

Library Finance Summary

July 2017

Revenue

Municipal donations were \$26 K in July, the bulk of which was the quarterly County donation. Donations from our largest 2 donors, Kennett Township and East Marlborough Township, have probably maxed out at this point. In other words, except for the 4th quarter County donation of \$20,065, there probably will be no large municipal donations through the end of the year.

YTD July 2017					
Revenue	Actual	Budget	% Chg	2016	% Chg
Governmental revenue	\$501,337	\$367,936	36.3%	\$427,498	17.3%
Library revenue	19,970	18,410	8.5%	21,593	-7.5%
Donations/Grants/Misc	92,063	83,500	10.3%	97,836	-5.9%
Total	\$613,370	\$469,846	30.5%	\$546,928	12.1%
<i>Transfer from/to other funds</i>	30,801	-	NM	45,837	-32.8%

Library revenue during the month was \$8.4 K and year-to-date at \$613 K which is considerably ahead of budget due to many of the municipalities donating their full amounts earlier in the year. Likewise, revenue is 12% ahead of 2016.

July revenue for the Adult Literacy Program (“ALP”) was \$3.1 K as there were no major donations or grants received during the month. Year to date, ALP revenue is 7.3% ahead of budget at \$46.5 K and 24% ahead of to date last year.

Expenses

Library July expenses, including capital outlay, or \$60.2 K which is just about average for monthly expenses. As can be seen from the graphic below, expenses are running nearly 6% below budget and 34% below last year. So far good performance even including greater personnel expenses versus budget.

YTD July 2017					
Expense	Actual	Budget	% Chg	2016	% Chg
Personnel	\$ 261,495	\$ 254,096	2.9%	\$ 319,781	-18.2%
Materials	45,201	63,794	-29.1%	89,526	-49.5%
Facilities	41,099	37,455	9.7%	67,552	-39.2%
Programming	13,384	24,700	-45.8%	30,602	-56.3%
Supplies	9,869	8,138	21.3%	13,457	-26.7%
All other	39,027	53,671	-27.3%	113,681	-65.7%
Total	410,075	441,853	-7.2%	634,599	-35.4%
Capital expenditures	\$ 10,542	\$ 3,646	189.2%	\$ 4,285	146.0%
Expenses incl. capital Ex.	\$ 420,617	\$ 445,498	-5.6%	\$ 638,884	-34.2%
Net	\$192,753	\$24,347	691.7%	(\$91,956)	NM

greater personnel expenses versus budget.

It should be noted that library materials expenses are starting to catch up to the required 12% of overall expenses. Year to date materials as a percentage of total expenses is running 11.3%.

Facility expenses are running higher than budget due to the

required maintenance on the HVAC system. Some of those because of also been booked into the capital outlay segment. We are hoping the system held together by duct tape and chicken wire at this point can survive another couple of years.

Program expenses are running 46% below year to date budget. This is an interesting situation as the staff is doing an excellent job with programming as is evidenced by program attendance. There is always the possibility that the budget was just incorrect.

July **ALP expenses**, mostly composed of personnel costs and library materials, was \$5.7 K. Year to date, ALP expenses are 4.4% below budget and 25% above 2016.

Net

The library year to date “net” of \$192.8 K is considerably inflated due to the early municipal donations so for now the comparison to budget should be ignored. It is sometimes difficult to budget exactly when the municipalities will make their donations.

ALP year-to-date net is doing better than budget at \$(9.4) K versus \$(15.2) K. These net totals include the corrections to the June report which will be reissued shortly.

For those interested in detail, I am planning to include a spreadsheet combining both the library fund (020) with the adult literacy fund (023). This will provide an idea the total revenue and expense for the total library. **It will not include** the capital reserve fund (021) as it makes no sense to include this account considering the high and ongoing project expenses being incurred for the new building project. The combination is already been constructed but I want to check it one more time for releasing it to everybody. If you want to continue receiving this combined spreadsheet, I will make it part of the monthly report.

Library Finance Summary

July 2017

Cash Management

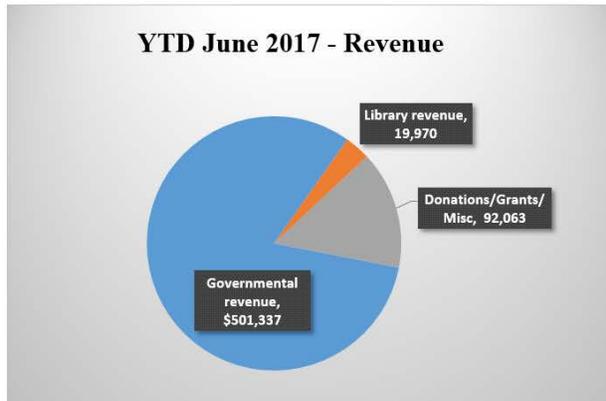
Library cash on hand remains positive at \$256.9 K, sufficient for approximately 3+ months days without incurring any portfolio transfers and without any new large donations. ALP cash of \$9.6 K probably will take us into September but we are expecting additional donations into this fund shortly.

The library investment portfolio increased by \$24.9 K in July based on improved pricing and \$2.5 K in bond dividends. Currently the portfolio is valued at \$2.9 6K and should break the \$3 million mark in August.

July 2017				
Fund Balances	Library (020)	CapRes (021)	ALP (023)	Total
Beg of Year Fund Balance	\$ 65,415	\$ 6,017	\$ 9,287	\$ 80,718
Chg in Cash	\$ 191,524	\$ (23,016)	\$ 344	\$ 168,851
July 2017 Cash Balance	\$ 256,939	\$ (16,999)	\$ 9,631	\$ 249,570
Beg of Year Investment Balance		\$ 2,870,272		\$ 2,870,272
Restricted Account		835,274		835,274
McMullan Account		271,034		271,034
Wellesley		1,759,438		1,759,438
Exelon Account		120,288		120,288
Current Investment Balance	\$ -	\$ 2,986,034	\$ -	\$ 2,986,034
Chg in Investment Balance	\$ -	\$ 115,762	\$ -	\$ 115,762
Total Fund Balance	\$256,939	\$2,969,035	\$9,631	\$3,235,604
<i>Last Month</i>	\$ 281,347	\$ 2,946,235	\$ 12,949	\$ 3,240,531
<i>Change from last month</i>	<i>(\$24,409)</i>	<i>\$22,799</i>	<i>(\$3,318)</i>	<i>(\$4,928)</i>

I am happy to report that progress implementing our new investment manager, **Blue Rock Financial Group**, is well on its way. Our applications to allow them to access our account to create the new accounts they will operate from are in progress. You will also shortly receive a final draft of the Investment Policy Statement for your review. This is basically the library investment policy and it will be voted on at the September board meeting.

William C McLachlan
Treasurer



Library Finance Summary

July 2017
