

Library Finance Summary

August 2018

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

Revenue

Municipal donations were minimal this month totaling only \$3570 from East Marlborough compared to \$33.8 K in July. Even so, I believe the library will exceed the year-end budget of municipal donations(\$647.8K) as September donations will be near \$60,000.

YTD August 2018		Combined library + ALP			
Revenue	Actual	Budget	% Chg	2017	% Chg
Governmental revenue	\$524,583	\$568,210	-7.7%	\$504,771	3.9%
Library revenue	22,750	23,639	-3.8%	16,153	40.8%
Donations/Grants/Misc	167,860	139,637	20.2%	139,648	20.2%
Total	\$715,193	\$731,486	-2.2%	\$660,573	8.3%

Library revenue consisting of charges/fines was \$1.1K, nearly equal to last month. Donations, annual giving, grants and events during August was \$8.5K.

As the table to the left shows, YTD revenue at this point is slightly negative versus budget 8% greater than last year so far.

August ALP revenue was also minimal at \$351 (donations + sale of library books), down from last month's \$10K. YTD revenue of \$55K is 13% behind budget but 18% greater than 2017.

Expenses

August expenses including capital outlay were \$106.9K, up from July's \$81.8K due in part that August was a "3 payroll month" and the library incurred a \$10.5K expense for the replacement of the ejector pump. Refer to the chart on the right for year-to-date comparisons:

Personnel Services expenses, representing 68% of library expenses, are 8% greater than budget and 25% 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 August 2018		Combined library + ALP			
Expense	Actual	Budget	% Chg	LY	% Chg
Personnel	\$443,067	\$409,489	8.2%	\$353,925	25.2%
Materials	77,761	81,200	-4.2%	\$55,920	39.1%
Facilities	41,100	45,216	-9.1%	\$44,800	-8.3%
Fundraising	30,331	17,500	73.3%	\$22,142	37.0%
Programming	18,919	20,117	-6.0%	\$20,443	-7.5%
Supplies	13,448	11,647	15.5%	\$11,064	21.5%
All other	19,897	21,880	-9.1%	\$24,255	-18.0%
Total	\$ 644,523	\$ 607,048	6.2%	\$ 532,551	21.0%
Capital expenditures	11,519	13,250	-13.1%	14,086	-18.2%
Expenses incl. capital Ex.	\$ 656,042	\$ 620,298	5.8%	\$ 546,637	20.0%
Net	\$59,151	\$111,187	-46.8%	\$113,936	-48.1%

Library Materials, 12% of expenses so far this year, our 4% below budget but 39% greater than 2017 where materials purchases got off to a slow start. It appears at this point that library materials will be approximately 1% greater than budget by year end.

Facilities & maintenance expenses, 6% of expenses, 9% 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. The library is still living on borrowed time with the HVAC.

Fundraising expenses, 5% of total expenses, are 73% greater than budget and 37% greater than 2017. Obviously, these expenses have produced a significant return in higher annual giving and event revenue.

Programming costs, 3% of overall expenses, are 6% below budget and 7% below 2017.

All Other expenses continue under budget by 9% due to lower marketing & PR, and miscellaneous expenses offset by travel & entertainment/employee and professional fees (legal).

ALP expenses during August were \$15.6K versus \$8.0K for July. So far this year, personnel services represents 93% of total expenses. YTD expenses of \$90.8K are 3% below budget but 47% greater than 2017.

Net - the library plus ALP net for August was negative at \$91,515, the lowest amount this year by far. September will bounce back as there is already \$60 K of municipal donations in the bank account. YTD net of \$59.2K is 47% below budget and 11% below 2017.

This is the result of the very low revenue month for both ALP and library which will certainly rebound in September.

Cash Management

Refer to the table on the right. Currently the library has \$146.4K of cash on hand in the 3 library accounts. Cash decreased by \$75K from July again due to the very low revenue month. While the Capital Reserve account is showing a negative balance, \$100,000 was transferred into that fund in September to cover 2 fairly large invoices (approx. \$56K) and as a result that fund will show a positive balance by the end of September. Likewise, ALP will receive the quarterly UWSCC grant money in September, but it may be prudent in September or early October to transfer sufficient cash to carry ALP with a positive fund balance through the end of this year.

August 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	\$ 64,514	\$ (23,906)	\$ (35,379)	\$ 5,229
August 2018 Cash Balance	\$ 163,354	\$ (15,385)	\$ (1,584)	\$ 146,385
Beg of Year Investment Balance		\$ 3,838,245		\$ 3,838,245
Vanguard ST Investment (McMullan)		272,448		
Vanguard Federal Money Mkt. Fund		1,526,419		
Vanguard Brokerage - Settlement		37,078		
Vanguard Mutual Funds		50,359		
Vanguard ETF Funds		1,826,492		
Current Investment Balance	\$ -	\$ 3,712,797	\$ -	\$ 3,712,797
Chg in Investment Balance YTD	\$ -	\$ (125,449)	\$ -	\$ (125,449)
Total Fund Balance	\$163,354	\$3,697,412	(\$1,584)	\$3,859,182
	Last Month	\$239,672	\$3,680,558	\$13,622
Change from last month	(\$76,318)	\$16,854	(\$15,206)	(\$74,669)

Library Investment Portfolio

The portfolio at the end of August was \$3.71 million, up \$18.3K from July due to continued strong pricing and dividends. The "Restricted" portfolio has \$1.5 million and it is this Fund that is financing the new building project expenses.

Library Finance Summary

August 2018

2018 Kennett Library Summary Totals

Funds 020 (Library) & 023 (ALP)	Year-to-Date Revenue and expenses							
	8	Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg
Revenue								
Governmental Donations								
State	\$ -	\$ 99,265	19%	\$ 99,265	0%	\$ 102,440	-3%	
County	-	58,521	11%	\$ 58,520	0%	\$ 60,196	-3%	
Pocopson	-	-	0%	\$ 9,000	-100%	\$ 9,000	-100%	
East Marlborough	3,570	121,412	23%	\$ 122,000	0%	\$ 119,585	2%	
Kennett	-	148,000	28%	\$ 154,500	-4%	\$ 150,300	-2%	
Kennett Square	-	28,500	5%	\$ 28,500	0%	\$ 19,100	49%	
New Garden	-	40,135	8%	\$ 68,425	-41%	\$ 15,900	152%	
Newlin	-	11,000	2%	\$ 10,500	5%	\$ 10,500	5%	
Pennsbury	-	17,750	3%	\$ 17,500	1%	\$ 17,750	0%	
West Marlborough	-	-	0%	\$ -	NM	\$ -	NM	
Total Governmental	\$ 3,570	\$ 524,583	73%	\$ 568,210	-8%	\$ 504,771	4%	
Library Revenue								
Charges, Fines, Interest, Misc	\$ 3,084	\$ 22,750	12%	\$ 23,639	-4%	\$ 15,869	43%	
Donations, annual Giving	\$ 4,164	91,851	48%	\$ 84,303	9%	\$ 46,088	99%	
Grants	\$ -	25,778	14%	\$ 13,333	93%	\$ 4,500	473%	
Events	\$ 4,600	50,231	26%	\$ 42,000	20%	\$ 42,215	19%	
Library	\$ 11,847	\$ 190,610	27%	\$ 163,275	17%	\$ 108,672	75%	
Total Revenue	\$ 15,417	\$ 715,193	100%	\$ 731,486	-2%	\$ 613,443	17%	
Expense								
Personnel services	\$ 70,059	\$ 443,067	68%	\$ 409,489	8%	\$ 353,925	25%	
Library Materials	\$ 14,225	77,761	12%	81,200	-4%	55,920	39%	
<i>Library Materials as % of Expenses</i>	<i>14.7%</i>	<i>12.1%</i>		<i>13.9%</i>		<i>0.0%</i>		
Professional fees	3,851	10,434	2%	9,950	5%	5,000	109%	
T&E and Employee Related	17	2,593	0%	1,800	44%	5,835	-56%	
Marketing & PR	994	4,752	1%	6,747	-30%	9,463	-50%	
Programming	1,240	18,919	3%	20,117	-6%	20,443	-7%	
Facilities & maintenance	5,055	41,100	6%	45,216	-9%	44,800	-8%	
Fundraising	25	30,331	5%	17,500	73%	22,142	37%	
<i>Fundraising exp as % of all donations, events, grants</i>	<i>0.3%</i>	<i>18.1%</i>		<i>12.5%</i>		<i>23.9%</i>		
Supplies	870	13,448	2%	11,647	15%	11,064	22%	
Miscellaneous	118	2,117	0%	3,383	-37%	4,015	-47%	
Capital outlay	10,480	11,519	2%	13,250	-13%	14,086	-18%	
Total Expenses	\$ 106,932	\$ 656,042	100.0%	\$ 620,298	6%	\$ 546,694	20%	
Net	\$ (91,515)	\$ 59,151	9%	\$ 111,187	-47%	\$ 66,748	-11%	
<i>Expenses as a percent of revenue</i>	<i>694%</i>	<i>92%</i>		<i>85%</i>		<i>89%</i>		
Current Cash Availability	\$ 161,770							

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

Capital Reserve Fund-021 (For new library)	Revenue and expenses for Fund 021							
	8	Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg
Revenue								
Donations-capital campaign	\$ -	\$ 1,000	98%	\$ -	NM	\$ -	NM	
Miscellaneous revenue	-	16	2%	-	NM	1	1053%	
Total Revenue	\$ -	\$ 1,016	100%	\$ -	NM	\$ 1	74046%	
Expense								
Feasibility/Capital Campaign Consultant	\$ 1,257	\$ 59,234	29%	\$ -	NM	\$ 26,250	126%	
OR/CMAR	-	-	0%	-	NM	-	NM	
Communications Consultant	-	-	0%	-	NM	-	NM	
Architectural fees	-	133,722	65%	-	NM	5,000	2574%	
Legal fees	-	14,158	7%	-	NM	12,062	17%	
Maintenance-building & grounds	-	-	0%	-	NM	675	-100%	
Miscellaneous	-	-	0%	-	NM	5,251	-100%	
Total Expenses	\$ 1,257	\$ 207,114	100%	\$ -	NM	\$ 49,239	321%	
Current cash availability	\$ (15,385)							

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