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# M E M O



Date: October 10, 2011  
To: Chair J.J. McCament and Members of the Board of Trustees  
From: Clifford Jo, Finance & Business Director  
Subject: 2012-16 Cash Flow Chart

Attached is a new version of the cash flow chart, of which Steve Albers provided input for its design. The purpose of the new format is to show the effects of revenues and expenditures, the anticipated shortfall, the available cash, and the use of cash strategy to close the budget gaps.

As presented in the operating budget, it is unbalanced at \$178,487. This shortfall was after making \$1.7 million in reductions and budget adjustments. We are recommending that the Board approve the use of cash reserves to balance the budget. \$178,000 represents about 2% of our cash reserves. If cash reserves are not used, the Library will lay off more staff that department heads proposed.

In 2013, we are projecting a \$2.9 million shortfall. This is based on a property value drop of 8% for the library district. 2014 is based on -5%, 2015 is -2%, and 2016 is flat at 0%.

## 2012 CASH PLANNING CHART

DRAFT

REVENUES & EXPENDITURES				CASH						
Year	Budgeted Revenues	Change %/\$ Rev	Budgeted Expenditures	Budget Shortfall	1/1 Beginning Cash Reserves (est)	Operating Reserves (approx 4mos)	1/1 Beginning Unrestricted Cash Rsrvs (est)	Cash Use	12/31 Ending Unrestricted Cash Rsrvs (est)	Strategy for Reductions
2009	29,120,826	-	29,120,826	0	10,402,808	8,736,418	1,666,390	0	1,666,390	
2010	28,634,961	-1.67% -485,865	28,634,961	0	12,726,334	8,182,733	4,543,601	0	4,543,601	
2011	28,564,891	-0.24% -70,070	28,564,891	0	13,393,738	7,665,824	5,727,914	0	5,727,914	
2012	26,694,758	-6.55% -1,870,133	26,873,245	<b>178,487</b> Approx \$1.7 million in reductions done	8,850,624	7,250,296	1,600,328	<b>178,487</b>	1,421,841	Reduce bookmobile service; shift processing fees; personnel budget savings; salary freeze for managers; other reductions
PROJECTED										
2013	24,669,018	-7.59% -2,025,740	27,581,099	<b>2,912,081</b>	8,672,137	6,700,105	1,972,032	TBD	TBD	TBD
2014	23,491,966	-4.77% -1,177,052	TBD	TBD	8,672,137	6,380,418	2,291,719	TBD	TBD	TBD
2015	23,072,787	-1.78% -419,179	TBD	TBD	8,672,137	6,266,569	2,405,568	TBD	TBD	TBD
2016	23,077,787	0.02% 5,000	TBD	TBD	8,672,137	6,267,927	2,404,210	TBD	TBD	TBD