**Roeliff Jansen Community Library**

**Board of Trustees**

**Treasurer’s Report**

**12/17/24 for November 2024**

Income for November was $15,073, which was $5,330 over budget thanks to early annual appeal donations, a grant, and a contribution from the friends to cover expenses for the new library sign.

As reported last month, we have corrected the way income from the agency fund at Berkshire Taconic Community Foundation is recorded. That has changed the YTD total for “Other” income.

Expenses for November were $39,598, which was $8,248 below budget. Three payrolls were budgeted but there were only two. The bill for Building & Contents insurance of $8,331 was paid in November but accrued to October so it does not appear as a November expense. Library Services includes $5,175 for microfilming The Columbia Paper; this is covered by a grant. Building Operations include $3,625 for the sign; this is covered by the donation from the Friends. “Other” includes $3,000 for the 2024 audit, which that accountant has already started working on..

Construction includes a final bill for the berm project, $1,650, which was paid in November but accrued to October.

Without the bequest, income for the year so far is $415,575, which is $34,166 below budget. Given the annual appeal donations received so far in December, it can confidently be said that non-bequest income for the year will exceed the $449,741 budget. Expenses are likely to be close to budget so the library will end the year in the black.

**2025 Budget**

The board members who attended the budget review meeting approved the draft budget with minor changes. A few additional small changes have been made to Draft 3 which is being submitted to the full board for approval at the meeting. The only significant change is reducing the projected operating income from the BTCF agency fund from $22,000 to $15,000 given that we are now correctly recording the income.

Overall expenses are up 7.6%. Payroll, which is about 60% of expenses, is up 10%.

As always, income has been budgeted conservatively. The budget of $456,760 is about 6% less than the projected 2024 income of about $484,000. In the 2024 budget, income equaled expenses, but for 2025 income is projected to be $26,326 less than expenses. The income includes $15,000 of agency fund income, meaning that much would be withdrawn from the agency account. Another $7,000, a portion of the Reinhard bequest (which the library has been drawing down since 2019) will also be withdrawn. This bequest is included in the budget in net assets released from restriction. Add the shortfall and the library would be withdrawing $48,326.

Given that library budgets generally have income equal to expenses, a revenue line will be added to operating budget for “transfers in” to indicate funds to be withdrawn from the BTCF agency fund.

This is the first time since at least the opening of the new building that projected income has been less than expenses. The library can only budget this way because of the Shutts bequest.

In order to grow the principal on the agency fund so that the library can draw on it indefinitely, BTCF generally recommends withdrawals of no more than about 4%. Depending on how the investments perform it could sometimes be less than that. The $48,326 projected to be withdrawn in 2025 is 3.7% of the current value of the fund.

In 2025, the library will also be withdrawing about $300,000 or so to build the pavilion. Presumably, half of the expense would be covered by a state construction grant, which would be received in late 2026.