

# Library Finance Summary

## November 2018

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

### Revenue

November municipal donations were just \$15K from Kennett Square and a \$750 final payment from East Marlborough. It is expected that all municipal partners will meet or exceed the budgeted amounts for 2018. Versus last year, governmental revenue is 16% higher thanks solely to the increased library tax from New Garden Township.

YTD November 2018		Combined library + ALP			
Revenue	Actual	Budget	% Chg	2017	% Chg
Governmental revenue	\$630,585	\$622,792	1.3%	\$544,131	15.9%
Library revenue	33,356	32,503	2.6%	30,460	9.5%
Donations/Grants/Misc	232,084	202,507	14.6%	237,656	-2.3%
<b>Total</b>	<b>\$896,025</b>	<b>\$857,802</b>	<b>4.5%</b>	<b>\$812,247</b>	<b>10.3%</b>

A total of \$31.7K was posted for the October fundraising event this month and there will be more to be booked in December as well. A total of \$9.6K was received as donations and early annual giving. 2018 donations and events are shy of last year by 2.3%.

November library revenue was \$4.2K which is one of the better months of the year. Year to date, this category is above budget and last year.

### Expenses

Total November library (020) expenses including capital outlay were \$59.6K compared to \$48.2K in October. Total November ALP expenses were \$13.9K compared to \$13.3K in October. The remainder of this discussion is combined library and ALP.

**Personnel Services** expenses, 69% of total expenses at \$594.9K, are 6% greater than budget and 18% greater than 2017 due to several factors including higher benefit costs in 2018, a 3% cost-of-living adjustment, and additional hours for the ALP staff to full-time status. This is a difference of more than \$91K and is the #1 factor for the decrease in 2018 "net" versus last year.

YTD November 2018		Combined library + ALP			
Expense	Actual	Budget	% Chg	LY	% Chg
Personnel	\$594,934	\$561,088	6.0%	\$502,815	18.3%
Materials	105,376	107,900	-2.3%	\$86,767	21.4%
Facilities	54,973	59,027	-6.9%	\$52,412	4.9%
Fundraising	37,007	32,500	13.9%	\$28,878	28.1%
Programming	25,012	27,967	-10.6%	\$24,837	0.7%
Supplies	17,348	16,014	8.3%	\$15,014	15.5%
All other	28,128	31,473	-10.6%	\$43,106	-34.7%
<b>Total</b>	<b>\$ 862,777</b>	<b>\$ 835,968</b>	<b>3.2%</b>	<b>\$753,830</b>	<b>14.5%</b>
Capital expenditures	1,446	13,875	-89.6%	15,692	-90.8%
<b>Expenses incl. capital Ex.</b>	<b>\$ 864,223</b>	<b>\$ 849,843</b>	<b>1.7%</b>	<b>\$ 769,522</b>	<b>12.3%</b>
<b>Net</b>	<b>\$15,957</b>	<b>\$7,959</b>	<b>100.5%</b>	<b>\$42,725</b>	<b>-62.7%</b>

**Library Materials**, 12% of expenses at \$105.4K year to date is 2% below budget but 21% greater than 2017.

**Facilities & maintenance** expenses, 6% of expenses at \$55K, is 7% below budget but 5% greater than last year. Thankfully there were no major infrastructure issues in November.

**Fundraising** expenses, 4% of total expenses at \$37K, are 14% greater than budget and 28% greater than last year. It is interesting to compare the amount of funds raised per dollar of fundraising expense for both years: 2018=\$6.27 vs. 2017=\$8.23.

**Programming** costs, 3% of total expenses at \$25K this year are 11% below budget and 1% greater than 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 are 11% under budget mainly due to lower marketing and miscellaneous expenses and 35%, or \$15K below last year.

**Total (Library + ALP) library Net** - November net was negative at \$(11.8)K with YTD net positive at \$31.8K, significantly greater than budget, but 26% less than 2017. It is still anticipated that 2018 will end with a surplus which will be the second year!.

November 2018 Assets					
Fund Balances	Library (020)	CapRes (021)	ALP (023)	Site(236)	Total
Beg of Year Fund Balance	\$ 98,840	\$ 8,522	\$ 33,795	\$ -	\$ 141,156
Chg in Cash	\$ 94,008	\$ (88,333)	\$ 7,310	\$ -	\$ 12,985
<b>November 2018 Assets Cash Balance</b>	<b>\$ 192,848</b>	<b>\$ (79,812)</b>	<b>\$ 41,106</b>	<b>\$ -</b>	<b>\$ 154,142</b>
Beg of Year Investment Balance		\$ 3,838,245			\$ 3,838,245
Vanguard ST Investment (McMullan)		272,100			
Vanguard Federal Money Mkt. Fund		1,093,550			
Vanguard Brokerage - Settlement		37,268			
Vanguard Mutual Funds		49,936			
Vanguard ETF Funds		1,776,793			
<b>Current Investment Balance</b>	<b>\$ -</b>	<b>\$ 3,229,647</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,229,647</b>
Chg in Investment Balance YTD	\$ -	\$ (608,598)	\$ -	\$ -	\$ (608,598)
<b>Total Fund Balance</b>	<b>\$192,848</b>	<b>\$3,149,836</b>	<b>\$41,106</b>	<b>\$0</b>	<b>\$3,383,789</b>
<b>Property Assets</b>	<b>\$850,000</b>			<b>\$350,000</b>	<b>\$1,200,000</b>
Last Month (Sept.)	\$298,612	\$3,531,187	(\$4,141)	\$0	\$3,825,659
Change from last month	(\$105,765)	(\$381,352)	\$45,246	\$0	(\$441,870)
<b>Total Asset Value</b>	<b>\$1,042,848</b>	<b>\$3,149,836</b>	<b>\$41,106</b>	<b>\$350,000</b>	<b>\$ 4,583,789</b>

### Cash Management

Because of the purchase of the 120 S Willow St. property, there has been some difficulty in verifying balance sheet cash for each of the specific funds reported by CCLS. However, at this point I do believe that the total cash reported is correct and I expect this to be cleared up shortly. As such, library liquid cash at the end of November totals \$154.1K.

Please note that a new row has been added to the fund balances which lists property asset values.

### Library Investment Portfolio

The portfolio value as of the end of November was \$3149.8K, gaining \$22K with stronger pricing for the

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month. However, the volatility of the market is of concern for the ETF funds (dedicated to supporting library operating expenses) while the money set aside for the library building project is invested in federal money market funds which earns about 2.3% per year.

### 2018 Kennett Library Summary Totals

As of November 2018	11 Year-to-Date Revenue and expenses						
Funds 020 (Library) & 023 (ALP)	Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg
<b>Revenue</b>							
<b>Governmental Donations</b>							
State	\$ -	\$ 99,265	16%	\$ 99,265	0%	\$ 102,440	-3%
County	-	78,028	12%	\$ 78,027	0%	\$ 80,261	-3%
Pocopson	-	10,800	2%	\$ 9,000	20%	\$ 9,000	20%
East Marlborough	750	125,046	20%	\$ 122,000	2%	\$ 120,455	4%
Kennett	-	156,800	25%	\$ 154,500	1%	\$ 150,300	4%
Kennett Square	14,250	42,750	7%	\$ 42,750	0%	\$ 28,650	49%
New Garden	-	80,271	13%	\$ 80,500	0%	\$ 15,900	405%
Newlin	-	11,000	2%	\$ 10,500	5%	\$ 10,500	5%
Pennsbury	-	26,625	4%	\$ 26,250	1%	\$ 26,625	0%
West Marlborough	-	-	0%	\$ -	NM	\$ -	NM
<b>Total Governmental</b>	<b>\$ 15,000</b>	<b>\$ 630,585</b>	<b>70%</b>	<b>\$ 622,792</b>	<b>1%</b>	<b>\$ 544,131</b>	<b>16%</b>
<b>Library Revenue</b>							
Charges, Fines, Interest, Misc	\$ 4,157	\$ 33,356	13%	\$ 32,503	3%	\$ 30,460	10%
Donations, annual Giving	\$ 9,575	86,191	32%	\$ 74,683	15%	\$ 126,916	-32%
Grants	\$ 1,000	54,243	20%	\$ 57,823	-6%	\$ 4,500	1105%
Events	\$ 32,015	91,651	35%	\$ 70,000	31%	\$ 106,240	-14%
<b>Library</b>	<b>\$ 46,747</b>	<b>\$ 265,440</b>	<b>30%</b>	<b>\$ 235,010</b>	<b>13%</b>	<b>\$ 268,116</b>	<b>-1%</b>
<b>Total Revenue</b>	<b>\$ 61,747</b>	<b>\$ 896,025</b>	<b>100%</b>	<b>\$ 857,802</b>	<b>4%</b>	<b>\$ 812,247</b>	<b>10%</b>
<b>Expense</b>							
Personnel services	\$ 50,330	\$ 594,934	69%	\$ 561,088	6%	\$ 502,815	18%
Library Materials	\$ 8,595	105,376	12%	107,900	-2%	86,767	21%
<i>Library Materials as % of Expenses</i>	11.7%	12.2%		13.4%		0.0%	
Professional fees	3,474	15,981	2%	15,200	5%	17,976	-11%
T&E and Employee Related	260	3,627	0%	2,400	51%	6,737	-46%
Marketing & PR	326	5,843	1%	9,277	-37%	14,264	-59%
Programming	1,646	25,012	3%	27,967	-11%	24,837	1%
Facilities & maintenance	1,080	54,973	6%	59,027	-7%	52,412	5%
Fundraising	6,383	37,007	4%	32,500	14%	28,878	28%
<i>Fundraising exp as % of all donations, events, grants</i>	15.0%	15.9%		16.0%		12.2%	
Supplies	846	17,348	2%	16,014	8%	15,014	16%
Miscellaneous	567	2,677	0%	4,596	-42%	4,129	-35%
Capital outlay	-	1,446	0%	13,875	-90%	15,692	-91%
<b>Total Expenses</b>	<b>\$ 73,505</b>	<b>\$ 864,223</b>	<b>100.0%</b>	<b>\$ 849,843</b>	<b>2%</b>	<b>\$ 769,522</b>	<b>12%</b>
<b>Net</b>	<b>\$ (11,758)</b>	<b>\$ 31,802</b>	<b>4%</b>	<b>\$ 7,959</b>	<b>300%</b>	<b>\$ 42,725</b>	<b>-26%</b>

Expenses as a percent of revenue      119%      96%      99%      95%

Current Cash Availability      \$ 233,953

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

As of November 2018	Revenue and expenses for Fund 021						
Capital Reserve Fund-021 (For new library)	Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg
<b>Revenue</b>							
Donations-capital campaign	\$ -	\$ 11,000	99%	\$ -	NM	\$ 800	12.75
Miscellaneous revenue	132	148	1%	-	NM	1	10715%
<b>Total Revenue</b>	<b>\$ 132</b>	<b>\$ 11,148</b>	<b>100%</b>	<b>\$ -</b>	<b>NM</b>	<b>\$ 801</b>	<b>1291%</b>
<b>Expense</b>							
Feasibility/Capital Campaign Consultant	-	\$ 68,020	24%	\$ -	NM	\$ 33,750	102%
CMAR	-	30,005	11%	-	NM	-	NM
Communications Consultant	-	-	0%	-	NM	-	NM
Architectural fees	1,990	162,374	58%	-	NM	25,000	549%
Legal fees	2,450	18,598	7%	-	NM	12,062	54%
Maintenance-building & grounds	-	-	0%	-	NM	675	-100%
Miscellaneous	81	81	0%	-	NM	5,251	-98%
<b>Total Expenses</b>	<b>\$ 4,521</b>	<b>\$ 279,079</b>	<b>100%</b>	<b>\$ -</b>	<b>NM</b>	<b>\$ 76,739</b>	<b>264%</b>

Current cash availability      \$ (79,812)

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

End of Report

W.C. McLachlan  
Treasurer