

# 2018 Budget Notes

## LIBRARY 020

### REVENUE

#### Municipal

- ) State & County donations will be reduced by 3.1% and 2.8% respectively due to the CCLS funding model showing lower overall library expenses in 2016 versus 2015.
- ) New Garden donations increase to \$80.5 K because of the successful tax referendum.
- ) The Kennett Borough has indicated it will meet its Fair Share of \$57K, 49% higher than 2017.
- ) Basically, funding from all other municipalities will be equivalent to 2017.
- ) Total governmental funding in 2018 will be 15.6% greater than 2017 projected actual.

#### Library Revenue & Donations

- ) Library revenue consisting of charges, fines, & interest has been forecast to be approximately the same as projected 2017 revenue.
- ) Total donations & grants, including the spring and fall events, is forecast slightly lower due to the possibility of “donation overload” with the anticipated capital campaign.

TOTAL ANTICIPATED 2018 REVENUE WILL BE \$821.2K 7.6 % HIGHER THAN 2017 PROJECTED.
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### EXPENSES

**Personnel Services** - 64% of total expenses, is 12.5% greater than the 2017 budget and 6% greater than the projected 2017 expense due to extra personnel and higher medical benefit costs projected for 2018.

**Library materials** – 12.2% of total expenses, is forecast to be approximately the same as the 2017 budget but 21% greater than the projected 2017 actual (but note, November actual expenses have not been posted as of this writing and I do expect an influx of material expenses to occur in November). The budget will does meet the required 12% of overall expenses (which includes materials purchases by ALP).

**Professional Fees** – a minor expense category at 2% of total expenses, is projected at 40% less than the 2017 projected actual.

**Travel & Entertainment and Employee Related** – at 1% of total expenses, this category is forecast to be 30% lower than 2017 actual. A good part of the 2017 expense was the travel and related expenses for Megan. This category does have Professional Development expense money of \$1500 for Megan in 2018.

**Marketing & Public Relations** – at 1.3% of total expenses, this category is forecast to be 26% below 2017 projected actual. The bulk of this category deals with newsletter printing and mailing. Advertising expenses are minimized due to 4 free page advertisements in Fig in 2018.

**Programming** – at 3.7% of total expenses, programming is forecast to be 11% higher than 2017 projected actual. The extra expense is to support greater children and young adult programming.

**Facilities & Maintenance** – at 8% of total expenses, this is a difficult category to forecast due to the possibility of continued high maintenance costs for the HVAC. The category is forecast to be 3% greater than 2017 projected actual.

**Fundraising Expenses** – with a successful fundraising year behind us, this category will be 9% greater than 2017 projected actual. The category represents 5.2% of expenses. 2017 is a good guide as the category contained expenses for both spring and fall events and the costs associated with the appeal letters.

**Supplies** – a minor category at 2.2% of total expenses, it is forecast at 6% greater than 2017 projected actual. Typically, there is not much variance within the individual categories in this segment.

**Miscellaneous** – a minor category at less than 1% of total expenses, it is forecast to be 17% greater than 2017 primarily due to adding a small contingency in miscellaneous expense.

**Capital Outlay** – This category contains capital related expenditures (furniture, office equipment, computers and software) and is forecast to be 14% greater than 2017 projected actual primarily due to any capital related expenses necessary for the aging HVAC.

TOTAL EXPENSES INCLUDING CAPEX ARE FORECAST AT \$780.1 K, 6.5% GREATER THAN 2017 PROJECTED ACTUAL.
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The “Excess of Revenue Over Expense”, or more properly referred to as Net, is \$41.1K compared to the 2017 budget of \$(20) K. When this budget is submitted to CCLS, the net will show \$0 as a transfer will be included to move this cash amount to the portfolio.

Regarding cash, at the end of October, the library account (020) contained \$152K. The forecast for the end of the year is approximately \$98K. The library accounts will again be managed on a cash basis and in 2018 the Finance Committee will probably be more aggressive in moving excess cash to the investment portfolio now that we have Blue Rock Financial Group on board to manage the portfolio professionally.

See next page for financials.

2018 Budget KL-020	Budget			2017 Proj Act	Chg vs 2017 Proj	
	2018FY	2017FY	% Diff		%	\$
<b>Revenue</b>						
State aid (310000)	\$ 99,265	\$ 102,440	-3.1%	\$ 102,440	-3.1%	\$ (3,175)
County (320000)	78,027	80,261	-2.8%	80,261	-2.8%	\$ (2,234)
Pocopson (320063)	9,000	8,000	12.5%	9,000	0.0%	\$ -
East Marlborough (320141)	122,000	130,000	-6.2%	119,922	1.7%	\$ 2,078
Kennett Township (320142)	159,000	154,000	3.2%	150,300	5.8%	\$ 8,700
Kennett Square (320143)	57,000	37,100	53.6%	38,200	49.2%	\$ 18,800
New Garden (320144)	80,500	15,500	419.4%	15,900	406.3%	\$ 64,600
Newlin (320145)	10,500	10,500	0.0%	10,500	0.0%	\$ -
Pennsbury (320146)	35,000	35,000	0.0%	35,500	-1.4%	\$ (500)
West Marlborough (320147)	2,000	3,500	-42.9%	2,000	0.0%	\$ -
<b>Total Governmental</b>	<b>\$ 652,292</b>	<b>\$ 576,301</b>	<b>13.2%</b>	<b>\$ 564,023</b>	<b>15.6%</b>	<b>\$ 88,269</b>
<b>Total Library Revenue</b>	<b>168,950</b>	<b>136,310</b>	<b>23.9%</b>	<b>\$ 199,138</b>	<b>-15.2%</b>	<b>\$ (30,188)</b>
<b>Total revenue</b>	<b>\$ 821,242</b>	<b>\$ 712,611</b>	<b>15.2%</b>	<b>\$ 763,161</b>	<b>7.6%</b>	<b>\$ 58,081</b>
Transfer from/to other funds		-			#DIV/0!	\$ -
<b>Expense</b>						
Personnel services	489,956	435,594	12.5%	462,963	5.8%	\$ 26,993
Library materials	93,400	97,747	-4.4%	76,956	21.4%	\$ 16,444
Professional fees	15,200	22,000	-30.9%	17,573	-13.5%	\$ (2,373)
T&E and Employee Related	4,750	3,500	35.7%	6,718	-29.3%	\$ (1,968)
Marketing & PR	10,000	33,500	-70.1%	13,440	-25.6%	\$ (3,440)
Programming	28,000	33,500	-16.4%	25,157	11.3%	\$ 2,843
Facilities & maintenance	60,950	66,720	-8.6%	59,117	3.1%	\$ 1,833
Fundraising	40,000	10,000	300.0%	36,708	9.0%	\$ 3,292
Supplies	16,750	13,950	20.1%	15,763	6.3%	\$ 987
Miscellaneous	4,850	9,850	-51%	4,141	17.1%	\$ 709
<b>Expenses before Capital Expe</b>	<b>763,856</b>	<b>726,361</b>	<b>5%</b>	<b>718,536</b>	<b>6.3%</b>	<b>\$ 45,320</b>
Net, before capital expenditures	57,386	(13,750)	NM	44,625	28.6%	\$ 12,761
Capital outlay, other	16,250	6,250	160.0%	14,297	13.7%	\$ 1,953
<b>Total Expense (with CapEx)</b>	<b>780,106</b>	<b>732,611</b>	<b>6.5%</b>	<b>732,833</b>	<b>6.5%</b>	<b>\$ 47,273</b>
<b>Excess of Revenue over Expe</b>	<b>41,136</b>	<b>(20,000)</b>	<b>NM</b>	<b>30,327</b>	<b>35.6%</b>	<b>\$ 10,808</b>

## Capital Reserve 021

### REVENUE

Revenue consists of capital campaign donations. In 2018 I am forecasting minimal actual cash contributions I believe people will initially make pledges that will produce cash once construction has started. So only \$100,000 has been forecast as actual cash contributions to the capital campaign. Any cash contributions will be immediately invested in the portfolio until needed.

### EXPENSES

The Capital Reserve fund has never been budgeted at least during the tenure of this board so this first-time attempt may be way off mark, but at least it's an attempt to quantify what is believed to be the 2018 expenses.

The primary expenses will be the construction manager preconstruction consulting fee, potentially continued legal fees, a but on a grander scale architectural fees and capital campaign and communication fees.

These fees will be paid with transfers from the Restricted account of the portfolio.

<b>2018 Budget</b>							
<b>Capital Reserve-021</b>		Budget		2017		Chg vs 2017 Proj	
Revenue	2018FY	2017FY	% Diff	Proj Act	%	\$	
Interest	\$ 2	\$ 1	46%	\$1	46.0%	\$ 1	
Donations-capital campaign	100,000	800	12400%	800	12400.0%	\$ 99,200	
Miscellaneous revenue	2	0	NM	-	NM	\$ 2	
Land Sale				-	NM	\$ -	
<b>Total revenue</b>	<b>\$ 100,004</b>	<b>\$ 801</b>	<b>12379%</b>	<b>\$ 801</b>	<b>12379.1%</b>	<b>\$ 99,203</b>	
<i>Transfer from other funds</i>			NM				
<b>Expense</b>							
Professional Services	\$ -	\$ -	NM	\$ 53,750	-100.0%	\$ (53,750)	
OR/CMAR	60,000	-	NM	18,348	227.0%	\$ 41,653	
Consultants - Capital Campaign/Communicatio	350,000	-	NM	-	NM	\$ 350,000	
Architectural fees	160,000	-	NM	82,099	94.9%	\$ 77,901	
Legal fees	30,000	-	NM	18,720	60.3%	\$ 11,280	
Maintenance-building & grounds	-	-	NM	900	-100.0%	\$ (900)	
Miscellaneous	-	-	NM	219	-100.0%	\$ (219)	
Miscellaneous taxes	\$0	0	NM	5,032	-100.0%	\$ (5,032)	
<b>Total Expense</b>	<b>\$ 600,000</b>	<b>\$ -</b>	<b>NM</b>	<b>\$ 179,068</b>	<b>235.1%</b>	<b>\$ 420,932</b>	
<b>Excess of Revenue over Expense</b>	<b>\$ (499,996)</b>	<b>\$ 801</b>	<b>NM</b>	<b>\$ (178,266)</b>	<b>180.5%</b>	<b>\$ (321,730)</b>	
<i>Transfer to other funds</i>		\$ -	NM				

## ALP 023

### REVENUE

Revenue is budgeted at \$110.3 K, 23% greater than the 2017 projected actual due to a larger donation from United Way of southern Chester County due to the adoption of the family practice classrooms, and a larger amount for grants.

### EXPENSES

Total expenses are increasing 25% over 2017 projected actual primarily the result of greater hours for Filomena & Lupe putting them into the full-time employee status. With that comes benefits. As a result, personnel services will increase 30% over projected 2017.

The total of other expenses, besides personnel, is actually forecast to be 5% lower in 2018 than 2017 actual. The major expenses in this category are literacy workbooks and rental charges for classrooms

THE NET IS FORECAST AT \$(23.3) K VERSUS A PROJECTED 2017 ACTUAL OF \$(10.8) K. AGAIN, THE PRIMARY THIS IS PRIMARILY DUE EXTRA HOURS FOR THE ADMINISTRATIVE STAFF WITH CORRESPONDING BENEFITS.

2018 Budget ALP-020	12 Budget	Budget			2017 Proj Act	Chg vs 2017 Proj	
		2018FY	2017FY	% Diff		%	\$
<b>Revenue</b>							
Interest	\$ 10	\$ 10	\$ 3	23.33%	\$ 8	20.0%	\$ 2
Sale of library books (334100)	350	\$ 350	\$ -	NM	\$ 355	-1.4%	\$ (5)
Donations (363000+362000)	40,000	\$ 40,000	\$ 10,000	300.0%	\$ 39,423	1.5%	\$ 577
Donations-United Way (364000)	300	\$ 300	\$ 300	0.0%	\$ 282	6.3%	\$ 18
Donations-UWSCC (364010)	43,240	\$ 43,240	\$ 34,008	27.1%	\$ 38,716	11.7%	\$ 4,524
Donations-United fund-DE (364200)	1,200	\$ 1,200	\$ 500	140.0%	\$ 1,354	-11.4%	\$ (154)
Donations - Programming	100	\$ 100	\$ -	NM	\$ 80	24.4%	\$ 20
Funds-foundation	5,000	\$ 5,000	\$ -	NM	\$ -	NM	\$ 5,000
Funds-Grant	10,000	\$ 10,000	\$ 15,000	-33.3%	\$ 4,500	122.2%	\$ 5,500
Fall & Spring fundraising event	5,000	\$ 5,000	\$ 5,250	-4.8%	\$ 5,100	-2.0%	\$ (100)
Annual giving	5,100	\$ 5,100	\$ 5,000	2.0%	\$ -	NM	\$ 5,100
<b>ALP Revenue</b>	<b>\$ 110,300</b>	<b>\$ 110,300</b>	<b>\$ 70,061</b>	<b>57.4%</b>	<b>\$ 89,819</b>	<b>22.8%</b>	<b>\$ 20,481</b>
<i>Funds transferred in</i>							\$ -
<b>Expense</b>							
<b>Personnel Services</b>							
Wages-local part-time(412000)	98,968	\$ 98,968	79,148	25.0%	\$ 79,148	25.0%	\$ 19,820
Fringe benefits(413000)	7,571	\$ 7,571	6,055	25.0%	6,055	25.0%	\$ 1,516
Medical benefits(414000)	7,096	\$ 7,096	0	NM	-	NM	\$ 7,096
Unemployment insurance(415100)	1,500	\$ 1,500	1,273	17.8%	1,273	17.8%	\$ 227
Workmen's Compensation(416000)	912	\$ 912	6,375	-85.7%	-	NM	\$ 912
Retirement(417000)	3,721	\$ 3,721	0	NM	-	NM	\$ 3,721
Life & disability insurance(418000)	464	\$ 464	0	NM	-	NM	\$ 464
<b>Sub-total Personnel Services</b>	<b>\$ 120,232</b>	<b>\$ 120,232</b>	<b>92,851</b>	<b>29.5%</b>	<b>86,476</b>	<b>29.5%</b>	<b>\$ 27,381</b>
Library Materials	10,000	10,000	6,375	56.9%	\$ 10,375	-3.6%	\$ (375)
Postage	100	100	0	NM	\$ -	NM	\$ 100
Programming	750	750	571	31.4%	\$ 571	31.4%	\$ 179
Rent	1,500	1,500	1,850	-18.9%	\$ 1,850	-18.9%	\$ (350)
Supplies	750	750	708	5.9%	\$ 708	5.9%	\$ 42
Training & Workshops (439100)	150	150	117	27.9%	\$ 117	27.9%	\$ 33
Miscellaneous	150	150	121	23.7%	\$ 121	23.7%	\$ 29
Capital Outlay - Computer Equipment	-	0	430	-100.0%	\$ 430	-100.0%	\$ (430)
<b>Sub-total other Expenses</b>	<b>13,400</b>	<b>13,400</b>	<b>10,172</b>	<b>31.7%</b>	<b>14,172</b>	<b>-5.4%</b>	<b>\$ (772)</b>
<b>Expense Total</b>	<b>\$ 133,632</b>	<b>\$ 133,632</b>	<b>\$ 103,023</b>	<b>29.7%</b>	<b>\$ 100,648</b>	<b>29.7%</b>	<b>\$ 30,608</b>
<b>Net</b>	<b>\$ (23,332)</b>	<b>\$ (23,332)</b>	<b>\$ (32,962)</b>	<b>-29.2%</b>	<b>\$ (10,830)</b>	<b>-29.2%</b>	<b>\$ 9,631</b>

Similar to the Library Fund, the ALP fund will be managed on a cash basis and if cash goes negative during the course of the year, the library fund will transfer cash as required. This is not been budgeted.