

Library Finance Summary

August 2017

This financial report presents a new format for those interested in some of the financial details. Attached is a P&L showing a consolidation of the library (Fund 020) and the Adult Literacy Program (Fund 023). In essence, this report displays the finances of the “entire” library. The report also attempts to predict the end of year revenue and expenses. Be aware that forecasting is not an exact science at this stage but the end of year assessment is based on the original budget and averages of what has been spent through the current month.

A shorter P&L showing the Capital Reserve account (Fund 021) is also presented which is solely devoted to the new library project. The report collects donations and capital campaign contributions and the expenses associated with the project. It also attempts to predict revenue and expenses by year end.

Revenue

August Municipal donations for the **library** were very light at \$3.4 K (East Marlborough Township). Year to date governmental revenue is 2.4% below budget mainly because the budget for the donations from East Marlborough Township appears to be on the high side this year.

YTD August 2017					
Revenue	Actual	Budget	% Chg	2016	% Chg
Governmental revenue	\$504,771	\$516,936	-2.4%	\$485,317	4.0%
Library revenue	23,123	21,040	9.9%	24,813	-6.8%
Donations/Grants/Misc	92,826	89,750	3.4%	93,214	-0.4%
Total	\$620,719	\$627,726	-1.1%	\$603,343	2.9%
Transfer from/to other funds	60,801	-	NM	45,837	32.6%

Library revenue from operations during the month was \$3.9 K and year-to-date at \$23.1 K which is 9.9% ahead of budget primarily due to library charges (fines, loss books, etc.). The category of donations/grants/miscellaneous is greater than budget by 3.4% which is primarily due to annual giving which is ahead of budget by 59% offset by grants which is 70% below budget this year.

August 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 expenses from operations, including capital outlay, were \$65.4 K. Average expenses for the prior 7 months were \$60K, so August expenses were \$5K more than the average. Programming expenses and fundraising expenses account for this difference. As can be seen from the graphic below, overall expenses are running nearly 4% below budget and 35% below last year. So far good performance even including greater personnel expenses versus budget.

YTD August 2017					
Expense	Actual	Budget	% Chg	2016	% Chg
Personnel	\$ 299,691	\$ 290,395	3.2%	\$ 375,254	-20.1%
Materials	51,622	72,907	-29.2%	105,215	-50.9%
Facilities	42,950	43,452	-1.2%	76,654	-44.0%
Programming	19,872	27,300	-27.2%	33,250	-40.2%
Supplies	10,784	9,300	16.0%	13,773	-21.7%
All other	46,106	56,367	-18.2%	125,660	-63.3%
Total	471,024	499,721	-5.7%	729,806	-35.5%
Capital expenditures	\$ 13,656	\$ 4,167	227.7%	\$ 9,654	41.5%
Expenses incl. capital Ex.	\$ 484,680	\$ 503,888	-3.8%	\$ 739,460	-34.5%
Net	\$136,039	\$123,838	9.9%	(\$136,117)	NM

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 11.0%**. It is important that the library meets the required 12% by the end of the year.

Facility expenses are running higher than budget due to the required maintenance on the HVAC system. Some of the HVAC maintenance

expenses have also been booked into the capital outlay segment. We are hoping the system can be held together by duct tape and chicken wire so as to survive another couple of years.

Fundraising expenses are included in *All Other* in the chart above but it should be mentioned that these expenses are 121% higher than budget. That is **actually good news** considering that these expenditures have resulted in a considerable increase in donations throughout the year. We expect fundraising expenses to grow more in November and December with the first ever “Fall Fundraising Event”.

August **ALP expenses**, mostly composed of personnel costs and library materials, was \$5.7 K and on a year-to-date basis, ALP expenses are 7.7% below budget and 25.7% above 2016. The Executive Committee approved earlier this year the increase in hours for the manager and administrative assistant of this program.

Net

The **library year to date “net”** of \$136 K versus a budget of \$123.8 K continues to be inflated due to the early municipal donations. This time last year, the library was showing a year-to-date net of \$(90.3) K.

ALP year-to-date net of \$(14.8) K is slightly behind the budget of \$(13.9) and lower than 2016 which was \$(5.0)K. Again, the net performance includes the higher personal expense mentioned above.

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Cash Management

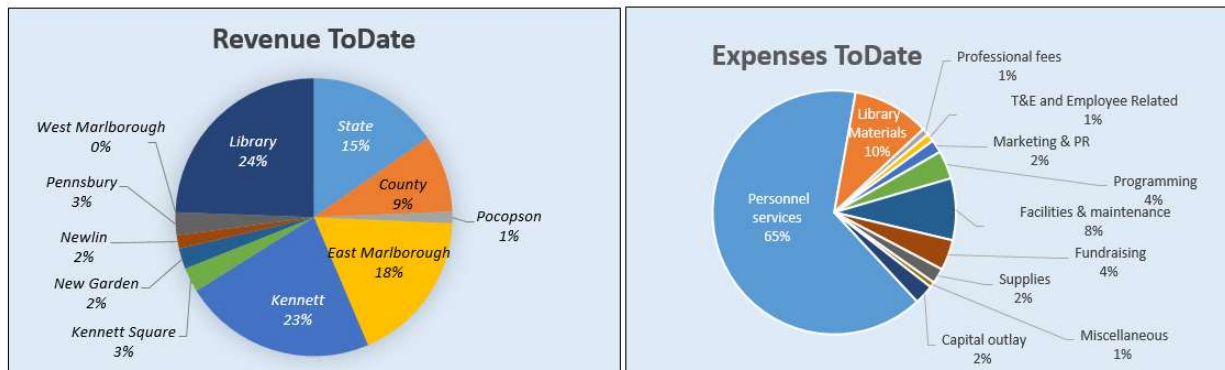
The library accounts continue to be managed on a cash basis. Close attention is provided to available cash in the 3 library funds. **Library cash** on hand remains positive at \$206.6 K, sufficient for approximately 3+ months without incurring any portfolio transfers and without any new large donations. **ALP cash** of \$4.8 K will take the program through September. There will be an additional United Way of Southern Chester County paycheck in September (\$10.8 K) in addition to a transfer of slightly over \$5K from the library for the ALP portion of the Home and Garden tour.

August 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	\$ 141,157	\$ (1,258)	\$ (4,447)	\$ 135,452
August 2017 Cash Balance	\$ 206,572	\$ 4,759	\$ 4,840	\$ 216,171
Beg of Year Investment Balance		\$ 2,870,272		\$ 2,870,272
Restricted Account		811,397		811,397
McMullan Account		272,011		272,011
Wellesley		1,769,036		1,769,036
Exelon Account		120,456		120,456
Current Investment Balance	\$ -	\$ 2,972,900	\$ -	\$ 2,972,900
Chg in Investment Balance	\$ -	\$ 102,628	\$ -	\$ 102,628
Total Fund Balance	\$206,572	\$2,977,659	\$4,840	\$3,189,071
Last Month	\$ 281,347	\$2,946,235	\$12,949	\$ 3,240,531
Change from last month	(\$74,775)	\$31,423	(\$8,109)	(\$51,461)

In August the library investment portfolio increased by \$31.4 K which was actually pretty good considering that \$30,000 was transferred from the portfolio to supplement the cash in the capital reserve account.

The **Capital Reserve** account exists to manage revenue & expenses for the library project. You will notice in the new attachment more detailed information concerning the current status of this account. Currently the investment portfolio contains \$931.9 K specifically allocated to the new library project. This amount will not last probably more than 12 months with major expenses forecast to be the Weinstein lot (\$386K), ongoing architectural, communication & feasibility consultants, and legal fees.

William C McLachlan
Treasurer



Note: The above charts contain combined revenue and expenses of the library and ALP Funds.

As of August 2017

	Cur. Mo.	Revenue and expenses for Fund 021						Forecast of Year-end Financials				
		YTD	%	YTD Bud.	% Chg	LYTD	% Chg	2017 Est	2017 Bud	% Chg	2016	% Chg
Revenue												
Donations-capital campaign	\$ -	\$ -	0%	\$ -	NM	\$ -	NM	\$ -	\$ -	NM	\$ 33,006	-100%
Miscellaneous revenue	-	1	100%	-	NM	2	-46%	1	-	NM	3	-63%
Total Revenue	\$ -	\$ 1	100%	\$ -	NM	\$ 2	-46%	\$ 1	\$ -	NM	\$ 33,009	-100%
Expense												
Feasibility/Capital Campaign Con	\$ 8,750	\$ 21,250	44%	\$ -	NM	\$ -	NM	\$ 28,750	\$ -	NM	\$ -	NM
Organizational Representative	-	5,000	10%	-	NM	11,240	-56%	5,000	-	NM	12,620	-60%
Communications Consultant	-	-	0%	-	NM	42,500	-100%	-	-	NM	42,500	-100%
Architectural fees	-	5,000	10%	-	NM	-	NM	45,000	-	NM	-	NM
Legal fees	1,820	11,303	23%	-	NM	9,397	20%	11,303	-	NM	10,487	8%
Maintenance-building & ground	225	675	1%	-	NM	1,860	-64%	675	-	NM	2,085	-68%
Miscellaneous	-	5,032	10%	-	NM	4,910	2%	5,032	-	NM	4,910	2%
Total Expenses	\$ 10,795	\$ 48,260	100%	\$ -	NM	\$ 69,907	-31%	\$ 95,760	\$ -	NM	\$ 72,602	32%
Current cash availability	\$ 4,758.53											

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Kennett Library Summary Totals

As of August 2017	8							Year-to-Date Revenue and expenses					Forecast of Year-end Financials			
Funds 020 (Library) & 023 (ALP)	Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg	2017 Est	2017 Bud	% Chg	2016	% Chg				
Revenue																
Governmental Donations																
State	\$ -	\$ 102,440	20%	\$ 102,440	0%	\$ 98,512	4%	\$ 102,440	\$ 102,440	0%	\$ 98,512	4%				
County	-	60,196	12%	60,196	0%	57,875	4%	80,261	80,261	0%	77,167	4%				
Pocopson	-	9,000	2%	8,000	13%	8,000	13%	9,000	8,000	13%	8,000	13%				
East Marlborough	3,434	119,585	24%	130,000	-8%	119,755	0%	119,585	130,000	-8%	121,908	-2%				
Kennett	-	150,300	30%	154,000	-2%	144,000	4%	154,300	154,000	0%	157,600	-2%				
Kennett Square	-	19,100	4%	18,550	3%	18,550	3%	38,200	37,100	3%	37,100	3%				
New Garden	-	15,900	3%	15,500	3%	-	NM	15,900	15,500	3%	15,500	3%				
Newlin	-	10,500	2%	10,500	0%	10,500	0%	10,500	10,500	0%	10,500	0%				
Pennsbury	-	17,750	4%	17,750	0%	26,625	-33%	35,500	35,000	1%	35,500	0%				
West Marlborough	-	-	0%	-	NM	1,500	-100%	3,500	3,500	0%	3,500	0%				
Total Governmental	\$ 3,434	\$ 504,771	76%	\$ 516,936	-2%	\$ 485,317	4%	\$ 569,186	\$ 576,301	-1%	\$ 565,287	1%				
Library Revenue																
Charges, Fines, Interest, Misc	\$ 3,153	\$ 23,150	14%	\$ 21,042	10%	\$ 24,814	-7%	\$ 33,290	\$ 31,563	5%	\$ 33,120	1%				
Donations, annual Giving	\$ 1,422	92,934	57%	70,906	31%	77,288	20%	110,728	92,000	20%	68,379	62%				
Grants	\$ -	4,500	3%	27,000	-83%	24,850	-82%	47,716	69,008	-31%	13,600	251%				
Events	\$ -	42,495	26%	45,000	-6%	35,337	20%	77,615	45,000	72%	35,517	119%				
Total Library	\$ 4,575	\$ 163,078	24%	\$ 163,948	-1%	\$ 162,290	0%	\$ 269,349	\$ 237,571	13%	\$ 150,616	79%				
Total Revenue	\$ 8,010	\$ 667,849	100%	\$ 680,884	-2%	\$ 647,607	3%	\$ 838,535	\$ 813,872	3%	\$ 715,903	17%				
Expense																
Personnel services	\$ 43,529	\$ 353,925	65%	\$ 350,450	1%	\$ 418,431	-15%	\$ 539,115	\$ 524,326	3%	\$ 458,359	18%				
Library Materials	\$ 6,620	55,920	10%	76,240	-27%	108,293	-48%	90,602	102,747	-12%	120,134	-25%				
<i>Library Materials as % of Expenses</i>	10.5%	11.0%		13.0%		15.3%		11.2%	12.7%							
Professional fees	150	5,000	1%	13,933	-64%	17,737	-72%	24,525	22,000	11%	24,525	0%				
T&E and Employee Related	590	5,724	1%	2,500	129%	25,547	-78%	6,724	3,500	92%	6,724	0%				
Marketing & PR	1,457	9,463	2%	23,450	-60%	12,698	-25%	19,863	34,250	-42%	19,663	1%				
Programming	6,547	20,443	4%	27,300	-25%	33,250	-39%	26,072	34,200	-24%	26,072	0%				
Facilities & maintenance	1,851	44,800	8%	44,152	1%	77,782	-42%	64,847	67,420	-4%	62,997	3%				
Fundraising	4,695	22,082	4%	10,000	121%	52,843	-58%	49,582	10,000	#####	49,582	0%				
<i>Fundraising exp as % of all donations, events, grants</i>	330.2%	15.8%		7.0%		38.4%		21.0%	4.9%							
Supplies	954	11,064	2%	10,050	10%	13,888	-20%	15,544	16,900	-8%	14,530	7%				
Miscellaneous	35	3,958	1%	6,833	-42%	17,181	-77%	5,358	10,200	-47%	5,087	5%				
Capital outlay	4,744	14,086	3%	4,167	238%	9,654	46%	14,281	6,250	#####	14,281	0%				
Total Expenses	\$ 69,715	\$ 546,466	100.0%	\$ 545,626	0%	\$ 774,605	-29%	\$ 836,649	\$ 797,543	5%	\$ 782,290	7%				
Net	\$ (61,706)	\$ 121,383	22%	\$ 135,259	-10%	\$ (126,999)	-196%	\$ 1,885	\$ 16,329	#####	\$ (66,387)	-103%				
<i>Expenses as a percent of revenue</i>	870%	82%		80%		120%		100%	98%		109%					
Current Cash Availability	\$ 211,412															