

## 2014 WPWA End-of-Year Financial Assessment

P. August, Treasurer  
March 18, 2015

This short report accompanies the "*Profit and Loss Budget vs. Actual Report* (3/17/2015).

Special thanks to Kristy Armstrong (WPWA accountant) and Chris Fox for their help in preparing this assessment. Kristy cringes every time I perform this exercise. Her reports are accurate and meet every accounting standard required by her professional community of peers. It is painful for her to watch me dissect her careful presentations of fact but I find the exercise necessary in order to communicate our financial condition to the Board of Directors. Chris' excellent command and memory of WPWA operations and transactions over the year always comes through in identifying important financial transactions that might not be reported in the P&L Report.

The fundamental goal of my analysis is to reconcile funds against the 2014 budget and to determine if funds coming in to WPWA balanced funds going out.

On the surface, the WPWA ran an \$81,794 deficit in 2014 and this was \$62,085 more than we had expected from our budgeting. This raises red flags and invites deeper examination. Careful scrutiny of the P&L statement shows a number of categories that require explanation and adjustment. Furthermore, many of the items in the P&L statement do not contribute to money in/out or are significant to the 2014 budget but do not appear in the statement.

ACCOUNT CATEGORY	EXPLANATION	ADJUSTMENT
INCOME		
4300	These are realized gains on investments bought and sold, all are reinvested and we do not see any spendable cash	-13,965.20
4350	These are unrealized gains/losses (overall value of portfolio) and do not contribute spendable cash	+5,742.29
4400	\$80,000 of Lattner funding for 2014 came in Dec 2013 and is not shown in the 2014 report. 2015 Lattner funds arrived in Dec 2014 and need to be subtracted from the total.	+80,000 -40,000
4700	This is interest/dividends that have accrued but not used as spendable cash	-15,033.41
4800	Annual formulaic transfer from endowments to operating budget	+8,500
5500	Special projects.	-270,280.31
TOTAL		-245,036.63

<b>Adjusted Income</b>	<b>Reported income less adjustments</b>	<b>184,021.21</b>
<b>EXPENSES</b>		
7800	Payroll. This is high because we had 27 pay periods. The extra pay period costs us \$4,896. No adjustment, just explanation	
8000	Special project expenses	-298,721.42
<b>TOTAL</b>		<b>-298,721.42</b>
<b>Adjusted Expenses</b>	<b>Reported expenses less adjustment</b>	<b>211,874.18</b>
<b>Adjusted Net</b>	<b>Adjusted Income minus Adjusted Expense</b>	<b>-27,852.97</b>
Receivables 2014	Accounts Receivable, money owed us for 2014	27,603.00
<b>FINAL TOTAL</b>	<b>Adjusted Net minus Receivables</b>	<b>-\$249.97</b>

Conclusion: Just looking at income and expenses outside of special projects, and incorporating accounts receivable that are owed us for 2014, our books balanced for 2014.