

2014 BUDGET NOTES

The notes below are written to address the variance in our 2014 budget compared to the 2013 operating results for 9-months.

REVENUES	
Contributions	We are projecting a 24% increase in contributions in 2014. Fund development staffing has been restructured for a focus on major gifts and increased volunteer giving.
Grants – Non-Government	A contract grant writer has been hired to identify new sources of funding, to revive historical sources, and to broaden staff’s understanding of “fundable activities.” The goal is to raise \$361,000 of grant funding for the 9-month period of 2014.
United Way	This decrease reflects the decline in campaign dollars raised by United Ways throughout our council and the resulting projected reduction in allocations.
Cookie Sale	Our sale price per box will be increased to \$4.00 for the 2014 Cookie Sale. Based on national data, this will reduce the volume sold by an estimated 10% from the number of boxes sold in 2013. Net revenue is up approximately \$1 million due to the price increase.
Nut Sale	The 9-month period does not include the nut sale which is held in October and November.
Program Services	Due to budget constraints, Troop Adventure Camp was cancelled during the 2013 summer season, but is back in the budget for 2014. Increased program revenue is the result of Troop Adventure Camp.
Investment Income – Net	Budgeting for this revenue line represents only anticipated earned income, less fees. Realized or unrealized gains or losses are not budgeted.
Miscellaneous Income	Actual 2013 estimated revenue includes sources that are not budgeted such as funds received from disbanded troops and abandoned bank accounts (\$19,972 through September of this year) and cookie dough that is not redeemed.
EXPENSES	
Salaries	This increase is due to two primary factors: (1) The budget cuts in 2013 necessitated a freeze on hiring for several months, while this budget assumes 100% staffing at all times; (2) The effect of an average 3.5% merit increase for staff in 2013. The 2014 budget does not include salary increases, but we are committed to ensuring that dollars are available for raises in late summer 2014. This will have a minimal effect on this 9-month budget.
Benefits	Medical benefit cost will increase 7% for 2014. This budget assumes staffing at 100%, while comparing to 2013 actual costs that saw the effect of a freeze on hiring for several months, followed by a large number of new hires, who must wait 60 days for benefits to begin. This figure does not include the pension liability, which is shown separately.
Payroll Taxes	This line item reflects projected increases in Unemployment and Workers’ Compensation rates.

Professional Services	Included in this line item are the contracted services for technology support, human resources, legal counsel, audit services, and the grant writer. The 2014 budget includes an entire nine months with the grant writer and accounts for the increase in this line item.
Supplies	Troop Adventure Camp was cancelled for the 2013 summer season, but is back in the budget for 2014. The increased expenses for supplies are largely reflective of the return of Troop Adventure Camp (food and program supplies) and are offset by increased program fees.
Communications	This increase is a direct result of a projected rise in the cost of telephone and internet services.
Occupancy	Increases in this line reflect standard changes in the costs of electric, gas, fuel oil, and other utilities and services.
Travel & Vehicle Expenses	Mileage was increased to reflect the expectation that recruitment and community engagement staff should be out in their communities. It also includes the costs of bus transportation for girls from outreach locations to camp activities and conferences. It is anticipated that this cost will be offset by new grant funding.
Staff Development	Staff development expenditures were “frozen” in 2013 in an attempt to reduce expenses. The 2014 budget will support management’s continued efforts to provide staff development opportunities.
Financial Assistance	This line item has increased to meet the increasing demands for day camp. In addition, the national dues increase to \$15 will impact the number of requests for financial assistance, as well as the amount awarded.
Miscellaneous Expense	This item includes the costs of background checks (now required for all volunteers transporting girls), credit card processing fees (increasing as program/event registrations have moved to an online process), bad debts (still less than 1% of our sales, but as sales volume increases so does the uncollectable amounts), and the “net” of all volunteer day camp activities.
Pension Liability	We are facing increasing pension liability payments from both Girl Scouts of the USA pension plan and Toledo United Way pension plan. This expense was pulled from the benefits line item to clearly show its impact on our operating budget. Unless we receive legislative or IRS relief, the liability will rise from \$782,500 in 2014 to almost \$1 million in 2015.