



TO: Board of Directors  
FROM: Leslie Bednar  
DATE: May 21, 2018  
RE: IHLS FY2019 Budget and Budget Narrative

Attached please find our proposed FY2019 Budget and Budget Narrative. This is submitted along with the FY2019 Operational Plan, as the primary components of our System Area and Per Capita Grant (SAPG) application. All have to be approved prior to submission to the Illinois State Library (ISL) on or before June 1. We anticipate discussion and approval at our May 22 board meeting.

We share the Budget and the Budget Narrative with you in advance of the board meeting to allow you time to review. Our budget is used by the board of directors and administrative team as a financial blueprint. The narrative includes projections for General Fund; Special Revenues Funds---Cataloging Maintenance Center (CMC), Online Computer Library Center (OCLC), and The Marc of Quality (TMQ); Proprietary Fund – SHARE; and Fiduciary Fund—Online Computer Library Center (OCLC). Explanations for each fund are shared-- as well highlights of each line.

Please share any questions or observations you have regarding the budget and the budget narrative. Feel free to email directly to me at [lbednar@illinoisheartland.org](mailto:lbednar@illinoisheartland.org) in advance of Tuesday's meeting.

I look forward to the conversation at our meeting and appreciate your feedback.

Thank you for your consideration.

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IMAGINING TOMORROW ~ DELIVERING POSSIBILITIES TODAY!

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**IHLS 2019 Proposed General Fund Budget**

		General Fund FY2019 Proposed Budget			General Fund FY2018 Approved Budget			FY2019 INC/(DEC) vs FY2018		
				Total General Fund Budget			Total General Fund Budget			Total General Fund Budget
Budget Line Item		General	ILDS	Fund Budget	General	ILDS	Fund Budget	General	ILDS	Fund Budget
REVENUES										
State Grants										
Area & Per Capita	4000	3,400,700.32		3,400,700.32	3,364,429.41		3,364,429.41	36,270.91	-	36,270.91
CMC	4027			-			-	-	-	-
OCLC	4032			-			-	-	-	-
TMQ	4034			-			-	-	-	-
Other State Grants	4099			-			-	-	-	-
Federal Grants				-			-	-	-	-
Other Grants	4200			-			-	-	-	-
Fees for Services & Materials								-	-	-
ILDS	4222		245,417.00	245,417.00		245,417.00	245,417.00	-	-	-
Fess for Services & Materials	4305			-			-	-	-	-
Member Day	4315			-			-	-	-	-
Cloud Subscription	4380			-			-	-	-	-
SHARE Basic Fee (Membership Fee)	4385			-			-	-	-	-
Bibliographic Services	4386			-			-	-	-	-
Add'l Module Fee	4387			-			-	-	-	-
SHARE Transitions Fee	4388			-			-	-	-	-
Investment Income	4500	23,028.87		23,028.87	13,212.19		13,212.19	9,816.68	-	9,816.68
Other Revenue								-	-	-
Room Rental	4600			-			-	-	-	-
Miscellaneous Income	4650			-			-	-	-	-
Miscellaneous Income Uncollectible	4651			-			-	-	-	-
Asset Surplus Proceeds	4655			-			-	-	-	-
Grant Administration	4660	15,471.06		15,471.06	12,318.78		12,318.78	3,152.28	-	3,152.28
E-Rate Funding	4675	6,839.95		6,839.95	4,109.92		4,109.92	2,730.03	-	2,730.03
SAM	4678			-			-	-	-	-
ICN Filtering	4680			-			-	-	-	-
Dream Host	4685			-			-	-	-	-
Transfer From Other Funds	4999		48,941.02	48,941.02		27,210.78	27,210.78	-	21,730.24	21,730.24
Estimated Total Revenue		3,446,040.20	294,358.02	3,740,398.22	3,394,070.30	272,627.78	3,666,698.08	51,969.90	21,730.24	73,700.14
EXPENSES										
Personnel										
Salaries & Wages										
Library Professional	5000	285,926.70	-	285,926.70	259,840.81		259,840.81	(26,085.89)	-	(26,085.89)
Other Professional	5010	629,263.59	-	629,263.59	588,296.08		588,296.08	(40,967.51)	-	(40,967.51)
Support Professional	5020	689,875.25	161,145.85	851,021.10	656,819.90	167,185.62	824,005.52	(33,055.35)	6,039.77	(27,015.58)
Payroll Taxes & Fringe Benefits								-	-	-
Social Security Taxes	5030	122,787.51	12,327.66	135,115.17	115,129.19	12,789.70	127,918.89	(7,658.32)	462.04	(7,196.28)
Unemployment Insurance	5035	13,007.63	1,967.69	14,975.32	13,057.04	1,973.36	15,030.40	49.41	5.67	55.08
Worker's Compensation	5040	43,162.72	13,934.17	57,096.89	43,378.78	13,571.86	56,950.64	216.06	(362.31)	(146.25)
Retirement Benefits (IMRF)	5045	89,657.34	6,829.20	96,486.54	86,828.59	8,278.54	95,107.13	(2,828.75)	1,449.34	(1,379.41)
Dental, Health, Life & Vision Ins.	5050	176,532.72	18,780.08	195,312.80	139,464.18	18,573.30	158,037.48	(37,068.54)	(206.78)	(37,275.32)
Other Fringe Benefits	5055	3,684.32		3,684.32	3,639.32		3,639.32	(45.00)	-	(45.00)
Retention & Wellness	5057	3,050.00		3,050.00	1,225.00		1,225.00	(1,825.00)	-	(1,825.00)
Training & Professional Development	5058	16,000.00		16,000.00	6,500.00		6,500.00	(9,500.00)	-	(9,500.00)
Recruiting	5070	2,600.00		2,600.00	3,225.00		3,225.00	625.00	-	625.00
Subtotal-Personnel Total		2,075,547.77	214,984.65	2,290,532.42	1,917,403.89	222,372.38	2,139,776.27	(158,143.88)	7,387.73	(150,756.15)
Library Materials										
Printed Materials	5100	-	-	-	-	-	-	-	-	-
Nonprinted Materials	5110	-	-	-	-	-	-	-	-	-
E-Resources	5120	-	-	-	-	-	-	-	-	-
Subtotal-Total Library Materials		-	-	-	-	-	-	-	-	-
Building & Grounds										
Rent	5150	100,821.34		100,821.34	80,680.08		80,680.08	(20,141.26)	-	(20,141.26)
Utilities	5160	53,976.60		53,976.60	50,952.00		50,952.00	(3,024.60)	-	(3,024.60)
Property Insurance	5170	18,822.22		18,822.22	19,404.81		19,404.81	582.59	-	582.59
Repairs and Maintenance	5180	39,275.53		39,275.53	40,150.77		40,150.77	875.24	-	875.24
Custodial/Janitoria Svcs & Supplies	5190	13,397.00		13,397.00	13,217.00		13,217.00	(180.00)	-	(180.00)
Other Building & Grounds	5195	15,415.13		15,415.13	24,626.60		24,626.60	9,211.47	-	9,211.47
Subtotal-Building & Grounds		241,707.82	-	241,707.82	229,031.26	-	229,031.26	(12,676.56)	-	(12,676.56)
Vehicle Expenses										
Fuel	5200	153,157.46	62,345.42	215,502.88	110,300.00	36,000.00	146,300.00	(42,857.46)	(26,345.42)	(69,202.88)
Repairs and Maintenance	5210	44,300.00	10,400.00	54,700.00	47,300.00	10,900.00	58,200.00	3,000.00	500.00	3,500.00
Vehicle Insurance	5220	21,780.00	2,420.00	24,200.00	25,354.00	2,535.40	27,889.40	3,574.00	115.40	3,689.40
Other Vehicle Expense	5245	1,180.00	120.00	1,300.00	1,600.00	200.00	1,800.00	420.00	80.00	500.00
Subtotal-Vehicle Expenses		220,417.46	75,285.42	295,702.88	184,554.00	49,635.40	234,189.40	(35,863.46)	(25,650.02)	(61,513.48)
Travel & Continuing Education for Staff & Board										
Mileage,Gas, Tolls-In State	5250	5,699.60	455.95	6,155.55	2,820.00		2,820.00	(2,879.60)	(455.95)	(3,335.55)
In State Travel(Airfare,Train,Taxi)	5255	-	-	-			-	-	-	-
Meals In State	5260	3,800.00	612.00	4,412.00	2,736.00		2,736.00	(1,064.00)	(612.00)	(1,676.00)
Lodging In State	5265	7,700.00	1,320.00	9,020.00	6,495.00		6,495.00	(1,205.00)	(1,320.00)	(2,525.00)
Mileage,Gas, Tolls-Out State	5270	-	-	-			-	-	-	-
Out State Travel(Airfare,Train,Taxi)	5275	1,620.00	-	1,620.00	2,308.00		2,308.00	688.00	-	688.00
Meals Out State	5280	1,271.00	-	1,271.00	1,895.00		1,895.00	624.00	-	624.00
Lodging Out State	5285	4,187.00	-	4,187.00	5,276.00		5,276.00	1,089.00	-	1,089.00
Registration and Meetings	5290	20,138.00	200.00	20,338.00	11,803.00	120.00	11,923.00	(8,335.00)	(80.00)	(8,415.00)
Conferences & Cont Ed Mtgs	5300	1,700.00	-	1,700.00	400.00		400.00	(1,300.00)	-	(1,300.00)
Member Day	5315	6,000.00	-	6,000.00	5,500.00		5,500.00	(500.00)	-	(500.00)
Subtotal-Travel & Continuing Education		52,115.60	2,587.95	54,703.55	39,233.00	120.00	39,353.00	(12,882.60)	(2,467.95)	(15,350.55)

Budget Line Item	General Fund FY2019 Proposed Budget			General Fund FY2018 Approved Budget			FY2019 INC/(DEC) vs FY2018		
	General	ILDS	Total General Fund Budget	General	ILDS	Total General Fund Budget	General	ILDS	Total General Fund Budget
Public Relations	5330	30,000.00	30,000.00	8,275.00		8,275.00	(21,725.00)	-	(21,725.00)
Liability Insurance	5350	19,080.37	19,080.37	16,261.21		16,261.21	(2,819.16)	-	(2,819.16)
Supplies, Postage & Printing									
Computers, Software & Supplies	5360	29,735.00	29,735.00	24,199.00		24,199.00	(5,536.00)	-	(5,536.00)
Gen'l Office Supplies & Equipment	5365	6,450.00	6,450.00	3,050.00		3,050.00	(3,400.00)	-	(3,400.00)
Postage	5370	1,200.00	1,200.00	2,000.00		2,000.00	800.00	-	800.00
Delivery Supplies	5385	25,120.00	1,500.00	7,000.00	500.00	7,500.00	(18,120.00)	(1,000.00)	(19,120.00)
Subtotal-Supplies, Postage & Printing		62,505.00	1,500.00	36,249.00	500.00	36,749.00	(26,256.00)	(1,000.00)	(27,256.00)
Telephone and Telecommunications	5400	16,372.40	16,372.40	16,828.50		16,828.50	456.10	-	456.10
Equipment Rental, Repair & Maintenance									
Equipment Rental	5450		-			-	-	-	-
Equipment Repair & Maintenance Agreements	5455	11,260.00	11,260.00	7,640.00		7,640.00	(3,620.00)	-	(3,620.00)
Subtotal-Equipment Rental, Repair & Maintenance		11,260.00	-	7,640.00	-	7,640.00	(3,620.00)	-	(3,620.00)
Professional Services									
Legal	5500	15,000.00	15,000.00	15,000.00		15,000.00	-	-	-
Accounting	5510	18,900.00	18,900.00	18,500.00		18,500.00	(400.00)	-	(400.00)
Consulting	5520	7,000.00	7,000.00	6,000.00		6,000.00	(1,000.00)	-	(1,000.00)
Contractual Staff	5530		-	4,320.00		4,320.00	4,320.00	-	4,320.00
Subtotal-Professional Services		40,900.00	-	43,820.00	-	43,820.00	2,920.00	-	2,920.00
Contractual Services									
Information Service Costs	5550	18,285.59	18,285.59	16,206.00		16,206.00	(2,079.59)	-	(2,079.59)
Contract Agreements w/Systems, Member Lib	5560	-	-			-	-	-	-
Outside Printing Services	5570		-			-	-	-	-
Other Contractual Services	5580	29,259.00	29,259.00	25,562.39		25,562.39	(3,696.61)	-	(3,696.61)
Subtotal-Contractual Services		47,544.59	-	41,768.39	-	41,768.39	(5,776.20)	-	(5,776.20)
Professional Association Membership Dues	5700	3,988.00	3,988.00	3,138.00		3,138.00	(850.00)	-	(850.00)
Miscellaneous	5725	2,635.00	2,635.00	1,740.00		1,740.00	(895.00)	-	(895.00)
Capital Outlays									
Capital Outlays- Equipment	5750	-	-			-	-	-	-
Capital Outlays- Computers	5755	-	-	29,000.00		29,000.00	29,000.00	-	29,000.00
Capital Outlays- Furniture & Fixtures	5760	-	-			-	-	-	-
Capital Outlays- Building & Improvements	5765	-	-	35,080.00		35,080.00	35,080.00	-	35,080.00
Capital Outlays- Land	5770	-	-	93,235.00		93,235.00	93,235.00	-	93,235.00
Capital Outlays- Vehicles	5775	-	-	100,000.00		100,000.00	100,000.00	-	100,000.00
Subtotal-Capital Outlays		-	-	257,315.00	-	257,315.00	257,315.00	-	257,315.00
Transfer To Other Funds									
SHARE		300,000.00	300,000.00	250,000.00		250,000.00	(50,000.00)	-	(50,000.00)
ILDS		48,941.02	48,941.02	27,210.78		27,210.78	(21,730.24)	-	(21,730.24)
Subtotal-Transfer To Other Funds		348,941.02	-	277,210.78	-	277,210.78	(71,730.24)	-	(71,730.24)
Estimated Total Expenses		3,173,015.03	294,358.02	3,467,373.06		3,080,468.03	92,547.00	(21,730.24)	(114,277.25)
Estimated Excess (Deficiency) of Revenue over Expenses		273,025.16	(0.00)	273,025.16		313,602.27	144,516.90	43,460.48	187,977.39

**IHLS 2019 Proposed Budgets**

Budget Line Item	SHARE Fund			CMC Fund			OCLC Fund		
	FY2019 Proposed Budget	FY2018 Approved Budget	FY2019 Inc/(Dec) vs FY2018	FY2019 Proposed Budget	FY2018 Approved Budget	FY2019 Inc/(Dec) vs FY2018	FY2019 Proposed Budget	FY2018 Approved Budget	FY2019 Inc/(Dec) vs FY2018
<b>REVENUES</b>									
State Grants									
Area & Per Capita	4000		-			-			-
CMC	4027		-	382,115.65	293,027.90	89,087.75			-
OCLC	4032		-			-	170,181.69	135,506.55	34,675.14
TMQ	4034		-			-			-
Other State Grants	4099		-			-			-
Federal Grants			-			-			-
Other Grants	4200		-			-			-
Fees for Services & Materials									
ILDS	4222		-			-			-
Fees for Services & Materials	4305		-			-			-
Member Day	4315		-			-			-
Cloud Subscription	4380	100,880.52	97,144.00	3,736.52		-			-
SHARE Basic Fee (Membership Fee)	4385	1,042,244.10	1,040,976.44	1,267.66		-			-
Bibliographic Services	4386	94,526.40	110,000.00	(15,473.60)		-			-
Add'l Module Fee	4387	26,400.00	25,400.00	1,000.00		-			-
SHARE Transitions Fee	4388	7,695.00	8,000.00	(305.00)		-			-
Investment Income	4500	8,565.78	4,489.00	4,076.78		-			-
Other Revenue									
Room Rental	4600		-			-			-
Miscellaneous Income	4650		-			-			-
Miscellaneous Income Uncollectible	4651		-			-			-
Asset Surplus Proceeds	4655		-			-			-
Grant Administration	4660	34,737.79	26,636.00	8,101.79		-			-
E-Rate Funding	4675		-			-			-
SAM	4678	12,852.00	12,852.00	-		-			-
ICN Filtering	4680	300.00	392.85	(92.85)		-			-
Dream Host	4685		-			-			-
Transfer From Other Funds	4999	300,000.00	250,000.00	50,000.00		-			-
<b>Estimated Total Revenue</b>	<b>1,628,201.59</b>	<b>1,575,890.29</b>	<b>52,311.30</b>	<b>382,115.65</b>	<b>293,027.90</b>	<b>89,087.75</b>	<b>170,181.69</b>	<b>135,506.55</b>	<b>34,675.14</b>
<b>EXPENSES</b>									
Personnel									
Salaries & Wages									
Library Professional	5000	383,542.62	385,996.91	2,454.29	238,011.00	128,648.91	(109,362.09)		-
Other Professional	5010	363,746.67	291,679.64	(72,067.03)			97,406.89	83,268.89	(14,138.00)
Support Professional	5020	98,002.01	96,948.97	(1,053.04)			-		-
Payroll Taxes & Fringe Benefits									
Social Security Taxes	5030	64,664.78	59,258.85	(5,405.93)	18,207.84	9,841.64	(8,366.20)	7,451.63	6,370.07
Unemployment Insurance	5035	3,854.67	3,491.30	(363.37)	1,075.68	645.41	(430.27)	430.27	(0.00)
Worker's Compensation	5040	1,580.69	1,316.86	(263.83)	445.08	218.70	(226.38)	182.15	141.56
Retirement Benefits (IMRF)	5045	67,839.09	71,088.95	3,249.86	20,302.34	12,215.21	(8,087.13)	8,308.81	7,906.38
Dental, Health, Life & Vision Ins.	5050	131,460.54	132,520.50	1,059.96	46,950.19	27,859.95	(19,090.24)	18,780.08	18,573.30
Other Fringe Benefits	5055		-	-			-		-
Retention & Wellness	5057		-	-			-		-
Training & Professional Development	5058		-	-	199.00		(199.00)		-
Recruiting	5070	900.00		(900.00)			-		-
<b>Subtotal-Personnel Total</b>	<b>1,115,591.09</b>	<b>1,042,301.98</b>	<b>(73,289.11)</b>	<b>325,191.13</b>	<b>179,429.82</b>	<b>(145,761.31)</b>	<b>132,559.83</b>	<b>116,690.47</b>	<b>(15,869.36)</b>
Library Materials									
Printed Materials	5100	-	-	-	-	-	-	-	-
Nonprinted Materials	5110	-	-	-	-	-	-	-	-
E-Resources	5120	100,880.52	73,091.81	(27,788.71)	-	-	-	-	-
<b>Subtotal-Total Library Materials</b>	<b>100,880.52</b>	<b>73,091.81</b>	<b>(27,788.71)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Building & Grounds									
Rent	5150		-	-		-			-
Utilities	5160		-	-		-			-
Property Insurance	5170		-	-		-			-
Repairs and Maintenance	5180		-	-		-			-
Custodial/Janitoria Svcs & Supplies	5190		-	-		-			-
Other Building & Grounds	5195		-	-		-			-
<b>Subtotal-Building &amp; Grounds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Vehicle Expenses									
Fuel	5200	1,804.44	1,000.00	(804.44)	524.61	300.00	(224.61)		-
Repairs and Maintenance	5210		-	-			-		-
Vehicle Insurance	5220		-	-			-		-
Other Vehicle Expense	5245		-	-			-		-
<b>Subtotal-Vehicle Expenses</b>	<b>1,804.44</b>	<b>1,000.00</b>	<b>(804.44)</b>	<b>524.61</b>	<b>300.00</b>	<b>(224.61)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Travel & Continuing Education for Staff & Board									
Mileage,Gas, Tolls-In State	5250	1,820.00	2,300.00	480.00	813.84	960.00	146.16		-
In State Travel(Airfare,Train,Taxi)	5255	-	-	-			-		-
Meals In State	5260	2,061.00	1,723.00	(338.00)	1,087.00	1,032.00	(55.00)		-
Lodging In State	5265	4,710.00	3,550.00	(1,160.00)	2,210.00	1,800.00	(410.00)		-
Mileage,Gas, Tolls-Out State	5270	-	-	-			-		-
Out State Travel(Airfare,Train,Taxi)	5275	2,500.00	1,540.00	(960.00)		900.00	900.00		-
Meals Out State	5280	1,525.00	1,475.00	(50.00)		512.00	512.00		-
Lodging Out State	5285	5,185.00	3,880.00	(1,305.00)		1,044.00	1,044.00		-
Registration and Meetings	5290	5,570.00	3,005.00	(2,565.00)	1,850.00	1,100.00	(750.00)		-
Conferences & Cont Ed Mtgs	5300	-	-	-			-		-
Member Day	5315		-	-			-		-
<b>Subtotal-Travel &amp; Continuing Education</b>	<b>23,371.00</b>	<b>17,473.00</b>	<b>(5,898.00)</b>	<b>5,960.84</b>	<b>7,348.00</b>	<b>1,387.16</b>	<b>-</b>	<b>-</b>	<b>-</b>

Budget Line Item		SHARE Fund			CMC Fund			OCLC Fund		
		FY2019 Proposed Budget	FY2018 Approved Budget	FY2019 Inc/(Dec) vs FY2018	FY2019 Proposed Budget	FY2018 Approved Budget	FY2019 Inc/(Dec) vs FY2018	FY2019 Proposed Budget	FY2018 Approved Budget	FY2019 Inc/(Dec) vs FY2018
Public Relations	5330	500.00	500.00	-	800.00		(800.00)			-
Liability Insurance	5350			-			-			-
Supplies, Postage & Printing										
Computers, Software & Supplies	5360	9,525.00	17,500.00	7,975.00	4,460.00	2,260.00	(2,200.00)	2,600.00	2,500.00	(100.00)
Gen'l Office Supplies & Equipment	5365	500.00	500.00	-	700.00	700.00	-	500.00	500.00	-
Postage	5370	1,000.00	1,100.00	100.00			-	1,800.00	1,800.00	-
Delivery Supplies	5385			-			-			-
Subtotal-Supplies, Postage & Printing		11,025.00	19,100.00	8,075.00	5,160.00	2,960.00	(2,200.00)	4,900.00	4,800.00	(100.00)
Telephone and Telecommunications	5400	16,993.80	14,508.00	(2,485.80)	2,619.00	2,736.00	117.00	3,034.80	2,736.00	(298.80)
Equipment Rental, Repair & Maintenance										
Equipment Rental	5450			-			-			-
Equipment Repair & Maintenance Agreements	5455	4,900.00	5,160.00	260.00	3,700.00	3,600.00	(100.00)	3,960.00	3,780.00	(180.00)
Subtotal-Equipment Rental, Repair & Maintenance		4,900.00	5,160.00	260.00	3,700.00	3,600.00	(100.00)	3,960.00	3,780.00	(180.00)
Professional Services										
Legal	5500	1,000.00	1,000.00	-			-			-
Accounting	5510	10,300.00	10,000.00	(300.00)			-	4,800.00	9,600.00	4,800.00
Consulting	5520	10,000.00	-	(10,000.00)			-			-
Contractual Staff	5530			-		67,000.00	67,000.00			-
Subtotal-Professional Services		21,300.00	11,000.00	(10,300.00)	-	67,000.00	67,000.00	4,800.00	9,600.00	4,800.00
Contractual Services										
Information Service Costs	5550	216,198.39	222,192.30	5,993.91	3,422.28	2,990.18	(432.10)	5,341.00	6,300.00	959.00
Contract Agreements w/Systems, Member Lib	5560			-			-			-
Outside Printing Services	5570			-			-			-
Other Contractual Services	5580			-	34,737.79	26,638.90	(8,098.89)	15,586.06	12,318.78	(3,267.28)
Subtotal-Contractual Services		216,198.39	222,192.30	5,993.91	38,160.07	29,629.08	(8,530.99)	20,927.06	18,618.78	(2,308.28)
Professional Association Membership Dues	5700	800.00	100.00	(700.00)		25.00	25.00			-
Miscellaneous	5725	360.00	360.00	-			-			-
Capital Outlays										
Capital Outlays- Equipment	5750			-			-			-
Capital Outlays- Computers	5755			-			-			-
Capital Outlays- Furniture & Fixtures	5760			-			-			-
Capital Outlays- Building & Improvements	5765			-			-			-
Capital Outlays- Land	5770			-			-			-
Capital Outlays- Vehicles	5775			-			-			-
Subtotal-Capital Outlays		-	-	-	-	-	-	-	-	-
Transfer To Other Funds										
SHARE Reserves		142,500.00	142,500.00	-			-			-
ILDS				-			-			-
Subtotal-Transfer To Other Funds		142,500.00	142,500.00	-	-	-	-	-	-	-
Estimated Total Expenses		1,656,224.24	1,549,287.09	(106,937.15)	382,115.65	293,027.90	(89,087.75)	170,181.69	156,225.25	(13,956.44)
Estimated Excess (Deficiency) of Revenue over Expenses		(28,022.65)	26,603.20	54,625.85	-	-	-	-	(20,718.70)	(20,718.70)

Capital Outlays

Capital Outlays- Computers (SHARE Reserves)	5755	\$	145,000.00	\$	273,212.00	128,212.00
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**FY2019 IHLS Proposed Capital Projects Fund Budget**

G/L Account	Description	Beginning Balance	FY2018 Budget	FY2018 EOY Forecast	FY2019 Budget
<b><u>Capital Projects Funding Source</u></b>					
	FY2017 Audited Ending Fund Balance*	983,409.18			
	Total Capital Funding Available	983,409.18			
4500	<b><i>Interest Revenue</i></b>		-	5,267.15	4,527.22
	<b>Total Capital Funding Available</b>		<b>983,409.18</b>	<b>988,676.33</b>	<b>993,203.55</b>
<b><u>FY2018 Capital Projects</u></b>					
<i>All FY2018 Capital Projects were budgeted under the General Fund</i>					
<b><u>FY2019 Capital Projects</u></b>					
5765	<b><i>Capital Outlays - Building &amp; Improvements</i></b>				
	Painting of Soffit, Doors, & Trim - Champaign Office				14,000.00
5775	<b><i>Capital Outlays-Vehicles</i></b>				
	7 Delivery Vans \$30,000/each				210,000.00
	<b>Total Capital Projects</b>				224,000.00
	Reserved Balance (EDW - Ins Payment for Mine Subsidence Loss)				87,912.00
	Unreserved Balance				681,291.55
	<b>Projected Capital Fund Ending Balance</b>		<b>983,409.18</b>	<b>988,676.33</b>	<b>769,203.55</b>

**\*Capital Projects Fund Cash Balances by Accounts**

Bank Accounts

US Bank Money Market Account 1.88

Illinois Funds Account 196,722.31

Certificate of Deposit

First Mid-Illinois Bank & Trust 532,918.49

Scott Credit Union 253,766.50

983,409.18

## IHLS 2019 System Area & Per Capita Grant Application

### Exhibit 2.1 Operating Budget Narrative

#### Introduction

In a memorandum dated March 21, 2018, the Illinois State Library (ISL) instructed the library systems to submit FY2019 System Area and Per Capita Grant Applications (SAPG) based on the FY2018 grant award. Also, due to the State of Illinois FY2019 Budget not yet being approved, systems must be prepared to modify their FY2019 application if necessary, once the state budget is approved. ISL may also require that systems provide monetary support or assume the provision of statewide services to maintain the continuation of services that ISL deems critical. The FY2019 SAPG is due to ISL on June 1, 2018.

The Illinois Heartland Library System (IHLS) FY2019 Operating Budget was developed in April and revised in May 2018. It is based on a combination of FY2018 actual revenues and expenses and projections. It was prepared using the Chart of Accounts and Description of Accounts as found in the Uniform Accounting and Reporting Manual for the Illinois Library System Headquarters. The budget will cover the fiscal year that begins July 1, 2018 and ends June 30, 2019. The budget will be used by the board of directors and administrative team as a financial blueprint. It allows the goals and objectives contained in the annual Operational Plan to be realized. This budget includes projections for General Fund; Special Revenues Funds--Cataloging Maintenance Center (CMC), Online Computer Library Center (OCLC), and The Marc of Quality (TMQ); Proprietary Fund—SHARE; and Fiduciary Fund--Online Computer Library Center (OCLC).

#### Revenues

**General Fund** projected revenue of \$3,740,398 is mainly comprised of SAPG \$3,400,700 or 91% of the total; the state-wide Illinois Library Delivery Services (ILDS) \$245,417 or 7% (IHLS has projected to contribute an additional \$48,941 of General Fund revenue to this service); other projected items are investment income; OCLC Special Revenue Grant Administration Fee; and E-Rate Funding.

**Special Revenues Funds** projected revenues are comprised of CMC \$382,116, OCLC \$170,182, and TMQ \$8,200. The projected revenue of increase of \$89,088 in CMC is mainly due to the repositioning of staff, elimination of the contract consultant position, and adding an additional position. The \$34,675 projected revenue increase in OCLC is primarily due to the fact of FY2018 having a revenue carryforward of \$20,719 from FY2017.

**SHARE Fund** projected revenues of \$1,628,202 is comprised mainly of fees for services and materials, which is \$1,179,431 or 72% of the total; IHLS Contribution of \$300,000 or 18%; and Cloud subscription of \$100,881 or 6%. Other items included are investment income, CMC grant administration fee, SAM, and ICN filtering. SHARE revenues of \$1,628,202 represents a 3% increase over FY2017.

**Fiduciary OCLC** revenues of \$5,082,995 is a 4% increase over FY2018 due to increase in ILLINET/OCLC Group Services Fees.

## Expenses – Personnel

Personnel-related expenses comprise the largest expense category in the IHLS Operating FY2019 Budget. The FY2019 budget for salary and benefit expenses includes the following assumptions:

- All positions, including Library Professionals, Other Professionals, and Support Services, are projected at a 3.0% increase over FY2018.
- Social Security Taxes projected at 7.5%, which is flat to FY2018 budget.
- Unemployment Insurance projected at 1.66% of the first \$12,960 wages earned per worker which is flat to FY2018.
- Workmen's Compensation Insurance projected at 10% increase over FY2018 because the renewal is not until July 1, 2018.
- Retirement Benefits projected for staff members who are estimated to work more than 1,000 hours in FY2019. The projected rate is 8.53% which is flat to FY2018.
- Health, Dental, Accidental Death, and Life Insurances projected at a 8.0% increase over FY2018 actual rates. The ancillary policies (dental, accidental death, and life insurance) renew on July 1, 2018 and the health insurance does not renew until October 1, 2018.

**General Fund** Other Professional projection includes the addition of a full-time position, HR Generalist and a part-time position, Marketing Coordinator. Also included is a Support Service part-time position, Accounting Assistant. Training and Development includes an all staff day, in addition to, projecting for training and development for staff.

**SHARE Fund** Personnel Expenses projection reflects the addition of part-time staff and repositioning of staff.

## Expenses – Operating

### Library Materials

**SHARE Fund** E-Resources projection of \$100,881 is a direct expense of Cloud Subscription Fees included FY2019 Revenues.

### Building & Grounds

**General Fund** projected expenses represent the rent expenses at two locations (Carbondale for a full year and Du Quoin for three months); utilities at four locations (Edwardsville, Champaign, Carbondale and Du Quoin (only three months); building and ground maintenance at two locations (Edwardsville and Champaign); custodial services at the Edwardsville location; and property insurance at three locations (Edwardsville, Champaign, and Carbondale).

### Vehicle Expenses

**General Fund** vehicle expenses projection for fuel increased over FY2018 is due to normal cost increase. The repairs and maintenance and miscellaneous vehicle expenses reduced because of the reduction in total number of vehicles owned by IHLS.

### Travel, Meetings and Continuing Education

**General Fund** major expense components in the travel, meetings, and continuing education projections are travel and registration expenses for staff to attend conferences, advocacy and board member training, and Member Day. Projections provide for staff to attend six conferences--Innovative Users Group (IUG), 1 attendee; Illinois Library Association (ILA), Booth rental and 4 attendees; Illinois School Library Media Association (ISLMA), booth rental and 4 attendees; American Library Association (ALA),



3 attendees; Reaching Forward South, registration for 11 attendees; and Youth Services Institute, 2 attendees.

**CMC Fund** projections mainly include staff attendance at three conferences – ILA, 4 attendees; Reaching Forward, 2 attendees, and Reaching Forward South, 2 attendees.

**SHARE Fund** projections mainly include staff attendance at four conferences—IUG, 5 attendees; ILA, 4 attendees; ISLMA, 2 attendees, and Health Science Librarians of Illinois (HSLI), 1 attendee.

#### **Public Relations**

**General Fund** total projection is to continue the rebranding efforts of IHLS, which is a high priority in the FY2019 Plan of Service.

#### **Liability Insurance**

**General Fund** expenses include projections for General Liability, Commercial Umbrella, Directors and Officers, Crime Coverage Bond, and Treasurer’s Bond. The projections also include an additional insurance in FY2019 Cyber Liability. The policies renew on July 1, 2018.

#### **Supplies, Postage and Printing**

This budget category includes expenses for computers and software (less than \$5,000), accessories and supplies for equipment, office supplies, postage, delivery supplies, and outside printing cost. The increased projection for delivery supplies include replacement of sorting tables, tubs, platform trucks, and the purchase of delivery staff jackets.

#### **Telephone and Telecommunications**

Included in this budget category are projections associated with monthly cost for phone, internet, delivery GPS tracking, and cell phone services.

#### **Equipment Repair & Maintenance Agreements**

Projection includes cost for copiers and maintenance at three locations.

#### **Professional Services**

Expenses include projections for legal, accounting and consulting, and contractual staff.

#### **Contractual Services**

Expenses include projections for information service costs, contract agreements with System Member Libraries, outside printing services, and other contractual services.

**General Fund** Other Contractual Services projection includes cost of new website for IHLS which is a significant objective in the FY2019 Plan of Service.

**SHARE Fund** Information Service Costs projection’s significant decrease over FY2018 is due to removal of Cloud Platform fee of \$25,000 and which is included E-Resources.

#### **Transfer to Other Funds**

**General Fund** annual contribution to SHARE Fund projection of \$300,000 is an increase of 20% FY2018. A projected contribution of \$48,941 to ILDS project is an increase 80% over FY2018.

**SHARE Fund** transfer to SHARE Reserves projection of \$142,500 is flat to FY2018.

**Estimated Excess (Deficiency) of Revenues over Expenses**

**General Fund** projected revenues over expenses is \$273,025 which represents 7% of revenues received.

**SHARE Fund** projected revenues over expenses is deficient of (\$28,023).

**Capital Projects**

Capital Projects only projected income source is investment income.

Listed below are the FY2019 Project Capital Projects included in this budget by category:

- Capital Outlays--Building & Improvements projection is for the painting of soffit, doors, and trim at the Champaign location.
- Capital Outlays--Vehicles projection is for the replacement of (7) delivery vehicles.