

Library Finance Summary

December 2018 - Interim

Note: the discussion below refers to both the library (021) and ALP (023) Funds unless otherwise stated. CCLS has advised that December statements will be interim until their auditors have a chance to review.

Revenue

December municipal donations ended the year nicely at \$25.5K from Kennett Square, Pennsbury, West Marlborough and East Marlborough. Municipal donations at \$656.1K for the year ended 1.3% higher than budget and 16% greater than 2017, thank you very much New Garden Township and Kennett Square Borough! The municipal detail is shown on the spreadsheet below.

YTD December 2018		Combined library + ALP			
Revenue	Actual	Budget	% Chg	2017	% Chg
Governmental revenue	\$656,122	\$647,792	1.3%	\$566,304	15.9%
Library revenue	35,164	35,458	-0.8%	33,406	5.3%
Donations/Grants/Misc	288,180	231,840	24.3%	290,711	-0.9%
Total	\$979,466	\$915,090	7.0%	\$890,422	10.0%

December donations & events were \$45.8K. The initial batch of 2018 annual appeal donations produced \$36.1K of this total. Versus budget, donations and grants for 2018 were 24% greater than budget and just shy of 2017 totals. Library revenue was very close to budget and 5% greater than 2017.

Expenses

Total *December* library expenses including capital outlay were \$70.1K compared to \$59.6K in November. Specific year-end expense category commentary follows:

Personnel Services expenses, 69% of total expenses at \$644.8K, are 6% greater than budget and 19% greater than 2017 due to higher benefit costs in 2018 and additional hours for the ALP staff to full-time status. This is a difference of more than \$103K and is the major factor for the decrease in 2018 “net” versus last year.

Library Materials, 12% of expenses at \$112.7K year to date is 4% greater than budget and 11% greater than 2017.

Facilities & maintenance expenses, 6% of expenses at \$57K, is 10% below budget and 3% greater than 2017. The only *major* infrastructure issue was the replacement of the extractor pump (sanitary sewer) and that cost was totally reimbursed by our property insurance.

Fundraising expenses, 6% of total expenses at \$44.8K, were 12% higher than budget and 55% greater than 2017. Fundraising expenses consist of all expenses associated with the events, advertising materials, printing, etc. Unfortunately, it does not account for all of the “free” volunteer time necessary to plan & execute these events producing \$288K in much-needed revenue.

Programming costs, 3% of total expenses at \$25.8K this year are 10% below budget and 1% below 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 consisting of Professional fees, Marketing & PR, and Miscellaneous are 12% under budget and 36% below 2017.

Net - 2018 was the second year that the total library (library + ALP) produced a surplus of \$45.2K, but due to the higher personnel expenses as explained above, this year’s net was approximately 23% lower than 2017. Still exceptional results.

Total 2018 *expenses* were 95% of revenue, a familiar story for nonprofit organizations. This library can offer so much value in terms of programs and library materials for our service area communities **but only because of the generosity of our donors, municipalities (including the state and Chester County), and the foundations who believe in the benefits of a library.**

YTD December 2018		Combined library + ALP			
Expense	Actual	Budget	% Chg	LY	% Chg
Personnel	\$644,850	\$611,144	5.5%	\$541,515	19.1%
Materials	112,675	107,900	4.4%	\$101,746	10.7%
Facilities	57,001	63,560	-10.3%	\$55,388	2.9%
Fundraising	44,784	40,000	12.0%	\$28,903	54.9%
Programming	25,753	30,300	-15.0%	\$25,996	-0.9%
Supplies	18,948	17,470	8.5%	\$16,620	14.0%
All other	28,667	32,720	-12.4%	\$44,789	-36.0%
Total	\$ 932,678	\$ 903,094	3.3%	\$814,958	14.4%
Capital expenditures	1,546	14,000	-89.0%	16,553	-90.7%
Expenses incl. capital Ex.	\$ 934,224	\$ 917,094	1.9%	\$ 831,511	12.4%
Net	\$45,242	(\$2,004)	NM	\$58,911	-23.2%

December 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	\$ 79,100	\$ (80,133)	\$ 19,587	\$ (16,996)	\$ 18,554
December 2018 Assets - Cash Balance	\$ 177,940	\$ (71,612)	\$ 53,383	\$ (16,996)	\$ 142,715
Beg of Year Investment Balance		\$ 3,838,245			\$ 3,838,245
Vanguard ST Investment (McMullan)		274,116			
Vanguard Federal Money Mkt. Fund		1,095,640			
Vanguard Brokerage - Settlement		37,340			
Vanguard Mutual Funds		50,683			
Vanguard ETF Funds		1,739,231			
Current Investment Balance	\$ -	\$ 3,197,010	\$ -	\$ -	\$ 3,197,010
Chg in Investment Balance YTD	\$ -	\$ (641,236)	\$ -	\$ -	\$ (641,236)
Total Fund Balance	\$177,940	\$3,125,398	\$53,383	(\$16,996)	\$3,339,724
Property Assets	\$850,000			\$350,000	\$1,200,000
Last Month	\$192,848	\$3,149,836	\$41,106	\$0	\$3,383,790
Change from last month	(\$14,908)	(\$24,438)	\$12,277	(\$16,996)	(\$44,066)
Total Asset Value	\$1,027,940	\$3,125,398	\$53,383	\$333,004	\$ 4,539,724

Cash Management

The library still has a comfortable cash position of \$142.7K. While I believe this number to be correct, there may a difference in the noted individual fund balances which is being investigated the assistance of CCLS. The row “Property Assets” is an estimate of the current value of our properties.

Library Investment Portfolio

The portfolio value as of the end of December was \$3197K, approximately \$47K higher than November due to improved pricing. There is a similar gain in January 2019 due to further market pricing improvement.

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December 2018 - Interim

2018 Kennett Library Summary Totals

As of December 2018	12						
Funds 020 (Library) & 023 (ALP)	Year-to-Date Revenue and expenses						
	Cur. Mo.	YTD	%	YTD Bud.	% Chg	LYTD	% Chg
Revenue							
Governmental Donations							
State	\$ -	\$ 99,265	15%	\$ 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	412	125,458	19%	\$ 122,000	3%	\$ 122,203	3%
Kennett	-	156,800	24%	\$ 154,500	1%	\$ 150,300	4%
Kennett Square	14,250	57,000	9%	\$ 57,000	0%	\$ 38,200	49%
New Garden	-	80,271	12%	\$ 80,500	0%	\$ 15,900	405%
Newlin	-	11,000	2%	\$ 10,500	5%	\$ 10,500	5%
Pennsbury	8,875	35,500	5%	\$ 35,000	1%	\$ 35,500	0%
West Marlborough	2,000	2,000	0%	\$ 2,000	0%	\$ 2,000	0%
Total Governmental	\$ 25,537	\$ 656,122	67%	\$ 647,792	1%	\$ 566,304	16%
Library Revenue							
Charges, Fines, Interest, Misc	\$ 1,808	\$ 35,164	11%	\$ 35,458	-1%	\$ 33,406	5%
Donations, annual Giving	\$ 38,551	124,742	39%	\$ 103,600	20%	\$ 136,547	-9%
Grants	\$ 10,345	64,588	20%	\$ 58,240	11%	\$ 47,624	36%
Events	\$ 7,200	98,851	31%	\$ 70,000	41%	\$ 106,540	-7%
Library	\$ 57,904	\$ 323,344	33%	\$ 267,298	21%	\$ 324,118	0%
Total Revenue	\$ 83,441	\$ 979,466	100%	\$ 915,090	7%	\$ 890,422	10%
Expense							
Personnel services	\$ 50,159	\$ 644,850	69%	\$ 611,144	6%	\$ 541,515	19%
Library Materials	\$ 7,298	112,675	12%	107,900	4%	101,746	11%
<i>Library Materials as % of Expenses</i>	<i>10.4%</i>	<i>12.1%</i>		<i>12.5%</i>		<i>0.0%</i>	
Professional fees	-	15,981	2%	15,200	5%	18,251	-12%
T&E and Employee Related	152	3,779	0%	2,400	57%	8,270	-54%
Marketing & PR	125	5,968	1%	10,120	-41%	13,990	-57%
Programming	981	25,753	3%	30,300	-15%	25,996	-1%
Facilities & maintenance	1,797	57,001	6%	63,560	-10%	55,388	3%
Fundraising	7,777	44,784	5%	40,000	12%	28,903	55%
<i>Fundraising exp as % of all donations, events, grants</i>	<i>13.9%</i>	<i>15.5%</i>		<i>17.3%</i>		<i>9.9%</i>	
Supplies	1,601	18,948	2%	17,470	8%	16,620	14%
Miscellaneous	82	2,940	0%	5,000	-41%	4,278	-31%
Capital outlay	100	1,546	0%	14,000	-89%	16,553	-91%
Total Expenses	\$ 70,072	\$ 934,224	100.0%	\$ 917,094	2%	\$ 831,511	12%
Net	\$ 13,369	\$ 45,242	5%	\$ (2,004)	NM	\$ 58,911	-23%
<i>Expenses as a percent of revenue</i>	<i>84%</i>	<i>95%</i>		<i>100%</i>		<i>93%</i>	
Current Cash Availability	\$ 231,322						

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

As of December 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	\$ -	\$ 11,000	99%	\$ -	NM	\$ 800	12.75
Miscellaneous revenue	-	148	1%	-	NM	1	10715%
Total Revenue	\$ -	\$ 11,148	100%	\$ -	NM	\$ 801	1291%
Expense							
Feasibility/Capital Campaign Consultant	-	\$ 66,319	23%	\$ -	NM	\$ 53,750	23%
CMAR	-	30,005	10%	-	NM	-	NM
Communications Consultant	-	-	0%	-	NM	-	NM
Architectural fees	-	172,777	59%	-	NM	55,000	214%
Legal fees	1,800	24,536	8%	-	NM	12,062	103%
Maintenance-building & grounds	-	-	0%	-	NM	675	-100%
Miscellaneous	-	81	0%	-	NM	5,251	-98%
Total Expenses	\$ 1,800	\$ 293,717	100%	\$ -	NM	\$ 126,739	132%
Current cash availability	\$ (71,612)						

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

End of Report

W.C. McLachlan
Treasurer