

## Fiscal Officer Report: Highlights for October

**Revenues:** PLF receipts for October were down 10% as compared to 2023 receipts with a decrease of \$25,677. Year to date, PLF receipts are \$181, 386.32 less than what was received for 2023. It will be interesting to see what the last two months of the year bring for PLF receipts and what happens in 2025. Year to date, overall revenues are \$177, 531 higher than October 2023. This increase is due to an increase in patron fees, investment income and unrestricted gifts. The remainder of the year will also have revenue receipts for reimbursement of final grant expenses.

**Investments:** Investments continue to be monitored and action taken as items mature or are called. 5/3 is currently going through a system conversion. Investment of the Gooding Endowment Funds will be established in their own 5/3 account to achieve a better return for the endowment. As projects defined by the endowment are recognized, allowable funds will be transferred back when needed.

**Expenditures:** At the end of October, 63.32% of the General Fund appropriation budget has been spent. This compares to 66.5% for the same time frame for 2023. Expenditures will continue to be monitored, but are on track for 2024.

**Audit Update:** The 2023 Audit continues to progress. The audit has been submitted and reviewed by the first partner. All additional questions have been answered and additional information provided when requested. I am currently awaiting feedback from the second partner and then I should receive a management letter and exit waiver. If the Board has a desire to have a formal exit meeting, please let me know. As far as I know, there are no findings. There are recommendations for a couple of process changes or presentation changes, but so far each of them has been a conversation and not intended to be a formal written letter. Information will then be sent to the Auditor of State for final review and approval. Our current contract end date allows for the audit to be finished by the first week of December.

**Budget:** As we approach the end of the 2024 fiscal year, I would ask that the Board approve authority to the Fiscal Officer and Deputy Fiscal Officer to be able to make adjustments to the current year appropriations budget between object classifications if the need arises in order to better align with the actual expenditures of the system. Any transfer between object classification would be reported to the Board at the next meeting. Having this authority allows us to continue the business of the library and ensure timely payment of expenses. This also allows for support of an expense category that may need additional funds outside of the original budget from line items that were not fully expended without having to add to the overall appropriation budget.

This authority would only be related to fiscal year 2024 budgets. This authority is requested and granted by the Board on an annual basis.

Included in this month's packet are two proposed budgets for 2025. Version 1 is essentially a flat budget. It contains adjustments for increases in salaries, benefits, and certain purchased/contracted services (cleaning services as well as legal fees). This budget is based on maintaining services at the current offerings. It is based on information and feedback obtained from meeting with the coordinators in conjunction with historical information as well as known or projected amounts for future expenditures. It does not incorporate any of the recommendations from the strategic plan. The most significant increases are on the lawyer fees line as well as the Tax Collection fees which is where the cost of the Board of Elections to administer the vote for a potential levy would fall. I have an estimated number for this potential cost. I have reached out to the Board of Elections for better information and should have a better amount at the end of next week. This amount will be used in the permanent budget.

Version 2 assumes passage of a proposed second levy that will begin revenue receipts in 2026. It includes expenditures to be a ramp up of services as indicated in the strategic plan. Additional expenditures are estimated to be for no more than six months of the year and would only be incurred if voters approve a second levy. The expenditures would be for additional staff and the related costs for salary and benefits for increasing hours of operation and implementing uniformity of hours across all branches. It also includes the potential purchase of two freestanding pickup locker units. Ramp up expenses are included for 6 months but will not be actualized or implemented until after known potential levy results. Adjustments could be made to the number of staff actually added and the timeframe of the additions. Not all appropriated expenses would likely be incurred, however the ability to move forward with requested library operations and offerings exists.

As we look to the future and decide on our fiscal path, there is planning that needs to occur and decisions that should be discussed and made now. Neither of the budget options presented has funds for future major capital projects. Discussion needs to be held to determine when and what type of future facility growth should occur. Financing of capital projects also needs to be discussed and decisions made. As a system, do we want to always issue debt to fund new buildings or building renovations or do we set aside General Funds at the end of the year into the Major Capital Fund to assist with and save for those costs. This long-term planning will help to formulate better projections with relation to cash flows and cash needs.

Both current budget versions only include a small amount for Transfers out at \$200,000 in 2025 as opposed to the \$700,00 that was budgeted for 2024. The 2024 amount included money for the possibility of additional funding being needed in the Major Capital Fund to finish paying expenses related to the Liberty Branch. There is enough cash in the fund to pay the remaining known expenses. The amount projected for 2025 in Transfers Out is strictly to replenish funds that I anticipated being spent out of the Minor Capital Fund for projects in 2025. The amount goes up to \$500,000 for 2026 and beyond in my projections to anticipate having to replenish the entire fund back to the base amount of \$500,000 that the Facilities Coordinator and I have deemed an appropriate cash balance for the fund from year to year. This amount could and should change as decisions on long term planning are made. If it is decided to transfer funds to Major Capital Funds to have cash available for future larger projects, than the Transfers Out amount would need to be adjusted to accommodate those amounts.