

MADISON PUBLIC LIBRARY
Supplementary Notes to the 2017 Year to Date Budget Report Jan-Aug
As at August 29, 2017

Key Indicators

Budget Year Lapsed	66%
Total Operating Revenue	65%
Total Operating Expense	58%
Total Wages & Benefits Expense	65%
Total Supplies Expense	62%
Total Services Expense	74%
Total Debt/Inter-Dept Charges	14%

Executive Summary

The monthly year to date budget report represents the current net operating position of the library at the time of producing the report. This report provides analysis on MPL's year to date budget performance. The library's activities and financial performance year to date can be compared against a linear time benchmark with 66% of the budget year lapsed as at the date of the report. Variances between revised budget and year to date actual are reported as either a timing variance where actual transactions occur on a non-linear timing basis, or a permanent variance where actual performance will not meet or exceed the estimated year end budget target.

Net Fund Balance & Budget Amendments

Budget amendments were processed this month to recognize funding and associated expenditure for the following:

- \$21,000 Legistar file (47300) to add 1.0 FTE Clerk Typist 1 at Central to be offset by two vacant hourly positions that will not be filled and management of salary savings for the remainder of the year.
- \$5,250 PLA Inclusive Internship Initiative
- \$55,000 for the Beyond the Bubbler project funded by the Madison Community Foundation

The above amendments have a nil effect on the predicted net fund balance. The revised net fund balance remains at \$12,655.04. This is a result of carried forward encumbrances for furniture and signage projects for Sequoya and Meadowridge from last year. While these add an additional budgeted expense to 2017, this represents the carried forward surplus from 2016.

The actual net fund balance shows normal activity year to date where revenues are now running higher than actual expenditures incurred due to timing variances. The year to date net fund balance shows a surplus effect of (\$1,343,160.68). This has reduced by \$1,557,125.51 since the last report as normal expenditure and operations have occurred. This will continue to vary each month until the rest of the tax revenue for the year is recognized and other revenue is received, plus funds are spent down as programming and supply activities progress through the rest of the year.

A number of facility supplies line items are performing over budget as a result of reactive maintenance and repair issues. These will be monitored and other areas will be investigated for savings offset. Services expenditure is running higher at 74% of original budget due to timing of advanced rental prepayments and progression of building facility maintenance and annual servicing. Other services and supplies areas are running higher than benchmark or over budget and these will be monitored internally with relevant

managers and staff. Contribution and external donations revenue is close to budget target as funding from donors is now received up front rather than after expenditure has been incurred towards year end.

A number of areas of revenue are forecasted to be lower than anticipated including income from fines, collection rentals (AV & books), printing/reproduction, catering concession and facility rental for event hire. The respective revenue drivers (patron usage and demand for resources and facilities) are unpredictable and have eventuated in lower performance than budgeted/anticipated. Management will continue to work with City Finance to balance out the shortfalls. Salary and fringe expenses are tracking close to budget overall with actual expenditure for individual line items either running higher or lower than budget. This is due to normal activities where key positions advertised in the first half of the year have been vacant and only recently been filled. Hourly wages typically run higher than budget.