

Library Finance Summary

September 2017

The good news should always come first: the end of year forecast shows a surplus of slightly over \$11 K for the two library funds 020 (library) and 023 (ALP). This is a nice improvement from the August report and is due primarily to the preliminary revenue and expenses for the “Follow the Yellow Brick Road” event. I’m not going to allow lady luck to prove me wrong by stating the preliminary net for that event in this report until we confirm and reconfirm the finances. But suffice it to say, the preliminary report is showing a strong net for this event.

Congratulations to everyone who worked so hard to make it successful. *But now the cautious side of me:* forecasting is still not an exact science and while every effort is made to anticipate future revenue and expenses, there could be some surprises in the next three months – and – we continue to manage finances on a cash basis, not a P&L basis, and it may come down to the wire whether there will be a need for a transfer from the portfolio to maintain cash in the checking account. Okay, done with the disclaimers!

Revenue

September Municipal donations for the **library** were \$18.8 K (East Marlborough Township, Kennett Square, and a little remainder from East Marlborough Township). Year to date governmental revenue is 1% below budget mainly because the budget for East Marlborough Township appears to be on the high side this year. Unfortunately, West Marlborough Township has not yet made their donation for this year.

Library revenue from operations during the month was \$8.3 K including \$2.6 K in donations and \$3.5 K of early revenue for the FTYBR event. Year to date, library revenue is 8% ahead of budget and 1% below that of 2016.

YTD September 2017					
Revenue	Actual	Budget	% Chg	2016	% Chg
Governmental revenue	\$523,533	\$529,311	-1.1%	\$529,384	-1.1%
Library revenue	25,160	23,670	6.3%	27,705	-9.2%
Donations/Grants/Misc	99,041	91,000	8.8%	97,427	1.7%
Total	\$647,733	\$643,981	0.6%	\$654,515	-1.0%

September revenue for ALP was 13.5 K the result of the UWSCC first donation of this fiscal year and strong miscellaneous donations of \$2.7 K. Year to date, ALP revenue is 5.7% ahead of budget and 22% ahead of to date last year.

Expenses

Personnel services expense for September was \$53.4 (versus \$38.2 in August) due to a “3-paycheck month”. Library expenses from operations, including capital outlay, were \$67.4 K – slightly higher than the average January through August which is a result of staff increases starting after the first quarter. As can be seen from the graphic below, overall year-to-date expenses are running 4% below budget and 31% below last year. So far, good performance even

YTD September 2017					
Expense	Actual	Budget	% Chg	2016	% Chg
Personnel	\$ 353,119	\$ 326,695	8.1%	\$ 404,633	-12.7%
Materials	59,867	82,020	-27.0%	110,228	-45.7%
Facilities	46,121	49,694	-7.2%	79,120	-41.7%
Programming	19,872	29,800	-33.3%	34,109	-41.7%
Supplies	11,742	10,463	12.2%	19,076	-38.4%
All other	47,363	62,588	-24.3%	128,605	-63.2%
Total	538,084	561,259	-4.1%	775,771	-30.6%
Capital expenditures	\$ 13,953	\$ 4,688	197.7%	\$ 9,865	41.4%
Expenses incl. capital Ex.	\$ 552,037	\$ 565,947	-2.5%	\$ 785,635	-29.7%
Net	\$95,696	\$78,034	22.6%	(\$131,120)	NM

including the greater personnel expenses versus budget.

Library materials expense was 11.2% in September. It still will be necessary to increase expenses in October and November in order to meet the minimum 12% by year end.

Facilities expense is now 7% below budget year to date even with significant expenses on the library

HVAC this year. Without any further equipment surprises, it is expected that this category will be 9% below budget by year end and 31% below 2016. Some of the HVAC maintenance expenses have also been booked into the capital outlay segment.

Fundraising expenses are included in *All Other* in the chart above but it should be mentioned that these expenses are 123% higher than budget. **NOBODY’S COMPLAINING** because these expenses are producing considerable revenue! No expenses have yet been booked for the FTYBR event – those will appear in October reporting.

ALP expenses this month were just personnel services. On a year-to-date basis, total ALP expenses are 5.5% below budget but 26% above 2016 due to the increase in hours for the administrative staff and the new ALP classes.

Net

The **library** year to date “net” is \$95.7 K versus a budget of \$78.0 K-good news! At this point it is being projected that the library fund 020 will show a positive net by year-end of \$18.3 K.

ALP year-to-date net of \$(10.6) K is now better than budget of \$(18.0) but lower than 2016 which was \$(6.6) 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 \$168.4 K, sufficient for approximately 2+ months without incurring any portfolio transfers and without any new large donations. **ALP cash** is now negative at \$(1.8)K but \$5.1 K is being transferred from the library fund into ALP to satisfy the H&G committee request to make sure 15%

September 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	\$ 102,946	\$ (9,237)	\$ (11,090)	\$ 82,619
September 2017 Cash Balance	\$ 168,361	\$ (3,220)	\$ (1,803)	\$ 163,337
Beg of Year Investment Balance		\$ 2,870,272		\$ 2,870,272
Restricted Account		807,414		807,414
McMullan Account		271,631		271,631
Wellesley		1,783,841		1,783,841
Exelon Account		122,901		122,901
Current Investment Balance	\$ -	\$ 2,985,787	\$ -	\$ 2,985,787
Chg in Investment Balance	\$ -	\$ 115,515	\$ -	\$ 115,515
Total Fund Balance	\$168,361	\$2,982,566	(\$1,803)	\$3,149,124
Last Month	\$206,572	\$2,977,659	\$4,840	\$3,189,071
Change from last month	(\$38,211)	\$4,908	(\$6,643)	(\$39,947)

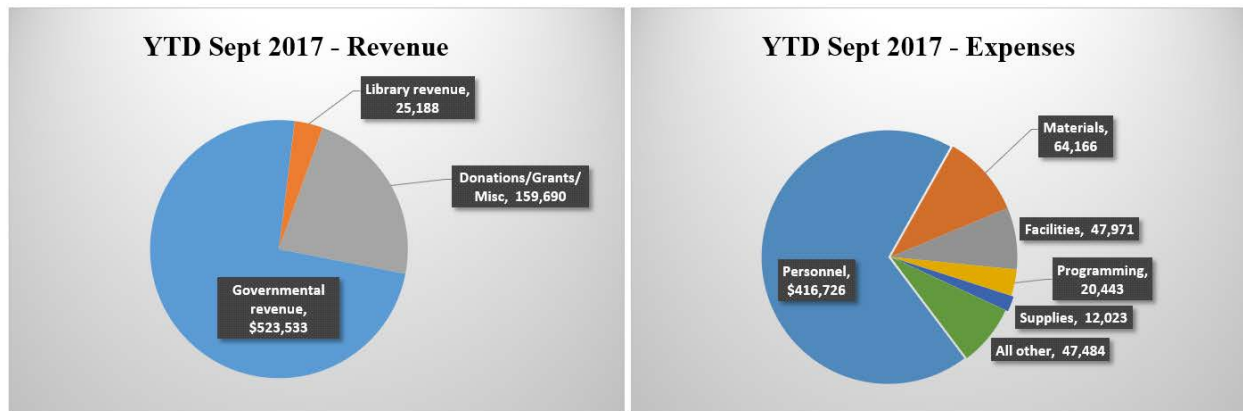
of the net proceeds is applied to the literacy program and we are expecting an additional \$5000 donation in October.

YTD September, the library portfolio has increased \$115.5 K, including withdrawals which have been made to supplement the Capital Reserve fund during the year. Blue Rock Financial Group is now in place to begin managing the portfolio account.

¶ The **Capital Reserve** account exists to manage revenue & expenses for the library project. You will notice in the table below more detailed information

concerning the current status of this account. Currently the investment portfolio contains \$903.3 K specifically allocated to the new library project. This amount will not last 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 September 2017

Capital Reserve Fund-021

	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	\$ 500	\$ 500	100%	\$ -	NM	\$ -	NM	\$ 500	\$ -	NM	\$ 33,006	-98%
Miscellaneous revenue	0	1	0%	-	NM	2	-45%	1	-	NM	3	-55%
Total Revenue	\$ 500	\$ 501	100%	\$ -	NM	\$ 2	20035%	\$ 501	\$ -	NM	\$ 33,009	-98%
Expense												
Feasibility/Capital Campaign Consultant	\$ 5,000	\$ 26,250	53%	\$ -	NM	\$ -	NM	\$ 53,750	\$ -	NM	\$ -	NM
OR/CMAR	-	-	0%	-	NM	11,700	-100%	26,000	-	NM	12,620	106%
Communications Consultant	-	-	0%	-	NM	42,500	-100%	-	-	NM	42,500	-100%
Architectural fees	-	5,000	10%	-	NM	-	NM	55,000	-	NM	-	NM
Legal fees	2,760	12,062	24%	-	NM	9,537	26%	12,062	-	NM	10,487	15%
Maintenance-building & grounds	-	675	1%	-	NM	1,860	-64%	675	-	NM	2,085	-68%
Miscellaneous	219	5,251	11%	-	NM	4,910	7%	5,251	-	NM	4,910	7%
Total Expenses	\$ 7,979	\$ 49,239	100%	\$ -	NM	\$ 70,507	-30%	\$ 152,739	\$ -	NM	\$ 72,602	110%

Current cash availability **\$ (2,720.23)**

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September 2017

Kennett Library Summary Totals

As of September 2017		Year-to-Date Revenue and expenses						Forecast of Year-end Financials				
Funds 020 (Library) & 023 (ALP)		9										
	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	11%	60,196	0%	77,167	-22%	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	337	119,922	23%	130,000	-8%	119,755	0%	119,922	130,000	-8%	121,908	-2%
Kennett	-	150,300	29%	154,000	-2%	144,000	4%	150,300	154,000	-2%	157,600	-5%
Kennett Square	9,550	28,650	5%	18,550	54%	27,825	3%	38,200	37,100	3%	37,100	3%
New Garden	-	15,900	3%	15,500	3%	15,500	3%	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	8,875	26,625	5%	26,625	0%	26,625	0%	35,500	35,000	1%	35,500	0%
West Marlborough	-	-	0%	3,500	-100%	1,500	-100%	3,500	3,500	0%	3,500	0%
Total Governmental	\$ 18,762	\$ 523,533	74%	\$ 529,311	-1%	\$ 529,384	-1%	\$ 565,523	\$ 576,301	-2%	\$ 565,287	0%
Library Revenue												
Charges, Fines, Interest, Misc	\$ 2,046	\$ 25,188	14%	\$ 23,673	6%	\$ 27,722	-9%	\$ 32,723	\$ 31,563	4%	\$ 33,120	-1%
Donations, annual Giving	\$ 16,254	109,188	59%	73,406	49%	79,019	38%	112,292	91,728	22%	68,379	64%
Grants	\$ -	4,500	2%	30,000	-85%	27,850	-84%	43,216	69,008	-37%	13600	218%
Events	\$ 3,500	46,003	25%	45,000	2%	40,394	14%	81,837	45,000	82%	35,517	130%
Library	\$ 21,800	\$ 184,878	26%	\$ 172,079	7%	\$ 174,985	6%	\$ 270,067	\$ 237,299	14%	\$ 150,616	79%
Total Revenue	\$ 40,561	\$ 708,411	100%	\$ 701,389	1%	\$ 704,369	1%	\$ 835,589	\$ 813,600	3%	\$ 715,903	17%
Expense												
Personnel services	\$ 62,801	\$ 416,726	67%	\$ 394,256	6%	\$ 454,974	-8%	\$ 546,599	\$ 524,326	4%	\$ 458,359	19%
Library Materials	\$ 8,245	64,166	10%	85,770	-25%	113,306	-43%	81,303	102,747	-21%	120,134	-32%
<i>Library Materials as % of Expenses</i>	<i>11.2%</i>	<i>11.1%</i>		<i>13.2%</i>		<i>15.0%</i>		<i>10.6%</i>	<i>12.7%</i>			
Professional fees	73	5,073	1%	18,475	-73%	17,737	-71%	17,573	22,000	-20%	17,573	0%
T&E and Employee Related	151	5,875	1%	2,500	135%	25,580	-77%	6,875	3,500	96%	6,875	0%
Marketing & PR	755	10,218	2%	24,275	-58%	12,756	-20%	11,243	34,250	-67%	11,093	1%
Programming	-	20,443	3%	29,800	-31%	34,109	-40%	23,572	34,200	-31%	23,572	0%
Facilities & maintenance	3,171	47,971	8%	50,394	-5%	80,248	-40%	62,192	67,420	-8%	60,342	3%
Fundraising	262	22,345	4%	10,000	123%	54,474	-59%	40,345	10,000	303%	40,345	0%
<i>Fundraising exp as % of all donations, events, grants</i>	<i>1.3%</i>	<i>14.0%</i>		<i>6.7%</i>		<i>37.0%</i>		<i>17.0%</i>	<i>4.9%</i>			
Supplies	958	12,023	2%	11,213	7%	19,192	-37%	15,261	16,900	-10%	14,491	5%
Miscellaneous	15	3,973	1%	7,838	-49%	18,404	-78%	4,836	10,200	-53%	4,715	3%
Capital outlay	297	14,383	2%	4,688	207%	9,865	46%	14,058	6,250	125%	14,058	0%
Total Expenses	\$ 75,974	\$ 623,195	100.0%	\$ 639,208	-3%	\$ 840,644	-26%	\$ 823,855	\$ 831,793	-1%	\$ 771,556	7%
Net	\$ (35,413)	\$ 85,215	14%	\$ 62,181	37%	\$ (136,275)	-163%	\$ 11,734	\$ (18,192)	-164%	\$ (55,653)	-121%
<i>Expenses as a percent of revenue</i>		<i>187%</i>	<i>88%</i>	<i>91%</i>	<i>119%</i>	<i>99%</i>	<i>102%</i>	<i>108%</i>				
Current Cash Availability		\$ 166,557										