

Library Finance Summary

September 2018

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

Revenue

Governmental donations were quite plentiful in September at \$71.5K from Pocopson, New Garden, Kennett, East Marlborough, and Pennsbury. There will be one additional County donation in October and, hopefully, two additional donations from Kennett Square, a final donation from Pennsbury (usually in December) and possibly a small donation from West Marlborough toward the end of the year. If this assumption is correct, municipal donations should end the year just about 1% higher than budget.

YTD September 2018	Combined library + ALP				
Revenue	Actual	Budget	% Chg	2017	% Chg
Governmental revenue	\$596,078	\$589,035	1.2%	\$523,533	13.9%
Library revenue	27,236	26,594	2.4%	17,736	53.6%
Donations/Grants/Misc	188,891	170,590	10.7%	159,402	18.5%
Total	\$812,205	\$786,219	3.3%	\$700,671	15.9%

Library "charges" revenue at \$1.8 K was interestingly the highest of the year.

September ALP revenue consisted of the first donation of the new fiscal year from UWSCC of \$10.3K plus a small amount of library book sales. While YTD revenue is 10% greater than 2017, it is 24% less than our aggressive revenue budget.

Expenses

Total library expenses including capital outlay were \$59.3K in September, nearly \$31K lower than August. ALP expenses were \$10.8K, nearly 100% all personnel services.

Refer to the chart on the right for year-to-date comparisons:

Personnel Services expenses, representing 68% of library expenses, are 7% greater than budget and 19% greater than 2017, due to several factors including higher benefit costs in 2018, 3% cost-of-living adjustment, and additional hours for the ALP staff to full-time status.

YTD September 2018	Combined library + ALP				
Expense	Actual	Budget	% Chg	LY	% Chg
Personnel	\$493,363	\$459,852	7.3%	\$414,414	19.1%
Materials	86,990	90,100	-3.5%	\$64,184	35.5%
Facilities	44,121	50,660	-12.9%	\$47,971	-8.0%
Fundraising	30,356	17,500	73.5%	\$22,405	35.5%
Programming	22,271	23,000	-3.2%	\$20,443	8.9%
Supplies	14,673	13,103	12.0%	\$12,023	22.0%
All other	22,468	28,128	-20.1%	\$25,250	-11.0%
Total	\$ 714,242	\$ 682,342	4.7%	\$ 606,689	17.7%
Capital expenditures	11,926	13,250	-10.0%	14,383	-17.1%
Expenses incl. capital Ex.	\$ 726,168	\$ 695,592	4.4%	\$ 621,072	16.9%
Net	\$86,037	\$90,627	-5.1%	\$79,599	8.1%

Library Materials, 12% of expenses so far this year, are 3% below budget but 36% greater than 2017 where materials purchases got off to a slow start. There is a reasonable chance library materials expense will be just shy of budget by year end.

Facilities & maintenance expenses, 6% of expenses, are 13% below budget and 8% below 2017 but this YTD figure does not include the ejector pump cost in August which was booked to capital outlay. But, the good news is that our insurance company has approved the ejector pump cost which will be credited in October to the capital outlay section. I hope they look favorably upon the library when the HVAC fails as well!

Fundraising expenses, 4% of total expenses, are 73% greater than budget and 35% greater than 2017. There will be additional fundraising expenses in October for the very successful fall fundraising event. **Hence, the YTD fundraising expense of \$30.3K has generated nearly \$200K in donations and grants in 2018!**

Programming costs, 3% of overall expenses, are 3% below budget but 9% above 2017. Programming costs do not include the expense of staff who are involved in planning and executing the over 1000 library events, but just the miscellaneous and outside costs involved.

All Other expenses continue under budget by 20% due to lower professional fees, marketing, and miscellaneous expenses offset by travel & entertainment.

Net - the library plus ALP September net was positive at \$26.9K, making up for August at \$(91.5)K.

Cash Management

Refer to the table on the right. The Fund Balances table has been modified as a result of the purchase of the property at 120 S. Willow Street. CCLS statements do not include the balance sheet value for properties so I thought it would be a good idea to show those assets in this table as well. The property assets noted are the appraised value of the library building and the purchase price of the property at 120 S. Willow.

The end of September cash balance is somewhat skewed as a total of \$450K was transferred from the portfolio in September.

\$100 K was moved into the library fund to eventually be transferred into the capital reserve account to handle upcoming fees from the construction manager and architect. \$350K also moved into capital reserve fund in preparation for the settlement of the property at 120 S. Willow Street. That transaction will occur in October, hence the fund balances table will clear up in the October reports. To account for the 120 S. Willow Street acid, a new fund (236) has been created to manage that asset with future expenses and revenue from the residing business.

Library Investment Portfolio

The portfolio at the end of September as a result of the withdrawals mentioned above was \$3.26 million. The "Restricted" portfolio now is valued at \$1.08 million.

September 2018 Assets					
Fund Balances	Library (020)	CapRes (021)	ALP (023)	Site(236)	Total
Begin of Year Fund Balance	\$ 98,840	\$ 8,522	\$ 33,795	\$ -	\$ 141,156
Chg in Cash	\$ 199,773	\$ 264,841	\$ (37,936)	\$ -	\$ 426,678
September 2018 Assets Cash Balance	\$ 298,612	\$ 273,363	\$ (4,141)	\$ -	\$ 567,835
Begin of Year Investment Balance		\$ 3,838,245			\$ 3,838,245
Vanguard ST Investment (McMullan)		272,304			
Vanguard Federal Money Mkt. Fund		1,078,709			
Vanguard Brokerage - Settlement		37,138			
Vanguard Mutual Funds		50,123			
Vanguard ETF Funds		1,819,551			
Current Investment Balance	\$ -	\$ 3,257,824	\$ -	\$ -	\$ 3,257,824
Chg in Investment Balance YTD	\$ -	\$ (580,421)	\$ -	\$ -	\$ (580,421)
Total Fund Balance	\$298,612	\$3,531,187	(\$4,141)	\$0	\$3,825,659
Property Assets	\$850,000			\$350,000	\$1,200,000
Last Month	\$163,354	\$3,697,412	(\$1,584)	\$0	\$3,859,182
Change from last month	\$135,259	(\$166,225)	(\$2,557)	\$0	(\$33,523)
Total Asset Value	\$1,148,612	\$3,531,187	(\$4,141)	\$350,000	\$ 5,025,659

Library Finance Summary

September 2018

2018 Kennett Library Summary Totals

As of September 2018		Year-to-Date Revenue and expenses						
Funds 020 (Library) & 023 (ALP)		9						
		Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg
Revenue								
Governmental Donations								
State	\$ -	\$ 99,265	17%	\$ 99,265	0%	\$ -	NM	
County	-	58,521	10%	\$ 58,520	0%	\$ 60,196	-3%	
Pocopson	10,800	10,800	2%	\$ 9,000	20%	\$ 9,000	20%	
East Marlborough	2,884	124,296	21%	\$ 122,000	2%	\$ 119,922	4%	
Kennett	8,800	156,800	26%	\$ 154,500	1%	\$ 150,300	4%	
Kennett Square	Bill McLachlan	28,500	5%	\$ 28,500	0%	\$ 28,650	-1%	
New Garden	40,135	80,271	13%	\$ 80,500	0%	\$ 15,900	405%	
Newlin	-	11,000	2%	\$ 10,500	5%	\$ 10,500	5%	
Pennsbury	8,875	26,625	4%	\$ 26,250	1%	\$ 26,625	0%	
West Marlborough	-	-	0%	\$ -	NM	\$ -	NM	
Total Governmental	\$ 71,494	\$ 596,078	73%	\$ 589,035	1%	\$ 421,093	42%	
Library Revenue								
Charges, Fines, Interest, Misc	\$ 4,486	\$ 27,236	13%	\$ 26,594	2%	\$ 17,444	56%	
Donations, annual Giving	\$ 1,766	71,998	33%	\$ 66,600	8%	\$ 48,803	48%	
Grants	\$ 10,345	57,743	27%	\$ 56,990	1%	\$ 4,500	1183%	
Events	\$ 8,920	59,151	27%	\$ 47,000	26%	\$ 45,715	29%	
Library	\$ 25,517	\$ 216,127	27%	\$ 197,184	10%	\$ 116,462	86%	
Total Revenue	\$ 97,012	\$ 812,205	100%	\$ 786,219	3%	\$ 537,555	51%	
Expense								
Personnel services	\$ 50,296	\$ 493,363	68%	\$ 459,852	7%	\$ 414,414	19%	
Library Materials	\$ 9,229	86,990	12%	90,100	-3%	64,184	36%	
<i>Library Materials as % of Expenses</i>		<i>13.2%</i>	<i>12.2%</i>	<i>13.7%</i>		<i>0.0%</i>		
Professional fees	1,746	12,180	2%	14,950	-19%	5,073	140%	
T&E and Employee Related	-	2,593	0%	1,800	44%	5,986	-57%	
Marketing & PR	757	5,509	1%	7,590	-27%	10,218	-46%	
Programming	3,432	22,351	3%	23,000	-3%	20,443	9%	
Facilities & maintenance	2,940	44,121	6%	50,660	-13%	47,971	-8%	
Fundraising	25	30,356	4%	17,500	73%	22,405	35%	
<i>Fundraising exp as % of all donations, events, grants</i>		<i>0.1%</i>	<i>16.1%</i>	<i>10.3%</i>		<i>22.6%</i>		
Supplies	1,225	14,673	2%	13,103	12%	12,023	22%	
Miscellaneous	69	2,185	0%	3,788	-42%	4,031	-46%	
Capital outlay	407	11,926	2%	13,250	-10%	14,383	-17%	
Total Expenses	\$ 70,126	\$ 726,248	100.0%	\$ 695,592	4%	\$ 621,130	17%	
Net	\$ 26,886	\$ 85,957	12%	\$ 90,627	-5%	\$ (83,575)	NM	
<i>Expenses as a percent of revenue</i>		<i>72%</i>	<i>89%</i>	<i>88%</i>		<i>116%</i>		
Current Cash Availability		\$ 294,472						

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

Note: The above chart shows the current Capital Reserve fund.

As of September 2018		Revenue and expenses for Fund 021						
Capital Reserve Fund-021								
(For new library)		Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg
Revenue								
Donations-capital campaign	\$ 10,000	\$ 11,000	100%	\$ -	NM	\$ -	NM	
Miscellaneous revenue	-	16	0%	-	NM	1	1053%	
Total Revenue	\$ 10,000	\$ 11,016	100%	\$ -	NM	\$ 1	#####	
Expense								
Feasibility/Capital Campaign Consultant	\$ -	\$ 59,234	25%	\$ -	NM	\$ 26,250	126%	
OR/CMAR	-	-	0%	-	NM	15,000	-100%	
Communications Consultant	-	-	0%	-	NM	-	NM	
Architectural fees	26,663	160,384	69%	-	NM	5,000	3108%	
Legal fees	-	14,158	6%	-	NM	12,062	17%	
Maintenance-building & grounds	-	-	0%	-	NM	675	-100%	
Miscellaneous	-	-	0%	-	NM	5,251	-100%	
Total Expenses	\$ 26,663	\$ 233,777	100%	\$ -	NM	\$ 64,239	264%	
Current cash availability		\$ 273,363						

End of Report

W.C. McLachlan
Treasurer