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**TO:** Board of Directors  
**FROM:** Sylvia James, SLA Treasurer  
**DATE:** 5 November 2007  
**RE:** General Operating Budget

**Recommendation:** As Treasurer, I recommend that the Board of Directors approve the proposed 2008 general operations budget as presented.

**Rationale:** The general operations budget was prepared by SLA management using the most recent financial information, through 10/31/07, for the staff salary and benefits, office services, occupancy, computer services, and financial management.

- Salaries** The salaries budget provides for salaries for all staff positions.
- Benefits** Expenditures for benefits have been increasing for several years industry-wide. Our greatest exposure has been in medical insurance with a 15% increase in Q42007.
- Office Services** The overall office services expenses have remained constant over the past three years with no significant changes or increases anticipated in 2008.
- Occupancy** Occupancy costs are in line with FY06 and FY07 figures with the exception of taxes and condo fees. Over 2007, the tax line has increased due to the building and land being assessed, in FY05 and FY06 the taxes were not based on an actual assessment. Additionally, the condo fee has increased and the condo association, which SLA is a part of, is repairing numerous problems with the elevator, electrical systems and alarms, and utilities which require additional funds from each condo owner.
- Computer Services** Expenditures for 2008 are up slightly as staff will continue to make enhancements in the AMS system for HQ and units.
- Financial Management** Overall costs in this area have remained constant. There is an increase in the audit fees as the unit consolidation is a requirement going forward.

The 2008 General Operations budget may change slightly when the Finance Committee meets in December to plan the full 2008 proposed budget which will be presented to the

Board for approval at our January meeting. The operations budget contains the salary and benefit allocations which not only determine the associations overhead rate but are also passed on to the program area budgets. When the Finance Committee is planning the budget, based on the strategic goals for the association, they may need to alter where staff time and other general operations lines may need to change.

NAS 11/13/07