

Revised Budget FY 2019



Southeastern Public Library System of Oklahoma

Presented to the SEPLSO Board November 13th, 2018



**Southeastern Public Library
System of Oklahoma**

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Presented to the SEPLSO Board _____th, 20__**

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FY 2019 Revised Budget Overview

As required by statute, SEPLSO submitted an initial budget for FY 2019 to the Oklahoma Department of Libraries prior to June 1st, 2018. We call this our initial budget because each fall, once expense estimates and, much more importantly, tax valuations are received, the SEPLSO Board approves a second, revised budget. The initial budget uses many educated guesses and historical trends to predict income and expenses for the coming year. The Revised Budget uses more current expense projections and actual tax valuations to predict ad valorem revenue.

Revenue

Ad valorem assessments show another year of strong growth. McCurtain County has a large amount of new property that is now being taxed that has greatly increased our revenue the past two years. Only Coal and Latimer County assessments resulted in less ad valorem than anticipated in the Initial Budget.

State aid, which had been steadily shrinking for many years, has been a concern when budgeting. Thankfully, the healthy revenues collected by the State of Oklahoma portends an end to cuts for state agencies. This year, the Oklahoma Department of Libraries anticipates no cuts from last year's state funding. It is even probable that we will receive more state aid than we received last year.

Personnel Expenses

The requested personnel expenses may shock you at first glance. These numbers have increased for several reasons.

- Under the Health Insurance Policy, staff with qualifying coverage elsewhere may opt out of our provided insurance and receive half of the cash value of their premiums as pay. We currently have six persons who have opted out with qualifying coverage elsewhere, and that number must be reflected in salaries.
- I found an error in my payroll worksheets in which the pay of a \$30,000 a year assistant was not being included.
- I had failed to list the insurance one employee receives on the payroll spreadsheet.
- The addition of the Program Librarian position was unexpected at the time of the Initial Budget. The total payroll costs associated with this position exceed \$40,000.
- These funds include a new position of a part-time driver who would deliver courier materials twice a week, freeing staff members in Wister and Poteau to return to normal duties.
- The cost of the initial Service Recognition Awards, \$15,000, is included.
- In January we hope to present a new Classification and Pay Policy and structure to the Board. Although I anticipate a three-year plan to fully implement, we are budgeting \$32,000 for the initial phase of this project.
- All of these new costs would add \$11,000 to our FICA taxes and \$17,00 to retirement.

Operating Expenses

Within Operating Expenses two line items increased sharply. Our insurance increased by \$21,000. Approximately \$15,000 of the increased insurance costs came because we lost our 25% discount due to the 2017 claim for Poteau's sewage backup. Another \$3,500 resulted from increasing our limits to ensure sufficient coverage in case of catastrophic loss. The remainder was the cost of insurance for three new vehicles, which included three months prorated until the beginning of our coverage period in October.

Computers and Software show a large increase as well because Sporos, our IT consultants, identified equipment related to our servers that must be replaced before data loss occurs. We are also requesting funds to cover the cost of SEPLSO-issued laptops for key managers. I increased this number a little more just in case other hardware should need replacement.

Equipment Rental and Repair show an increase to cover increases in printing and copies.

I have decreased our Internet expense as the number entered here has always been a safeguard in case e-rate or OUSF funding failed to materialize. That has never been a problem, and with the simplification of e-rate billing over the years maintaining such a cushion seems overly cautious.

Informational Materials

We have reallocated funds from physical materials to downloadable materials within the overall Informational Materials category. This is our strongest area of growth. The cuts to physical materials will be taken from the selection of nonfiction titles, an area in which many items are bought but do not circulate.

Capital Projects/Reserve

I have removed the amount for Vehicle Reserve. Since we are looking at beginning and funding our Capital Replacement Plan with funds already owned, it seemed redundant to list vehicle costs here.

I extend a special thank you to the budget committee members who have provided guidance and oversight to this document, and to the entire SEPLSO staff who provide me with feedback regarding staffing, material, and physical needs. An extra special appreciation goes to our administrative team of Rhonda Tidwell and Charlene McDonald who enter and manage most of our financial information. I look forward to discussing this document with you soon.

Sincerely,

Michael Hull, Executive Director

Income	Ad Valorem Income	4,748,000	
	State Aid	105,182	
	Interest	35,000	
	Fees & Charges	90,740	
	Total Income	<u>\$4,978,922</u>	
Expenses	1. Payroll Expenses	3,490,673	
	2. Operating Expenses	798,802	
	3. Informational Materials	689,446	
	4. Capital Projects/Reserve	-	
	Total Expenses	<u>\$4,978,922</u>	
	Net Ordinary Income	<u>\$0</u>	



Supporting Documents

Line Item Budget

Projected Cash Flow

Projected Revenue

Projected Expenses

Income	Ad Valorem Income	4,748,000
	State Aid	105,182
	Interest	35,000
	Fees & Charges	90,740
	Total Income	<u>\$4,978,922</u>

Expenses	1. Payroll	2,446,803
	2. FICA Taxes	188,580
	3. Unemployment Taxes	14,340
	4. Workers' Compensation	36,702
	5. Retirement Contribution	338,727
	6. Human Resources	24,468
	7. Employee Benefits	441,053
	Total Personnel	<u>3,490,673</u>

8. Utilities	5,800
9. Telephone	17,436
10. Board Travel	15,000
11. Continuing Education	15,210
12. Employee Travel	44,442
13. Postage and PO Box Rent	12,302
14. Vehicle Operation	10,000
15. Equipment Rental & Repair	59,600
16. Maintenance Contracts	140,000
17. Reading Center Equipment	9,024
18. Insurance	61,092
19. Office Supplies	37,555
20. Special Programs & Supplies	47,800
21. Marketing	13,550
22. Memberships	6,415
23. Furniture & Equipment	24,150
24. Audit	18,000
25. Revaluation	98,590
26. Internet	4,005
27. Computers & Software	53,124
28. Automation Support	64,625
29. Professional Fees	38,800
30. Miscellaneous	2,283

Total Operating 798,803

Continued next page

31. Branch Informational Materials	431,000
32. Downloadable Content	71,000
33. Bibliographic Services	43,100
34. Reading Center Materials	16,000
35. Online Information	128,346
Total Materials	<u>689,446</u>
36. Vehicle Reserve	-
Total Reserves	<u>-</u>
Total Expenses	<u>\$4,978,922</u>
Net Ordinary Income	<u>\$0</u>

Funds Balance July 1, 2018

SEPLSO Primary Checking Account	256,129
SEPLSO Secondary Checking Account	3,922,637
Local Branch Accounts	19,396
Certificates of Deposit	<u>1,597,446</u>
Total SEPLSO Funds July 1, 2018:	\$5,795,608

FY 2019 Projected Income

Ad Valorem	4,748,000
State Aid (estimated)	105,182
Interest (estimated)	35,000
Fees & Charges (estimated)	<u>90,740</u>
Total Estimated FY 2019 Income	\$4,978,922

Total Funds Available FY 2019: \$10,774,530

FY 2019 Estimated Expenses: (\$4,978,922)

Estimated Funds Balance June 30, 2019: \$5,795,608

Ad Valorem	FY 2018 Actual	FY 2019 Initial	FY 2019 Revised	FY 2018 Difference	Initial 2019 Difference	Comments
Choctaw County	278,000	273,269	290,000	12,000	16,731	
Coal County	448,000	409,690	400,000	-48,000	-9,690	
Haskell County	250,000	244,709	249,000	-1,000	4,291	
Latimer County	256,000	253,201	243,000	-13,000	-10,201	
LeFlore County	1,005,000	1,000,799	1,022,000	17,000	21,201	
McCurtain County	903,000	847,953	940,000	37,000	92,047	
Pittsburg County	1,552,000	1,559,825	1,604,000	52,000	44,175	
	\$ 4,692,000	\$ 4,589,446	\$ 4,748,000	\$ 56,000	\$ 158,554	

STATE AID	FY 2018 Actual	FY 2019 Initial	FY 2019 Revised			
State Aid	\$ 105,182	\$ 75,722	105,182	\$ 0	\$ 29,460	

State aid should at least remain flat thanks to a growing state economy.

Interest	\$ 29,000	\$ 35,000	\$ 35,000	\$ 6,000	\$ 0	
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FEES & CHARGES						
Fees & Charges	\$ 90,740	\$ 88,488	\$ 90,740	\$ 0	\$ 2,252	

Total Revenue	\$ 4,916,922	\$ 4,788,656	\$ 4,978,922	\$ 62,000	\$ 190,266	
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	FY 2018 Actual	FY 2019 Initial	FY 2019 Revised	FY 2018 Difference	FY 2019 Initial Difference	
1 Payroll	2,290,108	2,319,002	2,446,803	156,695	127,801	See notes on Page 1.
2 FICA Taxes	173,201	177,333	188,580	15,379	11,247	
3 Unemployment Taxes	13,186	14,308	14,340	1,154	33	
4 Workers' Compensation	10,853	34,785	36,702	25,849	1,917	
5 Retirement Contribution	317,827	324,660	338,727	20,900	14,067	Increased payroll equates to increased retirement.
6 Human Resources	10,558	14,400	24,468	13,910	10,068	Retirement fees now included here instead of with Retirement Contribution.
7 Employee Benefits	428,077	445,134	441,053	12,976	-4,081	A few employees have elected to opt out with qualifying coverage with another provider.
Total Personnel	\$ 3,243,810	\$ 3,329,622	\$ 3,490,673	\$ 246,863	\$ 161,051	
				0		
8 Utilities	5,360	5,800	5,800	440	0	
9 Telephone	15,407	17,436	17,436	2,029	0	
10 Board Travel	8,829	15,000	15,000	6,171	0	
11 Continuing Education	22,243	13,265	15,210	-7,033	1,945	Sending staff to Encyclomedia/OTA Conference.
12 Employee Travel	42,349	44,547	44,442	2,093	-105	
13 Postage and PO Box Rent	640	12,302	12,302	11,662	0	
14 Vehicle Operation	8,424	10,000	10,000	1,576	0	
15 Equipment Rental & Repair	57,288	55,600	59,600	2,312	4,000	Increased copies and prints.
16 Maintenance Contracts	139,835	140,000	140,000	165	0	
17 Reading Center Equipment	7,160	9,024	9,024	1,864	0	
18 Insurance	39,527	39,790	61,092	21,565	21,302	25% discount was lost plus a slight increase in coverage limits.
19 Office Supplies	38,820	36,675	37,555	-1,265	880	
20 Special Programs & Supplies	46,018	47,800	47,800	1,782	0	
21 Marketing	14,962	13,550	13,550	-1,412	0	
22 Memberships	4,394	4,245	6,415	2,021	2,170	Added membership in some Chambers of Commerce and service organizations for head librarians.
23 Furniture & Equipment	21,173	22,750	24,150	2,977	1,400	New desk needed in Spiro due to water damage.
24 Audit	15,000	15,000	18,000	3,000	3,000	Actual costs of audit, including expenses.
25 Revaluation	91,820	102,976	98,590	6,770	-4,386	Actual costs were less than budgeted.
26 Internet	3,255	16,020	4,005	750	-12,015	See note on page2.
27 Computers & Software	183,571	38,181	53,124	-130,447	14,943	IT consultants have identified server equipment in need of replacement and we are hoping to purchase laptops for management team.
28 Automation Support	61,878	61,880	64,625	2,747	2,745	Our subscription increased from FY 2018.
29 Professional Fees	32,761	39,100	38,800	6,039	-300	

	FY 2018 Actual	FY 2019 Initial	FY 2019 Revised	FY 2018 Difference	FY 2019 Initial Difference
30 Miscellaneous	4,571	2,272	2,283	-2,288	11
Total Operating	\$ 865,285	\$ 763,213	\$ 798,803	\$ -66,482	\$ 35,590
				0	
31 Branch Informational Materials	417,427	448,000	431,000	13,573	-17,000
32 Downloadable Content	75,735	58,000	71,000	-4,735	13,000
33 Bibliographic Services	50,772	44,800	43,100	-7,672	-1,700
34 Reading Center Materials	13,708	16,000	16,000	2,292	0
35 Online Information	129,827	121,021	128,346	-1,481	7,325
Total Materials	\$ 687,469	\$ 696,500	\$ 689,446	\$ 1,977	\$ 1,625
36 Vehicle Reserve	8,000	2,500	0	-8,000	-2,500
37 Computer Reserve	0	0	0	0	0
Total Assigned	\$ 8,000	\$ 2,500	\$ 0	\$ -8,000	\$ -2,500
				0	
Total Expenses	\$ 4,804,564	\$ 4,791,835	\$ 4,978,922	\$ 174,358	\$ 187,087

Reallocated for downloadable content and online information.

This is our largest area of growth.

Increased fees over Fy 2018.

Anticipated to be covered in upcoming Capital Replacement Plan.



Appendix 1
Expenses by County

	<u>Choctaw</u>	<u>Coal</u>	<u>Haskell</u>	<u>Latimer</u>	<u>Leflore</u>	<u>McCurtain</u>	<u>Pittsburg</u>	<u>Administration</u>	<u>Total</u>
Income									
Ad Valorem	290,000	400,000	249,000	243,000	1,022,000	940,000	1,604,000	-	4,748,000
State Aid	10,110	5,210	8,248	8,155	26,809	23,008	23,641	-	105,182
Interest	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	35,000
Fees & Charges	10,705	4,678	8,084	5,624	17,102	21,226	23,321	-	90,740
Total Revenue	\$315,815	\$414,888	\$270,332	\$261,779	\$1,070,911	\$989,234	\$1,655,962	\$0	\$4,978,922
Expenses									
Payroll	118,139	102,352	121,893	106,071	611,759	443,718	450,346	492,525	2,446,803
FICA Taxes	9,451	1,024	9,751	8,486	48,941	35,497	36,028	39,402	188,580
Unemployment Tax	762	682	700	760	3,860	2,659	3,213	1,705	14,340
Worker's Comp	1,772	1,535	1,828	1,591	9,176	6,656	6,755	7,388	36,702
Retirement Fund	16,539	14,329	17,065	14,850	85,646	62,121	63,048	65,129	338,727
Human Resources	852	852	852	952	5,450	3,146	3,384	8,980	24,468
Employee Benefits	23,419	23,419	31,225	15,612	113,190	93,675	81,966	58,547	441,053
Utilities	-	-	-	-	-	-	-	5,800	5,800
Telephone	1,061	1,061	1,061	1,176	6,481	3,183	2,352	1,061	17,436
Board Travel	-	-	-	-	-	-	-	15,000	15,000
Continuing Education	565	770	570	510	3,740	2,010	1,460	5,585	15,210
Employee Travel	2,115	2,725	2,395	2,755	15,170	6,895	4,210	8,177	44,442
Postage & Box Rent	-	-	-	-	216	86	-	12,000	12,302
Vehicle Operation	-	-	-	-	-	-	-	10,000	10,000
Equipment Rental	2,800	2,800	2,800	2,800	17,600	8,400	8,400	14,000	59,600
Maintenance Contracts	-	-	-	-	-	-	-	140,000	140,000
Reading Center									
Equipment	3,008	-	1,504	1,504	-	-	3,008	-	9,024
Insurance	-	-	-	-	-	-	-	61,092	61,092
Office Supplies	2,560	2,400	2,160	1,600	7,880	6,800	11,080	3,075	37,555
Speical Programs	3,175	3,200	3,175	3,175	17,675	8,975	8,425	-	47,800
Marketing	500	500	500	500	3,250	1,800	1,500	5,000	13,550
Memberships	302	399	352	249	1,603	1,550	898	1,062	6,415
Furniture & Equipment	1,000	4,000	1,000	1,000	3,650	1,500	11,000	1,000	24,150
Audit	-	-	-	-	-	-	-	18,000	18,000
Revaluation	11,600	8,000	9,960	8,425	17,221	14,100	29,284	-	98,590
Internet	267	267	267	267	1,602	801	534	-	4,005
Computers & Software	1,904	1,868	1,875	1,836	11,184	5,695	3,857	24,905	53,124
Automation Support	-	-	-	-	-	-	-	64,625	64,625
Professional Fees	-	-	-	-	-	-	-	38,800	38,800
Miscellaneous	-	-	-	-	-	-	-	2,283	2,283
Branch Info. Materials	32,000	30,000	27,000	20,000	98,500	85,000	138,500	-	431,000
Downloadable Material	-	-	-	-	-	-	-	71,000	71,000
Bibliographic Services	3,200	3,000	2,700	2,000	9,850	8,500	13,850	-	43,100
Reading Center Materie	5,000	-	2,500	2,500	-	-	6,000	-	16,000
Online Information	-	-	-	-	-	-	-	128,346	128,346
Vehicle Reserve	-	-	-	-	-	-	-	-	-
Administrative Portion	85,911	72,843	86,317	70,513	388,262	284,996	315,645	(1,304,487)	-
Total Expenses	\$327,902	\$278,025	\$329,451	\$269,132	\$1,481,907	\$1,087,762	\$1,204,743	\$0	\$4,978,922
Net Income	-\$12,086	\$136,863	-\$59,119	-\$7,353	-\$410,997	-\$98,528	\$451,219		\$0



Appendix 2
Expenses by Branch

	<u>Arkoma</u>	<u>Broken Bow</u>	<u>Coalgate</u>	<u>Hartshorne</u>	<u>Heavener</u>	<u>Hugo</u>	<u>Idabel</u>	<u>McAlester</u>
Income								
Ad Valorem	100,912	428,701	400,000	177,907	190,627	290,000	411,886	1,426,093
State Aid	2,647	10,493	5,210	2,622	5,000	10,110	10,082	21,019
Interest	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333
Fees & Charges	721	10,092	4,678	3,353	4,125	10,705	9,492	19,968
Total Revenue	\$106,613	\$451,619	\$412,222	\$186,216	\$202,086	\$313,149	\$433,793	\$1,469,413
Expenses								
Payroll	73,743	153,936	102,352	105,177	71,132	118,139	211,912	345,169
FICA Taxes	5,899	12,315	1,024	8,414	5,691	9,451	16,953	27,614
Unemployment Tax	509	875	682	610	347	762	1,259	2,603
Worker's Comp	1,106	2,309	1,535	1,578	1,067	1,772	3,179	5,178
Retirement Fund	10,324	21,551	14,329	14,725	9,958	16,539	29,668	48,324
Human Resources	714	1,266	852	714	714	852	1,266	2,670
Employee Benefits	23,419	39,031	23,419	23,419	-	23,419	39,031	58,547
Utilities	-	-	-	-	-	-	-	-
Telephone	1,061	1,061	1,061	1,176	1,061	1,061	1,061	1,176
Board Travel	-	-	-	-	-	-	-	-
Continuing Education	510	670	770	670	510	565	670	790
Employee Travel	2,705	2,315	2,725	1,895	2,295	2,115	2,765	2,315
Postage & Box Rent	132	-	-	-	84	-	-	-
Vehicle Operation	-	-	-	-	-	-	-	-
Equipment Rental	2,800	2,800	2,800	2,800	2,800	2,800	2,800	5,600
Maintenance Contracts	-	-	-	-	-	-	-	-
Reading Center Equipment	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Office Supplies	640	2,800	2,400	2,680	1,320	2,560	3,040	8,400
Speical Programs	2,650	3,200	3,200	3,175	2,700	3,175	3,175	5,250
Marketing	500	600	500	500	500	500	600	1,000
Memberships	249	624	399	249	152	302	624	649
Furniture & Equipment	250	500	4,000	1,000	250	1,000	500	10,000
Audit	-	-	-	-	-	-	-	-
Revaluation	1,700	6,431	8,000	3,248	3,212	11,600	6,178	26,036
Internet	267	267	267	267	267	267	267	267
Computers & Software	1,834	1,905	1,868	1,857	1,859	1,904	1,947	2,000
Automation Support	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Branch Info. Materials	8,000	35,000	30,000	33,500	16,500	32,000	38,000	105,000
Downloadable Materials	-	-	-	-	-	-	-	-
Bibliographic Services	800	3,500	3,000	3,350	1,650	3,200	3,800	10,500
Reading Center Materials	-	-	-	-	-	-	-	-
Online Information	-	-	-	-	-	-	-	-
Vehicle Reserve	-	-	-	-	-	-	-	-
Support Services	49,636	104,004	72,843	74,910	44,047	83,068	130,893	237,537
Total Expenses	\$189,449	\$396,960	\$278,025	\$285,913	\$168,116	\$317,051	\$499,587	\$906,624
Net Income	-\$82,836	\$54,659	\$134,196	-\$99,697	\$33,970	-\$3,902	-\$65,794	\$562,789

	<u>Poteau</u>	<u>Spiro</u>	<u>Stigler</u>	<u>Talihina</u>	<u>Valliant</u>	<u>Wilburton</u>	<u>Wister</u>	<u>Service Center</u>
Income								
Ad Valorem	485,878	120,831	249,000	62,210	99,413	243,000	61,541	-
State Aid	12,745	3,170	8,248	1,632	2,433	8,155	1,614	-
Interest	2,333	2,333	2,333	2,333	2,333	2,333	2,333	-
Fees & Charges	4,211	2,924	8,084	3,328	1,642	5,624	1,793	-
Total Revenue	\$505,168	\$129,258	\$267,666	\$69,504	\$105,822	\$259,112	\$67,282	\$0
Expenses								
Payroll	224,891	72,389	121,893	80,612	77,870	106,071	88,992	492,525
FICA Taxes	17,991	5,791	9,751	6,449	6,230	8,486	7,119	39,402
Unemployment Tax	1,527	438	700	525	525	760	514	1,705
Worker's Comp	3,373	1,086	1,828	1,209	1,168	1,591	1,335	7,388
Retirement Fund	31,485	10,134	17,065	11,286	10,902	14,850	12,459	65,129
Human Resources	1,880	714	852	714	614	952	714	8,980
Employee Benefits	42,934	15,612	31,225	15,612	15,612	15,612	15,612	58,547
Utilities	-	-	-	-	-	-	-	5,800
Telephone	1,061	1,061	1,061	1,176	1,061	1,176	1,061	1,061
Board Travel	-	-	-	-	-	-	-	15,000
Continuing Education	570	610	570	670	670	510	870	5,585
Employee Travel	2,515	1,815	2,395	2,615	1,815	2,755	3,225	8,177
Postage & Box Rent	-	-	-	-	86	-	-	12,000
Vehicle Operation	-	-	-	-	-	-	-	10,000
Equipment Rental	3,600	2,800	2,800	2,800	2,800	2,800	2,800	14,000
Maintenance Contracts	-	-	-	-	-	-	-	140,000
Reading Center Equipment	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	61,092
Office Supplies	3,200	960	2,160	1,120	960	1,600	640	3,075
Speical Programs	4,375	2,675	3,175	2,650	2,600	3,175	2,625	-
Marketing	750	500	500	500	600	500	500	5,000
Memberships	649	249	352	152	302	249	152	1,062
Furniture & Equipment	1,400	1,250	1,000	250	500	1,000	250	1,000
Audit	-	-	-	-	-	-	-	18,000
Revaluation	8,187	2,036	9,960	1,048	1,491	8,425	1,037	-
Internet	267	267	267	267	267	267	267	-
Computers & Software	1,993	1,841	1,875	1,829	1,843	1,836	1,828	24,905
Automation Support	-	-	-	-	-	-	-	64,625
Professional Fees	-	-	-	-	-	-	-	38,800
Miscellaneous	-	-	-	-	-	-	-	2,283
Branch Info. Materials	40,000	12,000	27,000	14,000	12,000	20,000	8,000	-
Downloadable Materials	-	-	-	-	-	-	-	71,000
Bibliographic Services	4,000	1,200	2,700	1,400	1,200	2,000	800	-
Reading Center Materials	-	-	-	-	-	-	-	-
Online Information	-	-	-	-	-	-	-	128,346
Vehicle Reserve	-	-	-	-	-	-	-	-
Support Services	140,817	48,080	84,895	52,146	50,099	69,092	53,537	(1,304,487)
Total Expenses	\$537,465	\$183,509	\$324,025	\$199,031	\$191,215	\$263,706	\$204,337	\$0
Net Income	-\$32,297	-\$54,251	-\$56,360	-\$129,527	-\$85,393	-\$4,594	-\$137,056	\$0

	<u>Boswell</u>	<u>Kiowa</u>	<u>McCurtain</u>	<u>Pickens</u>	<u>Quinton</u>	<u>Red Oak</u>	<u>Total</u>
Income							
Ad Valorem	-	-	-	-	-	-	4748000
State Aid	-	-	-	-	-	-	105182
Interest	-	-	-	-	-	-	35000
Fees & Charges	-	-	-	-	-	-	90740
Total Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$4,978,922
Expenses							
Payroll	-	-	-	-	-	-	2,446,803
FICA Taxes	-	-	-	-	-	-	188,580
Unemployment Tax	-	-	-	-	-	-	14,340
Worker's Comp	-	-	-	-	-	-	36,702
Retirement Fund	-	-	-	-	-	-	338,727
Human Resources	-	-	-	-	-	-	24,468
Employee Benefits	-	-	-	-	-	-	441,053
Utilities	-	-	-	-	-	-	5,800
Telephone	-	-	-	-	-	-	17,436
Board Travel	-	-	-	-	-	-	15,000
Continuing Education	-	-	-	-	-	-	15,210
Employee Travel	-	-	-	-	-	-	44,442
Postage & Box Rent	-	-	-	-	-	-	12,302
Vehicle Operation	-	-	-	-	-	-	10,000
Equipment Rental	-	-	-	-	-	-	59,600
Maintenance Contracts	-	-	-	-	-	-	140,000
Reading Center Equipment	1,504	1,504	1,504	1,504	1,504	1,504	9,024
Insurance	-	-	-	-	-	-	61,092
Office Supplies	-	-	-	-	-	-	37,555
Speical Programs	-	-	-	-	-	-	47,800
Marketing	-	-	-	-	-	-	13,550
Memberships	-	-	-	-	-	-	6,415
Furniture & Equipment	-	-	-	-	-	-	24,150
Audit	-	-	-	-	-	-	18,000
Revaluation	-	-	-	-	-	-	98,590
Internet	-	-	-	-	-	-	4,005
Computers & Software	-	-	-	-	-	-	53,124
Automation Support	-	-	-	-	-	-	64,625
Professional Fees	-	-	-	-	-	-	38,800
Miscellaneous	-	-	-	-	-	-	2,283
Branch Info. Materials	-	-	-	-	-	-	431,000
Downloadable Materials	-	-	-	-	-	-	71,000
Bibliographic Services	-	-	-	-	-	-	43,100
Reading Center Materials	2,500	3,000	2,500	2,500	3,000	2,500	16,000
Online Information	-	-	-	-	-	-	128,346
Vehicle Reserve	-	-	-	-	-	-	-
Support Services	1,421	1,599	1,421	1,421	1,599	1,421	(0)
Total Expenses	\$5,425	\$6,103	\$5,425	\$5,425	\$6,103	\$5,425	\$4,978,922
Net Income	-\$5,425	-\$6,103	-\$5,425	-\$5,425	-\$6,103	-\$5,425	\$0



Appendix 3
Explanation of Line Items

Income

Ad Valorem: The majority of SEPLSO's funding comes from a 4-mil property tax approved by voters. What this means is that for every dollar assessed in property tax within our counties, we receive 1/1000th of each 4 times, or \$4 for every \$1,000 assessed.

State Aid: We receive a portion of funds appropriated to the Oklahoma Department of Libraries, dependent upon our compliance with their rules, mostly focused on the hours each branch is open.

Interest: SEPLSO receives income from investments that typically include checking accounts and certificates of deposit.

Fees & Charges: SEPLSO branches charge fees for specific services to offset costs. These services include copying, printing, and faxing. We also collect overdue charges and replacement material charges when circulated materials are not returned or when they are returned damaged.

Expenses

1. Payroll: Salary and wages for all SEPLSO employees.

2 FICA Taxes: Payroll taxes required for each employee.

3. Unemployment Taxes: Payroll taxes required for each employee.

4. Workers' Compensation: Insurance paid per employee that covers workman's compensation claims.

5. Retirement Contribution: SEPLSO uses a profit-sharing model 401K and makes an annual lump sum contribution on behalf of eligible employees. SEPLSO budgets 14% of the payroll line item for placement in the plan.

6. Human Resources: Covers payroll and timekeeping expenses. It also covers ads for open positions.

7. Employee Benefits: The health, dental and vision insurance paid for employees who work 25 or more hours per week.

8. Utilities: SEPLSO pays the City of McAlester a percentage of the utility bills of the McAlester Public Library in lieu of rent for the Service Center facilities. Most systems own or rent the locations of their service center.

9. **Telephone:** The costs of maintaining phone services. All of SEPLSO's phone services are provided with VoIP (Voice over Internet) technology and we maintain no traditional telephone lines.
10. **Board Travel:** Mileage reimbursement for board and committee meetings paid to SEPLSO board members. This item can also include travel to conferences if you choose to send members.
11. **Continuing Education:** The registration cost of workshops and conferences attended by staff. Also covers the costs of staff meetings.
12. **Employee Travel:** Mileage, meals, lodging and other expense incurred by staff for conducting SEPLSO business or attending continuing education activities.
13. **Postage & PO Box Rent:** Our postage needs mostly involve sending books through ILL and sending out overdue notices.
14. **Vehicle Operation:** Gas, turnpike fees, and maintenance costs for the two SEPLSO vans.
15. **Equipment Rental and Repair:** Lease of copy machines, a postage machine in the Service Center, and miscellaneous repair costs.
16. **Maintenance Contracts:** Maintenance contracts with Sporos Computer Service for IT support and leasing contracts for each location's copy machine.
17. **Reading Center Equipment:** Leased copiers and Wi-Fi hotspots provided in SEPLSO's 6 reading centers.
18. **Insurance:** Property insurance to protect the value of the contents of SEPLSO's facilities, vehicle insurance, and liability insurance.
19. **Office Supplies:** General supplies required for operation.
20. **Special Programs & Supplies:** Materials, supplies and presenter fees for special library programs. This includes summer reading, book clubs, and movie licenses.
21. **Marketing:** Covers the cost of marketing materials including flyers, ads, and other promotional services.
22. **Memberships:** SEPLSO pays for the membership in professional organizations such as OLA or ALA when it will save money when staff are attending conferences or workshops. This category also covers the cost of membership in service clubs and chambers of commerce.

- 23. Furniture & Equipment:** Covers chairs, desks, shelves and other furniture needed in the branches or Service Center.
- 24. Audit:** State statutes require that SEPLSO receive a professional audit of our finances each year.
- 25. Revaluation:** Counties receive a percentage of the ad valorem taxes they collect on behalf of SEPLSO. The revaluation fee is that percentage.
- 26. Internet:** The cost of Internet access at all SEPLSO locations. This amount is discounted by the federal e-Rate program and further subsidized by the Oklahoma Universal Service Fund.
- 27. Computers & Software:** Replacement and upgrades to public and staff computers and technology as well as the various applications and programs used on SEPLSO computers.
- 28. Automation Support:** The cost of maintaining our materials and customer databases and web services including catalog.
- 29. Professional Fees:** The cost of outside consultants such as accountants and legal representation.
- 30. Miscellaneous:** This line item is a catch-all for any expenses not anticipated that do not fall within a category described by another line item.
- 31. Branch Informational Materials:** All books, DVDs, CDs, audiobooks, magazines, or other physical material bought for loan to the public.
- 32. Downloadable Content:** Includes downloadable items such as eBooks, eAudiobooks, and eMagazines.
- 33. Bibliographic Services:** The costs of processing library materials including computer records, barcodes, labels, and cases for media such as DVDs and CDs.
- 34. Reading Center Materials:** All physical materials that are bought for SEPLSO's reading centers and outreach locations.
- 35. Online Information:** Web services that can be accessed by library computers and, in most cases, from home. Includes Ancestry Library Edition, Chilton Auto Repair, Pronunciator language learning, NewsBank which provides access to local newspapers, TumbleBooks, Tutor.com, and many others.

36. Vehicle Replacement: SEPLSO uses two vehicles to make deliveries and transport staff for business. We plan to replace one every three years.

37. Computer Reserve: SEPLSO replaced 220 computers at the end of 2017. These computers carry a 5-year warranty. The Board should designate funds in the coming years to replace the computers again in 2022 or 2023.