Highlights to FY13 Budget Approved by Longleaf Board of Directors on May 2, 2012

- FY13 revenue to Longleaf is projected to be $1,663,350, an increase of $79,350, or 5%, compared to the FY12 projection. The increase in revenue is primarily due to an increase in projected net sales of 12.8% from the University of Nebraska Press (FY13 will be the first full year of sales for their two new distribution clients – Caxton Press and the Jewish Publication Society), and a 5.6% projected net sales increase from UNC Press.

- FY13 expenses are projected to total $1,662,580 in FY13. This is an increase of $60,540, or 3.8%, over the FY12 budget. The primary operating expense for Longleaf is the fee paid to Maple-Vail for warehousing and distribution activities. This expense, projected to be $848,140 in FY13, represents 51% of total operating expenses.

- The FY13 budget includes no additional staffing. Longleaf continues to employ seven full-time staff and two part-time staff. We also employ two part-time work-study students. In addition, accounting and IT services are provided by the UNC Press accounting and IT departments, for which Longleaf is charged 30% of applicable salaries and benefits.

- Staff salaries include a pool based on 2% of current total for staff making under $70,000. [As a reminder: furlough plan for all staff was discontinued as of February 1, 2011; staff making over $70,000 returned to FY09 salaries as of January 1, 2012.] Those salaries not increased as of July 1, 2012 will be reviewed after January 1, 2013 as part of the mid-year budget review.

- The FY13 budget yields a break-even bottom-line.

- Lines 39-41 of the budget worksheet provide some analytical information. Line 39 reports the total net books sales of the Longleaf client publishers (the basis for the calculations on lines 40 & 41). Line 40 reports the percentage of total expenses divided by net book sales. The goal for Longleaf is to achieve an expense ratio of 10% or lower. The FY13 budget reflects 10.29%. The ratio on Line 41 reports the fees paid to Maple-Vail as a percentage of net book sales. The expectation is that fees to Maple-Vail should be under 5% of net book sales. The MV expense ratio budgeted for FY13 is 5.25%.