

MADISON PUBLIC LIBRARY
Supplementary Notes to the 2017 Year to Date Budget Report Jan-Jul
As at July 25, 2017

Key Indicators

Budget Year Lapsed	57%
Total Operating Revenue	65%
Total Operating Expense	50%
Total Wages & Benefits Expense	54%
Total Supplies Expense	55%
Total Services Expense	70%
Total Debt/Inter-Dept Charges	13%

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 57% 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

No budget amendments were processed this month and the revised net fund balance remains at \$12,655.04, as 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 (\$2,900,286.19) 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.

Services expenditure is running higher at 70% of original budget due to timing of advanced rental prepayments and commencement of the 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 be working with City Finance to balance out the shortfalls as part of last month's mid-year review process through analysis of expenditure areas. Salary and fringe expenses are tracking lower than 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.