

Budget Notes

REVENUES

	<u>Current</u>	<u>Proposed</u>	<u>Notes</u>
Library Generated	\$ 35,000	\$ 35,000	
Interest Income	\$ 7,000	\$ 7,000	
Sales Tax	\$ 47,000	\$ 47,000	
Property Tax	\$ 794,666	\$ 838,506	3% increase plus \$20,000, which is avg. amt. in new construction we receive in add. to other prop. tax.
Grants	\$ 77,426		
Transfer In	\$ 25,808		
Total Revenue	\$ 986,900	\$ 927,506	

EXPENDITURES

	<u>Current</u>	<u>Proposed</u>	<u>Notes</u>
Salaries & Benefits	\$ 642,359	\$ 675,028	Increase results from Adult Svcs Mgr up to 1.0; bringing all staff not at the top of the grid up to the top for equity; med. Benefits increases
Staff Development	\$ 4,532	\$ 5,650	Increased because of gas prices, which included addl for travel by new Dir throughout the county
Library Materials	\$ 84,794	\$ 111,301	Current budget Bd. Approved additional \$20k from fund balance; proposed estab. it at 12% of revenue
Interlibrary Loan	\$ 2,000	\$ 500	Reduced because of VALNet membership
Library Operations	\$ 114,981	\$ 129,942	Increases: Util - \$7k, Internet \$2,300; contract courier \$5k (over cost of auto exp); processing supplies; VALNet
Grants	\$ 103,234		No grants built in
Capital Expenditures	\$ 5,000	\$ 10,000	Replace 1/4 of computers, copies, printers, etc. each year
Depreciation	\$ 12,000	\$ 12,000	Mandated by GASB 34
Unfunded Sick Leave	\$ 13,000	\$ 10,000	Less because we have no unemployment claims (at this time)
Discretionary	\$ 5,000	\$ 5,000	
Total Expenditures	\$ 986,900	\$ 959,421	
Difference	\$ -	\$ (31,915)	

NOTES:

- 1) This budget includes no pay increases for staff nor any addl staffing for leave time (subs)
- 2) I ran this scenario past our auditor and he asked if this overage was the result of one-time expenses or on-going. He responded:
 - Given the District has a healthy fund balance, drawing it down does not in and of itself pose a problem as long as it is clear what the minimum is that the board wants to retain (an amount equal to the lowest cash point reached during the preceding year). This way the District can run on a cash basis and not have to borrow money.
 - The big question is "how can the District afford to continue to borrow from the fund balance to pay on-going expenses?"

RECOMMENDATION

Recommend that the board approve this budget, realizing that it will draw the fund balance down approximately \$32,000 just to cover on-going costs. This will buy the District some time so the new director can get acclimated, the tiered plan can be implemented, and the demands from VALNet membership can be better assessed. However, this over-spent budget should be a one-time only approach, which means that during the next year some way to bring the budget into balance must be found.