



Finance Report for FY 2019
May 2018 to April 2019

Revenue

1. 100.3% of property tax revenue received.
2. We received two grants for FY19. Per Capita was received, as expected, and a Back to Books grant.
3. Our budget included a \$50,000 loan for building repairs. We did not need to take out a loan, as an agreement was reached with the city that the building repairs (roof and tuckpointing) would be paid for by the city.
4. Our actual total revenue received was approximately \$1,500 over the amount that was budgeted, excluding the debt proceed of \$50,000 for the loan we did not take.

Expenses

1. Personnel & Benefits - We came in under budget by about \$32,000. The reason is primarily from the savings in Director salary and benefits resulting from the retirement of the Director and the approximate 5 ½ month recruiting process prior to the start of the new Director.
2. Library Materials and Supplies – The spending on Materials was reduced to under the usual benchmark of 12% of tax revenue due to the Director vacancy and the adoption of a strategic plan which would need to be implemented under the new Director. We ended the year with 74% of the budgeted amount spent on Materials/Supplies.
3. The Per Capita Grant – In a letter to the State Library, we requested permission to spend grant money on much needed repairs, instead of materials as was written in the grant application. Permission was granted and expenses were captured in category #57200. The FY18 Per Capita amount came in very late and the timing of the start date of the new Director prevented these monies from being spent in FY19. The amount will be spent in FY20.
4. Technology – we had some newly identified needs which resulted in our actual spend on technology to be greater than our budgeted amount; laptop for new Director, SSL certificate for our website, additional software upgrades needed.
5. Accounting Service – Transfer of services to the City’s accountants in February 2019. The service fees did not change. We are now utilizing the city’s payroll services which are being billed through the accountants. The ultimate goal is to move the accounting from Quickbooks to the same system that the city uses.
6. Maintenance Services Interiors- Unexpected plumbing issues (blockage) in the new bathrooms resulted in unforeseen expenses in this category related to telescoping the pipes and rodding the sewer lines.

Net Income

FY18 ended with a surplus amount of approximately \$43,000 on an accrual basis and \$48,000 on a cash basis. The surplus was primarily attributed to the savings in two categories, Personnel/Benefits and



Materials/Supplies. This surplus will remain in the operating fund and will be used in FY20, with amounts allocated in the FY20 budget primarily in the Personnel/Benefits and Programming expense categories. The justification for utilizing the surplus in FY20 is explained in the next section, Adjustment of FY19 Personnel & Benefits.

Adjustment of FY19 Personnel & Benefits Budget

The strategic plan adopted by the Board called for the hiring of a highly experienced person to be able to implement the plan. During the recruitment process, the salary requirements for the appropriate candidate was determined. An increase for this category was required in order to attract and secure a candidate with the right skill set and experience. The cost savings recognized in FY19 in this category will be used to cover the shortfall that is present for the FY20 budget (since the property tax revenues were already set for FY20 prior to the recruitment process).

Overall Outlook for FY20 Revenue

The Board is highly confident, even after only 3 months, that the current Director will be able to bring in additional sources of revenue, with the increase in grant writing, the creation of the Friends of the Library organization, and the addition of the donation button on the website.