

MADISON PUBLIC LIBRARY

Supplementary Notes to the 2017 Year to Date Budget as at November 28, 2017

Key Indicators

Budget Year Lapsed	91%
Total Operating Revenue	99%
Total Operating Expense	92%
Total Wages & Benefits Expense	89%
Total Supplies Expense	99%
Total Services Expense	89%
Total Debt/Inter-Dept Charges	100%

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 91% 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

A budget amendment was processed this month to recognize an additional \$26,810.84 than what was originally budgeted for both funding and associated expenditure for donor designated funds received via the Madison Public Library Foundation. This amendment has 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 higher than actual expenditures due to timing variances. The year to date net fund balance shows a surplus effect of (\$1,472,271.45). This has decreased by \$1,063,260.84 since the last report as normal expenditure and operations have occurred. The net fund balance will continue to vary each month until the end of the fiscal year with the receipt of other sources of revenue, and as funds are spent down as programming and supply activities progress through the rest of the year.

2017 Third Quarter Budget Review & Projections

At the Finance Committee meeting held 11/27/2017, an additional \$200,000 was authorized to be appropriated to the Library from the Library Fund due to the impact of under budgeting for hourly salaries and benefits. The issue of under budgeting was identified earlier in 2017 and rectified in the approved 2018 operating budget. The following provides further detail on the year to date performance on actuals versus budget.

Total supplies line items are performing close to budget at 99% as a result of the finalization of ordering for collection materials. Additionally, a significant value of purchase card balances is allocated to a default supply line item which is impacting this indicator and will clear to the appropriate line items once they are reconciled as part of the end of month process. Supplies will be reviewed and monitored for adjustments in the next month prior to end of year. Services expenditure is running slightly lower at 89% of original budget due to timing. Other services and supplies areas are running higher than benchmark or over

budget and these will be monitored internally with relevant managers and staff. Salary and benefits expenditures are generally 1/26th behind as at the time of reporting due to timing of payroll batch updates. This means the Library is running over budget due to unpredictable retirement payouts for sick leave and other areas are under-budgeted for hourly staff benefits and WRS as previously mentioned.

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. Budget performance will continue to be monitored through to the end of year and early 2018 as year-end processes commence.