full value of the maintenance improvements will be realized over time.
- *45133 Gregory Insurance Payout* – Maintenance costs for Gregory repairs done last fiscal year are in this line. Gregory repairs have cost around \$130,000 since the fire in January 2013. These costs are of three types: 1) repairs to fire damages, 2) construction upgrades required by city code when new construction is performed, 3) construction upgrades that made sense/were mandatory given the circumstances of other repairs and Gregory being empty. The ICC received two checks from the insurance company last year of totaling about \$58,850. The final two checks (\$24,000 and \$45,000) from the insurance company were received on 10/10/14.
- *44200 Annual Maintenance* – Annual Maintenance spending led by Geoff!
- *45000 Payroll* – All Part-Time and Full-Time payroll, in addition to miscellaneous staff-related costs.
- *46000 Administrative Services* – various office-related expenses
- *46500 Organization Dues* – Dues we pay to cooperative- and other organizations
- *46999 Committees and Activities* – Committee and Team budgets
- *Other Income/Expense* – Mostly Alumni-related activity. This is designated as “Other” because it isn’t part of the normal business operations of the ICC.