

Library Finance Summary

February 2018

Note: the discussion below refers to both the library (021) and ALP (023) Funds unless otherwise stated.

Revenue

As is typical, February is a slow revenue month due to usually no municipal donations. Only \$1.3K was received from East Marlborough. YTD governmental revenue is 10% lower than 2017 due to 3% lower state & county funding this year and no donation from Newlin Township which occurred last February.

Donation, grants, and events YTD were \$23.5 K, 30% below 2017, which is somewhat misleading. First, the 2016 annual appeal got off to a very late start December

2016 which resulted in most of the donations being received in the first quarter 2017 (nearly \$38K of the 2017 annual appeal was booked in December 2017 versus only \$16.9 K of the 2016 annual appeal booked in December 2016). Secondly, the 2017 Annual appeal donations as of March 16 has topped \$83,000 received since mid-December but there is approximately \$18,000 of receipts that have not reached the accounting system at this point. A clearer picture of year-over-year comparison will be evident in the March financial report.

ALP's YTD revenue is off to a slow start, but there will be a pickup in March with incoming grants which will potentially put ALP's revenue ahead of 2017.

Revenue	YTD February 2018		Combined library + ALP		
	Actual	Budget	% Chg	2017	% Chg
Governmental revenue	\$121,043	\$129,272	-6.4%	\$135,145	-10.4%
Library revenue	\$5,779	\$5,910	-2.2%	\$2,547	126.9%
Donations/Grants/Misc	\$23,495	\$41,317	-43.1%	\$33,310	-29.5%
Total	\$150,316	\$176,499	-14.8%	\$171,002	-12.1%

Expenses

Overall expenses were 3.7% *below* budget and 13.5% *greater* than 2017. Part of the higher expense in 2018 is due to the double medical benefits expense in January of approximately \$5500. Overall, there are no real surprises at this point.

Personnel services expense matches budget (even with that double benefits payment in January) and, as expected, is higher than last year due to more full-time staff with benefits.

Expense	YTD February 2018		Combined library + ALP		
	Actual	Budget	% Chg	LY	% Chg
Personnel	\$101,150	\$101,578	-0.4%	\$80,093	26.3%
Materials	14,855	16,982	-12.5%	\$11,277	31.7%
Facilities	9,587	11,999	-20.1%	\$8,178	17.2%
Programming	2,588	4,917	-47.4%	\$1,691	53.1%
Supplies	2,833	2,620	8.1%	\$2,314	22.5%
All other	10,585	8,995	17.7%	\$21,248	-50.2%
Total	\$ 141,599	\$ 147,090	-3.7%	\$ 124,801	13.5%
Capital expenditures	337	1,250	-73.0%	8,031	-95.8%
Expenses incl. capital Ex.	\$ 141,936	\$ 148,340	-4.3%	\$ 132,832	6.9%
Net	\$8,380	\$28,159	-70.2%	\$38,170	-78.0%

Library Materials are below budget and slightly greater than last year where expenses were considerably below budget until the last half of the year. **Programming** costs are still lagging budget but will pick up as the library enters its big programming season starting in June. For once, **Facilities** expenses are below budget and are higher versus last year due to extra snow removal costs in January/February. In the **All Other** expenses category, fundraising expenses account for

80% which included the printing of the 2nd annual appeal letter.

ALP expenses were \$10.3K for the month and year to date, \$16.8K, which is 17% below budget and 14% greater than 2017. This was partially due to monthly benefit charges not being allocated to the ALP fund, which is being corrected. The greater expenses versus 2017 are the result of more administrative hours and benefits for the staff.

Net

February "Net" (*excess of revenue over expenses*) for the library & ALP was \$(48.9)K, a big swing from January but, again, expected due to very low donations during the month. YTD, the combined net is \$8.4K down considerably from 2017 at \$33.2 K.

Cash Management

Refer to the table on the right, which shows the cash balances of the major library funds at the end of February. Cash is *quite positive* for both the library and ALP at approximately \$140 K. This will carry the library for at least the next 2 months when revenue will kick up with more municipal donations.

Library Investment Portfolio

The portfolio at the end of February was \$3.7 million, down \$100 K due to a transfer of funds into the Capital Reserve account. Last month this report mentioned the restructuring of the investment portfolio. That has now been accomplished and the fund balances people is reporting on the new Vanguard funds. Of interest is the Vanguard federal Money Market Fund which now holds the "Restricted" fund dedicated to the new library building. The Vanguard mutual funds hold approximately \$50K as an emergency fund to support library operating expenses if necessary.

February 2018				
Fund Balances	Library (020)	CapRes (021)	ALP (023)	Total
Beg of Year Fund Balance	\$ 98,840	\$ 8,522	\$ 33,795	\$ 141,156
Chg in Cash	\$ 21,715	\$ 81,440	\$ (5,566)	\$ 97,589
February 2018 Cash Balance	\$ 120,555	\$ 89,962	\$ 28,229	\$ 238,746
Beg of Year Investment Balance		\$ 2,870,272		\$ 2,870,272
Vanguard ST Investment (McMullan)		269,749		
Vanguard Federal Money Mkt. Fund		1,613,163		
Vanguard Brokerage - Settlement		36,031		
Vanguard Mutual Funds		49,863		
Vanguard ETF Funds		1,755,022		
Current Investment Balance	\$ -	\$ 3,723,828	\$ -	\$ 3,723,828
Chg in Investment Balance YTD	\$ -	\$ 853,556	\$ -	\$ 853,556
Total Fund Balance	\$120,555	\$3,813,790	\$28,229	\$3,962,574
<i>Last Month</i>	<i>\$161,606</i>	<i>\$3,836,966</i>	<i>\$28,229</i>	<i>\$4,026,802</i>
<i>Change from last month</i>	<i>(\$41,051)</i>	<i>(\$23,176)</i>	<i>\$0</i>	<i>(\$64,228)</i>

William C McLachlan, Treasurer

Library Finance Summary

February 2018

2018 Kennett Library Summary Totals

As of February 2017 Funds 020 (Library) & 023 (ALP)	Year-to-Date Revenue and expenses							
	2	Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg
Revenue								
Governmental Donations								
State	\$ -	\$ 99,265	82%	\$ 99,265	0%	\$ 102,440	-3%	
County	-	19,507	16%	\$ 19,507	0%	\$ 20,065	-3%	
Pocopson	-	-	0%	\$ -	NM	\$ -	NM	
East Marlborough	1,281	2,270	2%	\$ -	NM	\$ 2,140	6%	
Kennett	-	-	0%	\$ -	NM	\$ -	NM	
Kennett Square	-	-	0%	\$ -	NM	\$ -	NM	
New Garden	-	-	0%	\$ -	NM	\$ -	NM	
Newlin	-	-	0%	\$ 10,500	-100%	\$ 10,500	-100%	
Pennsbury	-	-	0%	\$ -	NM	\$ -	NM	
West Marlborough	-	-	0%	\$ -	NM	\$ -	NM	
Total Governmental	\$ 1,281	\$ 121,043	81%	\$ 129,272	-6%	\$ 135,145	-10%	
Library Revenue								
Charges, Fines, Interest, Misc	\$ 3,394	\$ 5,779	20%	\$ 5,910	-2%	\$ 2,547	127%	
Donations, annual Giving	\$ 6,253	17,092	58%	\$ 37,983	-55%	\$ 25,823	-34%	
Grants	\$ 1,928	1,928	7%	\$ 833	131%	\$ -	NM	
Events	\$ 475	4,475	15%	\$ 2,500	79%	\$ -	NM	
Library	\$ 12,049	\$ 29,274	19%	\$ 47,227	-38%	\$ 28,370	3%	
Total Revenue	\$ 13,330	\$ 150,316	100%	\$ 176,499	-15%	\$ 163,515	-8%	
Expense								
Personnel services	\$ 49,356	\$ 101,150	71%	\$ 101,578	0%	\$ 79,100	28%	
Library Materials	\$ 6,044	14,855	10%	16,982	-13%	11,277	32%	
<i>Library Materials as % of Expenses</i>	-19.9%	38.2%		27.9%		17.9%		
Professional fees	573	626	0%	750	-16%	654	-4%	
T&E and Employee Related	460	1,085	1%	750	45%	4,147	-74%	
Marketing & PR	75	1,000	1%	1,687	-41%	3,524	-72%	
Programming	2,161	2,588	2%	4,917	-47%	1,691	53%	
Facilities & maintenance	2,190	9,587	7%	11,999	-20%	8,178	17%	
Fundraising	25	7,310	5%	5,000	46%	8,322	-12%	
<i>Fundraising exp as % of all donations, events, grants</i>	0.3%	31.1%		12.1%		32.2%		
Supplies	700	2,833	2%	2,912	-3%	2,314	22%	
Miscellaneous	310	564	0%	808	-30%	3,116	-82%	
Capital outlay	337	337	0%	1,250	-73%	8,031	-96%	
Total Expenses	\$ 62,229	\$ 141,936	100.0%	\$ 148,632	-5%	\$ 130,356	9%	
Net	\$ (48,899)	\$ 8,380	6%	\$ 27,867	-70%	\$ 33,159	-75%	

Expenses as a percent of revenue 467% 94% 84% 80%

Current Cash Availability **\$ 148,784**

Note: The above chart contains combined revenue and expenses of the library and ALP Funds.

As of February 2017 Capital Reserve Fund-021 (For new library)	Revenue and expenses for Fund 021						
	Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg
Revenue							
Donations-capital campaign	\$ -	\$ -	0%	\$ -	NM	\$ -	NM
Miscellaneous revenue	4	5	100%	-	NM	1	670%
Total Revenue	\$ 4	\$ 5	100%	\$ -	NM	\$ 1	670%
Expense							
Feasibility/Capital Campaign Consultant	\$ 3,765	\$ 9,637	52%	\$ -	NM	\$ 7,500	28%
OR/CMAR	-	-	0%	-	NM	-	NM
Communications Consultant	-	-	0%	-	NM	-	NM
Architectural fees	-	-	0%	-	NM	-	NM
Legal fees	4,998	8,928	48%	-	NM	2,338	282%
Maintenance-building & grounds	-	-	0%	-	NM	-	NM
Miscellaneous	-	-	0%	-	NM	693	-100%
Total Expenses	\$ 8,763	\$ 18,565	100%	\$ -	NM	\$ 10,530	76%
Current cash availability	\$ 89,962						

The above chart shows the current Capital Reserve fund.