

### Treasurer's report 2013

Good Evening.

I wish to report on the state of the finances of the Friends of the Dana Point Library at the end of 2013. The numbers have been laid out in the recent edition of the Sea Scribe and have been placed on our website. In this report I have rounded off the actual dollar amounts to the nearest thousand.

The Association has had a favorable year when judged against the background in the President's report.. Both income and expense were affected by the troubles of 2012. The bookstore, our primary source of income, was closed for the first five weeks of the year. When one adjusts for this, our book sales of \$46,000 out of a total income of \$53,000 has been robust.

The major effect of the 2012 troubles on expenses was on the ongoing litigation of about \$12,000. For your information, about \$76,000 was spent on the litigation process. An additional \$1500 was spent on lawyer's fees this year, most of this amount was the \$1300 for the legal review of our amended by-laws. We do not expect expenses on lawyers in 2014, therefore an additional \$13,500 is available for donations to the library.

Two other substantial expenses must be noted: first, an annually recurring amount of \$2500 on insurance, most of which is on the Directors and Officers insurance which the Board feels is critical to getting members to serve on the Board. Second, was an amount of \$2700 on promotions and public relations. The major part of this was a non-recurring amount that was expended on the Bookstore re-opening ceremony. This amount can be added to the library donations in 2014.

You will note that the amount spent on Bookstore Operations and Supplies in 2013 was \$3500. This is a healthy decrease from the 2012 amount of \$8,000. We envisage a further reduction during 2014. We have put in place procedures to ensure that income and expenses are carefully mothered. What is noticeable is that we managed to limit our net income to \$1,000 by judiciously spending what we gathered. Our Association is not meant to accrue large amounts of money simply to have it at hand. Large amounts of reserve cash tend to lead to poor spending habits. Our 2013 tax returns were recently completed by an external CPA.

Our 2013 donations to the library has been steady and amounted to \$28,000, of which 80% went to the purchase of books and 20% on various programs. In contrast in 2012 \$19,000 was donated, of which 60% was spent on the children programs. Donations to the library in 2014 should be about \$45,000 – an increase of 60%.

Last, the 2013 retained earnings of \$159,000 will be depreciated in 2014 by a donation of \$70,000 towards refurbishment of the skylights in the library, and by further spending on equipment and renovations during 2014.