

To: Board of Directors
From: Nancy Wrathall
Date: June 19, 2018
RE: FY19 Operating Budget

Budget Process:

- Senior managers along with their staff were asked to develop their FY19 departmental budgets using FY15 through FY18 forecast as a guide. They were asked to include additional expenses that may be needed and to provide an explanation for other significant deviations from this year’s figures.
- The Finance Committee has reviewed several drafts of this budget and approve of this final format.

Budget Summary:

Operating income:	\$2,044,700
Operating expenses:	\$2,065,000
Net Operating Loss:	(\$20,300)

Transfers from investments included in operating income:

Endowment Fund Income:	\$50,000
Board Designated Reserve:	\$100,000

- Board Designated Reserve includes the Jerozal bequest now released from restriction.
- Due to their uncertainty, bequests are not included in budgeted revenue.
- Depreciation is not included in the budget; however there will be a transfer of \$35,200 in operating funds to the League’s System Replacement Plan.
- Capital Expenditure for Small Mammal Housing is estimated at \$6,000 and is dependent on a grant receipt.

The net result is an overall \$61,500 decrease in operating cash.

Highlights:

The largest single expense in the Potter League budget is always personnel costs (65%):

- Current salaries are budgeted to increase by up to 3% with an effective date January 1, 2019. The allocation of the increases among staff will be at the discretion of the Executive Director.

Adoption revenue: The FY18 adoption rate is assumed to carry forward through FY19 with no increase. There may be fee increases during the year as demand permits.

Community outreach: Low-income wellness/vaccination clinics will continue to be held regularly within the community where needs dictate.

Fundraising: The Walk for Animals is once again in the FY19 budget. There will be a continued focus on mail and online appeals.

Town Contracts: Newport and Middletown contracts have been asked to extend for two years at the present rate so all three can be re-negotiated at the same time. Portsmouth was re-negotiated last year for a three-year term.