

# Initial Budget FY 2019



## Southeastern Public Library System of Oklahoma

Presented to the SEPLSO Board March 13<sup>th</sup>, 2018



**Southeastern Public Library  
System of Oklahoma**

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## FY 2019 Initial Budget Overview

As required by statute, SEPLSO must submit a budget for FY 2019 to the Oklahoma Department of Libraries prior to June 1<sup>st</sup>, 2017. 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. This initial budget uses many educated guesses and historical trends to predict income and expenses for the coming year.

Starting with the revenue, we anticipate 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, and Coal County has been growing quite strongly the past several years. We also expect a steady increase in all other SEPLSO counties.

The only concern with revenue is state aid, which has been steadily shrinking for many years. The State of Oklahoma's budget problems have diminished the funds the Oklahoma Department of Library can award to public libraries. Despite ODL's efforts to maintain aid, we estimate a decrease of 10% in this year's funding.

Our expenses appear to have decreased from the current year because this year we spent \$140,000 replacing computers. Most other budget areas have been kept flat with the exception of personnel costs. Payroll costs are increased for several reasons:

- They contain the longevity increase per our Classification and Pay Policy: \$18,385
- A new part-time aide has been added at Arkoma: \$10,692
- Many of the recently hired aides and other new staff will receive step raises awarded upon completion of the Public Library Certification classes: \$8,719
- Includes a proposed 1.5% raise for the staff: \$21,968

Because of the increased Payroll costs, FICA and Retirement increased by \$11,263.

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	4,589,446	
	State Aid	75,722	
	Interest	35,000	
	Fees & Charges	88,488	
	<b>Total Income</b>	<b>\$4,788,656</b>	
Expenses	1. Payroll	2,319,002	
	2. FICA Taxes	177,333	
	3. Unemployment Taxes	14,308	
	4. Workers' Compensation	34,785	
	5. Retirement Contribution	324,660	
	6. Human Resources	14,400	
	7. Employee Benefits	445,134	
	8. Utilities	5,800	
	9. Telephone	17,436	
	10. Board Travel	15,000	
	11. Continuing Education	13,265	
	12. Employee Travel	44,547	
	13. Postage and PO Box Rent	12,302	
	14. Vehicle Operation	10,000	
	15. Equipment Rental & Repair	55,600	
	16. Maintenance Contracts	140,000	
	17. Reading Center Equipment	9,024	
	18. Insurance	39,790	
	19. Office Supplies	36,675	
	20. Special Programs & Supplies	47,800	
	21. Marketing	13,550	
	22. Memberships	4,245	
	23. Furniture & Equipment	22,750	
	24. Audit	15,000	
	25. Revaluation	102,976	
	26. Internet	16,020	
	27. Computers & Software	38,181	
	28. Automation Support	61,880	
	29. Professional Fees	39,100	
	30. Miscellaneous	2,272	
	31. Branch Informational Materials	448,000	
	32. Downloadable Content	58,000	
	33. Bibliographic Services	44,800	
	34. Reading Center Materials	16,000	
	35. Online Information	121,021	
	36. Vehicle Reserve	8,000	
	<b>Total Expenses</b>	<b>\$4,788,656</b>	
	<b>Net Ordinary Income</b>	<b>\$0 *</b>	



Supporting Documents  
Projected Cash Flow  
Projected Revenue  
Projected Expenses

Funds Balance July 1, 2018

SEPLSO Primary Checking Account	441777
SEPLSO Secondary Checking Account	4774105
Local Branch Accounts	15000
Certificates of Deposit	400000
<b>Total SEPLSO Funds July 1, 2018:</b>	<b>\$5,630,882</b>

FY 2019 Projected Income

Ad Valorem	4589446
State Aid (estimated)	75722
Interest (estimated)	35000
Fees & Charges (estimated)	88488
<b>Total Estimated FY 2019 Income</b>	<b>\$4,788,656</b>

**Total Funds Available FY 2019:** \$10,419,538

**FY 2019 Estimated Expenses:** (\$4,788,656)

**Estimated Funds Balance June 30, 2019:** \$5,630,882

	FY 2017 Actual	FY 2018 Revised	FY 2019 Initial	FY 2017 Difference	FY 2018 Difference	Comments
Ad Valorem						
Choctaw County	264,795	268,569	273,269	8,474	4,700	<i>Strong growth the past two years indicates an estimated growth of 1.75% is realistic. I expect the valuations to average closer to 2%.</i>
Coal County	382,399	402,644	409,690	27,291	7,046	
Haskell County	229,363	240,500	244,709	15,346	4,209	
Latimer County	231,148	248,846	253,201	22,053	4,355	
LeFlore County	972,235	983,586	1,000,799	28,564	17,213	
McCurtain County	824,472	833,369	847,953	23,481	14,584	
Pittsburg County	1,511,597	1,532,998	1,559,825	48,228	26,827	
	<b>\$ 4,416,009</b>	<b>\$ 4,510,512</b>	<b>\$ 4,589,446</b>	<b>\$ 173,437</b>	<b>\$ 78,934</b>	
State Aid	<b>\$ 93,484</b>	<b>\$ 84,136</b>	<b>75,722</b>	<b>\$ -17,762</b>	<b>\$ -8,414</b>	<i>I anticipate at least a 10% decrease in state aid. That could be more or less depending on the state's revenue this coming year.</i>
Interest	<b>\$ 29,000</b>	<b>\$ 35,000</b>	<b>35,000</b>	<b>\$ 6,000</b>	<b>\$ 0</b>	
Fees & Charges	<b>\$ 90,237</b>	<b>\$ 88,432</b>	<b>88,488</b>	<b>\$ -1,749</b>	<b>\$ 56</b>	
Total Revenue	<b>\$ 4,628,730</b>	<b>\$ 4,718,080</b>	<b>\$ 4,788,656</b>	<b>\$ 159,926</b>	<b>\$ 70,576</b>	

	FY 2017 Actual	FY 2018 Final	FY 2019 Initial	FY 2017 Difference	FY 2018 Difference	
1 Payroll	2,262,606	2,266,041	2,319,002	56,396	52,961	<i>Proposed budget includes longevity, part-time Arkoma aide, step increases for employees completing certification, and 1.5% raise.</i>
2 FICA Taxes	178,165	173,485	177,333	-832	3,848	<i>Reflects the increase in payroll.</i>
3 Unemployment Taxes	13,873	13,944	14,308	435	364	<i>Reflects the increase in payroll.</i>
4 Workers' Compensation	10,338	33,991	34,785	24,447	794	<i>Reflects the increase in payroll.</i>
5 Retirement Contribution	356,296	317,246	324,660	-31,635	7,415	<i>Reflects the increase in payroll.</i>
6 Human Resources	11,236	14,400	14,400	3,164	0	
7 Employee Benefits	416,291	446,186	445,134	28,843	-1,052	<i>Projects 6 employees opting out.</i>
<b>Total Personnel</b>	<b>\$ 3,248,805</b>	<b>\$ 3,265,292</b>	<b>\$ 3,329,622</b>	<b>\$ 80,817</b>	<b>\$ 64,330</b>	
				0		
8 Utilities	4,201	5,800	5,800	1,599	0	
9 Telephone	30,653	17,436	17,436	-13,217	0	<i>Last year traditional phone service was discontinued.</i>
10 Board Travel	8,712	15,000	15,000	6,288	0	
11 Continuing Education	20,519	24,273	13,265	-7,254	-11,008	<i>Last year we sent several staff to the annual Public Library Association conference.</i>
12 Employee Travel	30,226	53,964	44,547	14,321	-9,417	<i>Last year we sent several staff to the annual Public Library Association conference.</i>
13 Postage and PO Box Rent	-13,692	12,302	12,302	25,994	0	
14 Vehicle Operation	7,201	10,000	10,000	2,799	0	
15 Equipment Rental & Repair	38,310	56,100	55,600	17,290	-500	<i>Webex Subscription cancelled in favor of Zoom.</i>
16 Maintenance Contracts	95,321	140,000	140,000	44,679	0	
17 Reading Center Equipment	0	9,024	9,024	9,024	0	
18 Insurance	25,069	39,790	39,790	14,721	0	
19 Office Supplies	37,635	36,300	36,675	-960	375	
20 Special Programs & Supplies	30,021	47,800	47,800	17,779	0	
21 Marketing	7,863	13,550	13,550	5,687	0	
22 Memberships	4,892	5,071	4,245	-647	-826	
23 Furniture & Equipment	36,992	22,750	22,750	-14,242	0	
24 Audit	15,000	15,000	15,000	0	0	
25 Revaluation	94,506	103,194	102,976	8,470	-218	<i>Formulas recalculated to reflect past 2 years' trend.</i>
26 Internet	30,261	16,020	16,020	-14,241	0	
27 Computers & Software	66,265	189,058	38,181	-28,084	-150,877	<i>All staff and public computers were replaced and are under warranty.</i>
28 Automation Support	61,496	61,880	61,880	384	0	
29 Professional Fees	32,017	39,100	39,100	7,083	0	
30 Miscellaneous	8,124	4,684	2,272	-5,851	-2,412	



	FY 2017 Actual	FY 2018 Final	FY 2019 Initial	FY 2017 Difference	FY 2018 Difference	
<b>Inactive Operating Expense Categories</b>						
Equipment Repair	57,899	0	0	-57,899	0	<i>Absorbed into Equipment Rental &amp; Repair</i>
Direct Branch Expense	52,960	0	0	-52,960	0	<i>Now correctly classified within other categories.</i>
E-Commerce	480	0	0	-480	0	<i>Fee for use of credit cards.</i>
<b>Total Operating</b>	<b>\$ 782,933</b>	<b>\$ 938,096</b>	<b>\$ 763,213</b>	<b>\$ -19,720</b>	<b>\$ -174,883</b>	
				0		
31 Branch Informational Materials	639,262	443,000	448,000	-191,262	5,000	<i>In FY 2018, a \$5,000 donation was used to purchase children's materials in Hugo.</i>
32 Downloadable Content	0	58,000	58,000	58,000	0	
33 Bibliographic Services	62,428	44,300	44,800	-17,628	500	
34 Reading Center Materials	11,954	16,000	16,000	4,046	0	
35 Online Information	96,424	123,492	121,021	24,597	-2,471	
<b>Total Materials</b>	<b>\$ 810,069</b>	<b>\$ 696,500</b>	<b>\$ 687,821</b>	<b>\$ -122,248</b>	<b>\$ 3,029</b>	
				0		
36 Vehicle Reserve	8,000	2,500	8,000	0	5,500	<i>Next year will mark 3 years since our newest van was purchased.</i>
37 Computer Reserve	0	0	0	0	0	
<b>Total Assigned</b>	<b>\$ 8,000</b>	<b>\$ 2,500</b>	<b>\$ 8,000</b>	<b>\$ 0</b>	<b>\$ 5,500</b>	
				0		
<b>Total Expenses</b>	<b>\$ 4,849,807</b>	<b>\$ 4,902,388</b>	<b>\$ 4,788,656</b>	<b>\$ -61,151</b>	<b>\$ -113,732</b>	



# 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>
<b>Income</b>									
Ad Valorem	273,269	409,690	244,709	253,201	1,000,799	847,953	1,559,825	-	4,589,446
State Aid	7,279	3,751	5,938	5,871	19,300	16,564	17,020	-	75,722
Interest	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	35,000
Fees & Charges	9,020	4,678	5,910	4,047	21,211	21,398	22,223	-	88,488
<b>Total Revenue</b>	<b>\$294,568</b>	<b>\$423,119</b>	<b>\$261,557</b>	<b>\$268,119</b>	<b>\$1,046,310</b>	<b>\$890,915</b>	<b>\$1,604,069</b>	<b>\$0</b>	<b>\$4,788,656</b>
<b>Expenses</b>									
Payroll	117,557	116,961	107,291	119,232	609,242	440,461	471,434	336,824	2,319,002
FICA Taxes	9,405	1,170	8,583	9,539	48,739	35,237	37,715	26,946	177,333
Unemployment Tax	761	700	700	857	4,036	2,813	2,990	1,451	14,308
Worker's Comp	1,763	1,754	1,609	1,788	9,139	6,607	7,072	5,052	34,785
Retirement Fund	16,458	16,375	15,021	16,693	85,294	61,665	66,001	47,155	324,660
Human Resources	300	300	300	400	1,700	800	600	10,000	14,400
Employee Benefits	23,428	31,237	19,523	19,523	117,140	85,903	89,808	58,570	445,134
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	340	345	630	570	3,045	1,620	1,295	5,420	13,265
Employee Travel	1,750	2,050	3,400	2,700	14,200	6,800	4,700	8,947	44,547
Postage & Box Rent	-	-	-	-	216	86	-	12,000	12,302
Vehicle Operation	-	-	-	-	-	-	-	10,000	10,000
Equipment Rental	2,600	2,600	2,600	2,600	16,400	7,800	8,000	13,000	55,600
Maintenance Contracts	-	-	-	-	-	-	-	140,000	140,000
Reading Center									
Equipment	3,008	-	1,504	1,504	-	-	3,008	-	9,024
Insurance	-	-	-	-	-	-	-	39,790	39,790
Office Supplies	2,400	2,250	2,025	1,500	7,688	6,375	11,363	3,075	36,675
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	97	194	362	259	1,068	550	653	1,062	4,245
Furniture & Equipment	1,000	4,000	1,000	1,000	2,250	1,500	11,000	1,000	22,750
Audit	-	-	-	-	-	-	-	15,000	15,000
Revaluation	10,931	8,194	9,789	10,129	20,016	12,720	31,197	-	102,976
Internet	1,068	1,068	1,068	1,068	6,408	3,204	2,136	-	16,020
Computers & Software	1,814	1,778	1,785	1,746	10,644	5,425	3,677	11,312	38,181
Automation Support	-	-	-	-	-	-	-	61,880	61,880
Professional Fees	-	-	-	-	-	-	-	39,100	39,100
Miscellaneous	-	-	-	-	-	-	-	2,272	2,272
Branch Info. Materials	32,000	30,000	27,000	20,000	102,500	85,000	151,500	-	448,000
Downloadable Material	-	-	-	-	-	-	-	58,000	58,000
Bibliographic Services	3,200	3,000	2,700	2,000	10,250	8,500	15,150	-	44,800
Reading Center Materiz	5,000	-	2,500	2,500	-	-	6,000	-	16,000
Online Information	-	-	-	-	-	-	-	121,021	121,021
Vehicle Reserve	-	-	-	-	-	-	-	8,000	8,000
Administrative Portion	68,428	65,321	61,149	62,957	313,383	224,753	267,747	(1,063,739)	-
<b>Total Expenses</b>	<b>\$308,043</b>	<b>\$294,059</b>	<b>\$275,276</b>	<b>\$283,417</b>	<b>\$1,410,764</b>	<b>\$1,011,777</b>	<b>\$1,205,320</b>	<b>\$0</b>	<b>\$4,788,656</b>
<b>Net Income</b>	<b>-\$13,476</b>	<b>\$129,060</b>	<b>-\$13,719</b>	<b>-\$15,298</b>	<b>-\$364,454</b>	<b>-\$120,862</b>	<b>\$398,748</b>		<b>\$0</b>



## 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>
<b>Income</b>								
Ad Valorem	98,819	386,721	409,690	173,008	186,673	273,269	371,553	1,386,818
State Aid	1,906	7,554	3,751	1,888	3,600	7,279	7,258	15,132
Interest	2,333	2,333	2,333	2,333	2,333	2,333	2,333	2,333
Fees & Charges	745	10,598	4,678	3,564	3,537	9,020	9,828	18,659
<b>Total Revenue</b>	<b>\$103,802</b>	<b>\$407,207</b>	<b>\$420,452</b>	<b>\$180,793</b>	<b>\$196,143</b>	<b>\$291,901</b>	<b>\$390,973</b>	<b>\$1,422,942</b>
<b>Expenses</b>								
Payroll	73,527	166,068	116,961	102,694	70,882	117,557	197,021	368,740
FICA Taxes	5,882	13,285	1,170	8,216	5,671	9,405	15,762	29,499
Unemployment Tax	510	1,241	700	525	523	761	1,050	2,465
Worker's Comp	1,103	2,491	1,754	1,540	1,063	1,763	2,955	5,531
Retirement Fund	10,294	23,249	16,375	14,377	9,924	16,458	27,583	51,624
Human Resources	300	300	300	200	300	300	300	400
Employee Benefits	15,619	31,237	31,237	23,428	11,714	23,428	39,047	66,380
Utilities	-	-	-	-	-	-	-	-
Telephone	1,061	1,061	1,061	1,176	1,061	1,061	1,061	1,176
Board Travel	-	-	-	-	-	-	-	-
Continuing Education	285	445	345	445	570	340	730	850
Employee Travel	2,200	1,850	2,050	1,400	2,800	1,750	3,550	3,300
Postage & Box Rent	132	-	-	-	84	-	-	-
Vehicle Operation	-	-	-	-	-	-	-	-
Equipment Rental	2,600	2,600	2,600	2,600	2,600	2,600	2,600	5,400
Maintenance Contracts	-	-	-	-	-	-	-	-
Reading Center Equipment	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Office Supplies	750	2,625	2,250	2,513	1,238	2,400	2,850	8,850
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	194	194	194	194	162	97	259	459
Furniture & Equipment	250	500	4,000	1,000	250	1,000	500	10,000
Audit	-	-	-	-	-	-	-	-
Revaluation	1,976	5,801	8,194	3,460	3,733	10,931	5,574	27,737
Internet	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068
Computers & Software	1,744	1,815	1,778	1,767	1,769	1,814	1,857	1,910
Automation Support	-	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Branch Info. Materials	10,000	35,000	30,000	33,500	16,500	32,000	38,000	118,000
Downloadable Materials	-	-	-	-	-	-	-	-
Bibliographic Services	1,000	3,500	3,000	3,350	1,650	3,200	3,800	11,800
Reading Center Materials	-	-	-	-	-	-	-	-
Online Information	-	-	-	-	-	-	-	-
Vehicle Reserve	-	-	-	-	-	-	-	-
Support Services	38,166	85,139	65,321	59,150	39,056	66,141	99,763	206,024
<b>Total Expenses</b>	<b>\$171,811</b>	<b>\$383,270</b>	<b>\$294,059</b>	<b>\$266,278</b>	<b>\$175,817</b>	<b>\$297,748</b>	<b>\$449,105</b>	<b>\$927,462</b>
<b>Net Income</b>	<b>-\$68,009</b>	<b>\$23,936</b>	<b>\$126,394</b>	<b>-\$85,485</b>	<b>\$20,326</b>	<b>-\$5,848</b>	<b>-\$58,132</b>	<b>\$495,480</b>

	<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>
<b>Income</b>								
Ad Valorem	475,799	118,324	244,709	60,920	89,678	253,201	60,264	-
State Aid	9,176	2,282	5,938	1,175	1,752	5,871	1,162	-
Interest	2,333	2,333	2,333	2,333	2,333	2,333	2,333	-
Fees & Charges	10,000	2,957	5,910	2,700	972	4,047	1,273	-
<b>Total Revenue</b>	<b>\$497,308</b>	<b>\$125,896</b>	<b>\$258,891</b>	<b>\$67,128</b>	<b>\$94,735</b>	<b>\$265,452</b>	<b>\$65,033</b>	<b>\$0</b>
<b>Expenses</b>								
Payroll	224,011	72,053	107,291	80,215	77,372	119,232	88,554	336,824
FICA Taxes	17,921	5,764	8,583	6,417	6,190	9,539	7,084	26,946
Unemployment Tax	1,528	438	700	524	522	857	513	1,451
Worker's Comp	3,360	1,081	1,609	1,203	1,161	1,788	1,328	5,052
Retirement Fund	31,361	10,087	15,021	11,230	10,832	16,693	12,398	47,155
Human Resources	300	300	300	200	200	400	300	10,000
Employee Benefits	42,952	15,619	19,523	15,619	15,619	19,523	15,619	58,570
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	345	385	630	730	445	570	730	5,420
Employee Travel	2,100	1,400	3,400	3,150	1,400	2,700	2,550	8,947
Postage & Box Rent	-	-	-	-	86	-	-	12,000
Vehicle Operation	-	-	-	-	-	-	-	10,000
Equipment Rental	3,400	2,600	2,600	2,600	2,600	2,600	2,600	13,000
Maintenance Contracts	-	-	-	-	-	-	-	140,000
Reading Center Equipment	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	39,790
Office Supplies	3,000	900	2,025	1,050	900	1,500	750	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	194	194	362	162	97	259	162	1,062
Furniture & Equipment	1,000	250	1,000	250	500	1,000	250	1,000
Audit	-	-	-	-	-	-	-	15,000
Revaluation	9,516	2,366	9,789	1,218	1,345	10,129	1,205	-
Internet	1,068	1,068	1,068	1,068	1,068	1,068	1,068	-
Computers & Software	1,903	1,751	1,785	1,739	1,753	1,746	1,738	11,312
Automation Support	-	-	-	-	-	-	-	61,880
Professional Fees	-	-	-	-	-	-	-	39,100
Miscellaneous	-	-	-	-	-	-	-	2,272
Branch Info. Materials	40,000	12,000	27,000	14,000	12,000	20,000	10,000	-
Downloadable Materials	-	-	-	-	-	-	-	58,000
Bibliographic Services	4,000	1,200	2,700	1,400	1,200	2,000	1,000	-
Reading Center Materials	-	-	-	-	-	-	-	-
Online Information	-	-	-	-	-	-	-	121,021
Vehicle Reserve	-	-	-	-	-	-	-	8,000
Support Services	112,557	38,179	60,006	42,008	39,852	61,814	43,417	(1,063,739)
<b>Total Expenses</b>	<b>\$506,702</b>	<b>\$171,872</b>	<b>\$270,129</b>	<b>\$189,110</b>	<b>\$179,402</b>	<b>\$278,270</b>	<b>\$195,452</b>	<b>\$0</b>
<b>Net Income</b>	<b>-\$9,394</b>	<b>-\$45,976</b>	<b>-\$11,238</b>	<b>-\$121,982</b>	<b>-\$84,667</b>	<b>-\$12,817</b>	<b>-\$130,419</b>	<b>\$0</b>

	<u>Boswell</u>	<u>Kiowa</u>	<u>McCurtain</u>	<u>Pickens</u>	<u>Quinton</u>	<u>Red Oak</u>	<u>Total</u>
<b>Income</b>							
Ad Valorem	-	-	-	-	-	-	4589446
State Aid	-	-	-	-	-	-	75722
Interest	-	-	-	-	-	-	35000
Fees & Charges	-	-	-	-	-	-	88488
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,788,656</b>
<b>Expenses</b>							
Payroll	-	-	-	-	-	-	2,319,002
FICA Taxes	-	-	-	-	-	-	177,333
Unemployment Tax	-	-	-	-	-	-	14,308
Worker's Comp	-	-	-	-	-	-	34,785
Retirement Fund	-	-	-	-	-	-	324,660
Human Resources	-	-	-	-	-	-	14,400
Employee Benefits	-	-	-	-	-	-	445,134
Utilities	-	-	-	-	-	-	5,800
Telephone	-	-	-	-	-	-	17,436
Board Travel	-	-	-	-	-	-	15,000
Continuing Education	-	-	-	-	-	-	13,265
Employee Travel	-	-	-	-	-	-	44,547
Postage & Box Rent	-	-	-	-	-	-	12,302
Vehicle Operation	-	-	-	-	-	-	10,000
Equipment Rental	-	-	-	-	-	-	55,600
Maintenance Contracts	-	-	-	-	-	-	140,000
Reading Center Equipment	1,504	1,504	1,504	1,504	1,504	1,504	9,024
Insurance	-	-	-	-	-	-	39,790
Office Supplies	-	-	-	-	-	-	36,675
Speical Programs	-	-	-	-	-	-	47,800
Marketing	-	-	-	-	-	-	13,550
Memberships	-	-	-	-	-	-	4,245
Furniture & Equipment	-	-	-	-	-	-	22,750
Audit	-	-	-	-	-	-	15,000
Revaluation	-	-	-	-	-	-	102,976
Internet	-	-	-	-	-	-	16,020
Computers & Software	-	-	-	-	-	-	38,181
Automation Support	-	-	-	-	-	-	61,880
Professional Fees	-	-	-	-	-	-	39,100
Miscellaneous	-	-	-	-	-	-	2,272
Branch Info. Materials	-	-	-	-	-	-	448,000
Downloadable Materials	-	-	-	-	-	-	58,000
Bibliographic Services	-	-	-	-	-	-	44,800
Reading Center Materials	2,500	3,000	2,500	2,500	3,000	2,500	16,000
Online Information	-	-	-	-	-	-	121,021
Vehicle Reserve	-	-	-	-	-	-	8,000
Support Services	1,143	1,286	1,143	1,143	1,286	1,143	(0)
<b>Total Expenses</b>	<b>\$5,147</b>	<b>\$5,790</b>	<b>\$5,147</b>	<b>\$5,147</b>	<b>\$5,790</b>	<b>\$5,147</b>	<b>\$4,788,656</b>
<b>Net Income</b>	<b>-\$5,147</b>	<b>-\$5,790</b>	<b>-\$5,147</b>	<b>-\$5,147</b>	<b>-\$5,790</b>	<b>-\$5,147</b>	<b>\$0</b>



## 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 1/1000<sup>th</sup> 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 require 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.

23. Furniture & Equipment: Covers chairs, desks, shelves and other furniture needed in the branches or Service Center.

24. Audit: State statues 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, Auto Repair Reference Center, Pronunciator language learning, NewsBank which provides access to local newspapers, TumbleBooks, Tutor.com, and many others.