

Discussion of Direct and Indirect Expenses - FY23

NOTE: Indirect expenses have been calculated using Fredericksburg, Spotsylvania, and Stafford’s use percentages. In calculating the percentage of use, only the circulation for those localities is examined. Use by residents of other jurisdictions is excluded from the calculation. The most recent complete calendar year of circulation is used to calculate use percentages; FY23 was calculated using FY20 circulation numbers. The use percentages used in the FY23 budget are:

Funding locality	Circulation (Use) %
Fredericksburg	11.86%
Spotsylvania	38.76%
Stafford	49.38%

Westmoreland’s funding is derived using a different formula so their portion of the line items was calculated separately and is listed at the end of the document. Westmoreland funding is 4.40% of the local budget; their contribution to the indirect line items was calculated using that percentage.

1. Salaries:

	Branch salaries (Direct expense)	LAC & subs costs* (Indirect expense)	Locality total
Fredericksburg	\$1,122,516	\$339,828	\$1,462,343
Spotsylvania	\$1,450,496	\$1,110,600	\$2,561,095
Stafford	\$1,838,245	\$1,414,897	\$3,253,142
<i>TOTAL costs</i>	<i>\$4,411,256</i>	<i>\$2,865,325</i>	<i>\$7,276,581</i>

** All staff at LAC serve every location in the system, and sub costs are distributed based on the percent of local budget since their direct expense is unknown during the budget cycle and are not directly charged to a specific location until after they are used.*

2. Benefits:

Direct expenses	FICA	VRS retirement	VRS life	PEHP	Health insurance	Locality total
Fredericksburg	\$85,872	\$61,834	\$8,344	\$6,227	\$157,592	\$319,869
Spotsylvania	\$110,963	\$87,737	\$11,840	\$8,836	\$198,476	\$417,850
Stafford	\$140,626	\$122,309	\$16,505	\$6,733	\$378,030	\$664,203
<i>TOTAL costs</i>	<i>\$337,461</i>	<i>\$271,879</i>	<i>\$36,689</i>	<i>\$21,796</i>	<i>\$734,097</i>	<i>\$1,401,922</i>

Indirect expenses	LAC & subs FICA	LAC VRS retirement	LAC VRS life	LAC PEHP	LAC health insurance	Locality total
Fredericksburg	\$26,638	\$33,745	\$4,554	\$3,398	\$89,198	\$157,533
Spotsylvania	\$81,966	\$110,283	\$14,882	\$11,106	\$274,463	\$492,700
Stafford	\$100,955	\$140,499	\$18,960	\$14,149	\$338,045	\$612,608
<i>TOTAL costs</i>	<i>\$209,559</i>	<i>\$284,527</i>	<i>\$38,395</i>	<i>\$28,653</i>	<i>\$701,705</i>	<i>\$1,262,840</i>

Indirect expenses (cont.)	Cash match	Vaccine clinics	Employee Assistance Program	Workers' comp	Unemployment	Locality total
Fredericksburg	\$7,347	\$226	\$1,130	\$226	\$226	\$9,156
Spotsylvania	\$24,013	\$739	\$3,694	\$739	\$739	\$29,923
Stafford	\$30,592	\$941	\$4,706	\$941	\$941	\$38,122
<i>TOTAL costs</i>	<i>\$61,952</i>	<i>\$1,906</i>	<i>\$9,531</i>	<i>\$1,906</i>	<i>\$1,906</i>	<i>\$77,201</i>

	TOTAL Direct expenses	TOTAL Indirect expenses	Locality total
Fredericksburg	\$319,869	\$166,689	\$486,558
Spotsylvania	\$417,850	\$522,623	\$940,473
Stafford	\$664,203	\$650,730	\$1,314,932
<i>TOTAL costs</i>	<i>\$1,401,922</i>	<i>\$1,340,041</i>	<i>\$2,741,963</i>

3. Example using highest line items:

Indirect expenses	Computer Services	Books & Materials*	General Supplies**	Furniture & Equipment**	Locality total
Fredericksburg	\$55,024	\$12,853	\$11,905	\$6,690	\$86,473
Spotsylvania	\$179,827	\$42,005	\$38,909	\$21,863	\$282,603
Stafford	\$229,098	\$53,514	\$49,569	\$27,853	\$360,035
<i>TOTAL costs</i>	<i>\$463,949</i>	<i>\$108,372</i>	<i>\$100,383</i>	<i>\$56,406</i>	<i>\$729,110</i>

*The bulk of funding for Books & Materials comes from State Aid. This calculation is only on local funding portion of the line item.

**LAC Supplies and Furniture & Equipment expenses are attributed to the LAC line item

4. Forecasted locality totals of line items presented here:

	Direct expenses	Indirect expenses	Locality TOTAL of these 6 line items	FY23 TOTAL funding request	FY23 TOTAL Funding amount
Fredericksburg	\$1,442,385	\$576,214	\$2,018,598	\$1,506,269	\$1,400,000
Spotsylvania	\$1,868,346	\$1,861,003	\$3,729,348	\$4,649,940	\$4,307,827
Stafford	\$2,502,447	\$2,355,817	\$4,858,264	\$5,890,441	\$5,305,751
<i>TOTAL costs</i>	<i>\$5,813,178</i>	<i>\$4,793,033</i>	<i>\$10,606,211</i>	<i>\$12,046,650</i>	<i>\$11,013,578</i>

	Direct expenses	Indirect expenses	Locality TOTAL of these 6 line items	FY23 TOTAL funding request	FY23 TOTAL Funding amount
Westmoreland	\$259,888	\$220,447	\$480,335	\$506,527	\$506,527