

Kellogg-Hubbard Library

Annual Financial Report FY2019

The Kellogg-Hubbard Library (KHL) is funded primarily from three sources: 1) tax revenues from Montpelier, Berlin, Calais, East Montpelier, Middlesex and Worcester; 2) distributions from the Library's endowment, and 3) private donations. To a lesser extent, the Library receives some grants, income from fines, non-resident borrower fees and other miscellaneous revenue. KHL also benefits greatly from restricted donations made by generous donors for specific purposes. In FY 2019, we were able to upgrade all of our public computers, purchase dozens of new large-print books, audiobooks and give-away books for children, and offer *PoemCity* (a month-long celebration of poetry) again this year. The Library also used some of our reserve funds (carefully put aside in prior fiscal years) to replace our aging phone and power lines to the building.

The end of FY2019 also marked a change in the management of the Library. Until the end of June 2019, the Library was run by a 3-person Administrative Team comprised of Executive Director Tom McKone, Director of Library Services Carolyn Brennan, and Director of Finance & Operations Jessie Lynn. As of July 1st, 2019, Jessie Lynn and Carolyn Brennan took over as Co-Directors. Jessie is responsible for overseeing nonprofit operations as the Nonprofit Director and Carolyn Brennan is primarily responsible for managing library services as the Library Director.

Following is additional information concerning FY 2019:

Tax Revenues

Montpelier tax payers were asked to level-fund in FY 2019 as they passed a 4.4% increase the year prior. After two years of level-funding from Berlin, Calais, East Montpelier, Middlesex and Worcester, there were modest increases voted in by taxpayers in those communities for FY19.

Endowment Distribution

The Library took our standard 5% (of the average of last 12 quarters) withdrawal from the endowment.

Fundraising

The Library raised \$172,337 in fundraising through a combination of appeals, book sales, raffles and special events. In addition, the Library was given \$8,230 in donations for restricted purposes and an additional \$13,418 from various donors to support *PoemCity 2019*. The Library was in the quiet phase of our *Give the Library a Lift!* campaign in FY19 and received \$210,967 in donations earmarked for future building projects.

Building/Occupancy

The Library's historic building is a treasured resource for Montpelier, though an ongoing challenge to maintain and afford. As an independent nonprofit, we are responsible for all repairs and maintenance ourselves, from snow shoveling to landscaping, cleaning to plumbing, maintaining systems (elevator, fire alarms, sprinklers, etc.) to properly insuring our assets. It takes a good portion of our annual budget to just keep up with the ongoing maintenance.

Kellogg-Hubbard Library

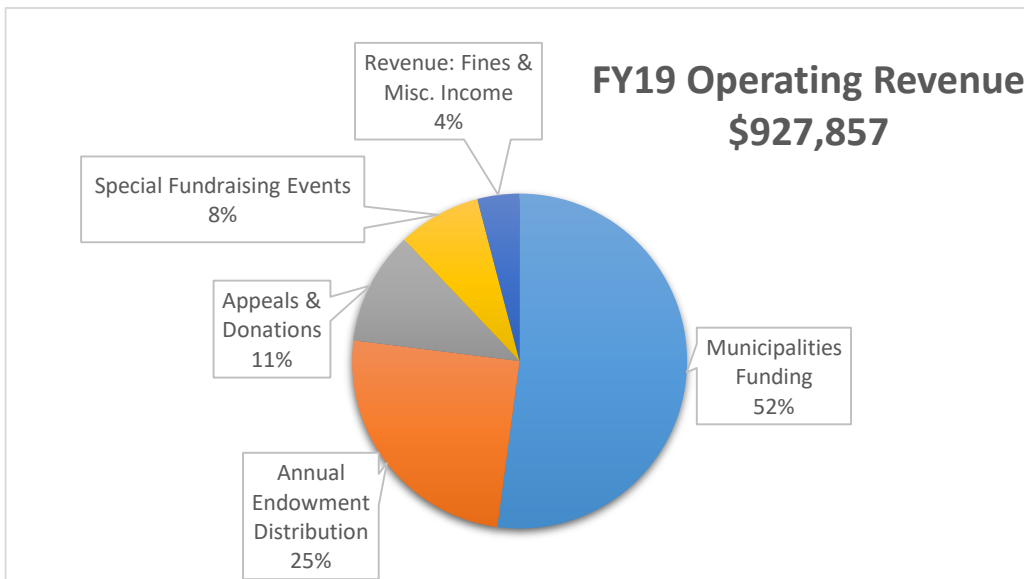
Annual Financial Report FY2019

In FY19, we were also able to fertilize and care for two trees on our property needing attention, replace the sump pump in our sewer pump station, replace a broken sink drain and install a new bike rack on the Main Street side of our building. As mentioned before, we also utilized some of our reserve funds to completely replace our phone lines and power lines to the building, including digging up the property to run new conduits for these lines.

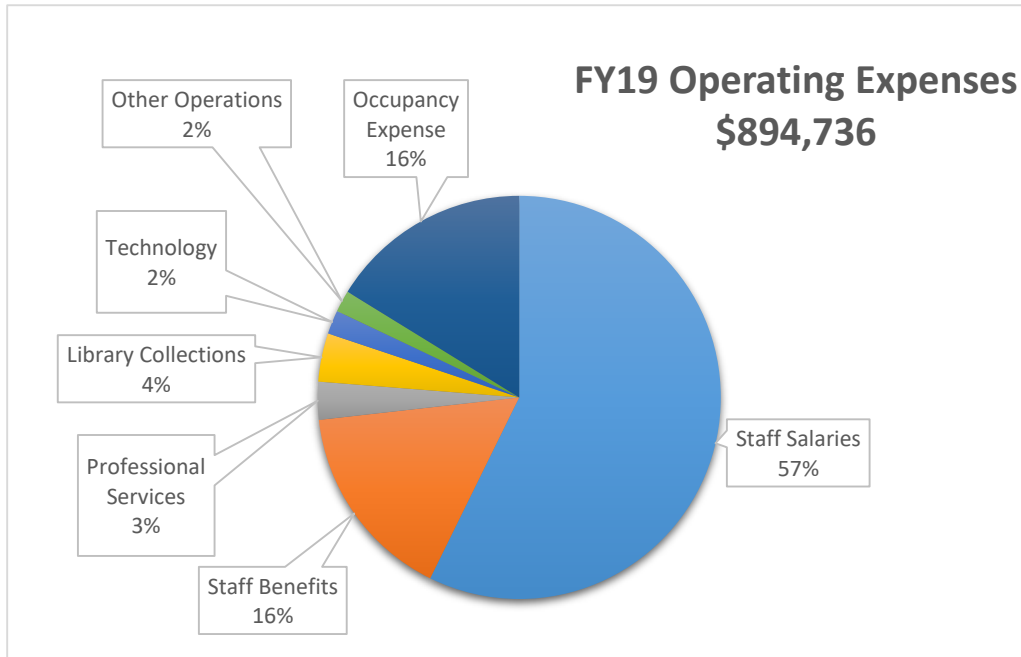
End of Year

The Fiscal Year ended with \$13,337 more in fundraising than was budgeted, with a few unusual one-time donations. Also, in anticipation of the end-of-fiscal-year leadership transition, some projects were delayed in FY2019. The year ended with 3% unexpended funds that was carefully put into our reserve funds to address cash flow needs, building needs and projects such as a self-checkout kiosk in the future.

Graphic Representations of Operating Revenue and Expenditures



Kellogg-Hubbard Library
Annual Financial Report FY2019



Once again, I wish to express what a pleasure and honor it is to serve this beloved organization as a Board Member and Treasurer. I continue to be humbled by the enthusiasm and devotion this organization, through its management staff, Trustees and employees, demonstrates in serving the City and our member towns, as a center of learning, joy and community.

Susan A. Zeller, KHL Treasurer