Sacramento Public Library Authority

September 23, 2010 **Agenda Item 11.0: Monthly Financial Report and Quarterly Update**

TO: **Sacramento Public Library Authority Board Members**

FROM: **Vicki Johnson, Director of Finance**

RE: **Monthly Financial Report and Quarterly Update**

RECOMMENDED ACTION: Receive and file

MONTHLY FINANCIAL REPORT – June 2010

Revenues:

Total revenues at the end of June are $37,781,735 and are tracking at 99% of normal expectations. Revenues increased by $2,768,485 from May primarily due to contributions for capital projects under construction during fiscal year 2010. Library property tax revenue fell short of expectations by 3.6%. Investment income at $487,190 came in 24% higher than expectations partially due to the City Treasury's adjustment of investment losses from the prior year. Approximately $260,000 in gifts and donations was reclassified to contributions for capital projects.

Expenditures:

Total expenditures at the end of June are $37,625,904, an increase of $4,562,761 from May, but approximately 12% below expectations. Salaries and benefits represent 62% of total expenditures and have come in at 6% below expectations. Books and materials purchases are 18% short of expectations primarily due to increased and ongoing purchasing activity to stock the North Natomas and Robbie Waters Pocket Libraries. Services and supplies are tracking at 13% below expectations.

Since the beginning of the fiscal year, fund balance increased by only $155,830.

MONTHLY FINANCIAL REPORT – July 2010

The July monthly financial report is included for your reference. Negative balances are the result of accounting adjustments that will balance out at the end of August. It is still too early in the fiscal year for meaningful budget comparisons.

QUARTERLY UPDATE

The Library has met or exceeded revenue expectations in all categories except Library property tax which declined from $20,714,763 in fiscal year 2009 to a low of $18,349,673 in fiscal year 2010, a decrease of $2,365,090 or -11.42%.

Fines and fees revenue in the 3rd and 4th quarter were relatively flat with earnings of $224,757 and $228,217 respectively, though overall fines and fees revenue has grown by $77,616 or 9.7% from June of 2009. Facility rental income grew by $49,000 over the prior year, though at $321,857 has not yet reached FY 2008 levels of $408,000.

CUSTOMER AMOUNTS OWED

Outstanding customer amounts owed at the end of June 2010 is $3,798,668 compared to $3,583,878 last reported for the month ending January 2010, an increase of $214,790 over five months or an average of $43,000 or 1% per month (see Attachment C).

From January to June customer amounts owed for fines and fees increased by $53,405, an average of $10,681 per month. Amounts owed for unreturned books increased by $161,385, an average of $32,277 per month. Unpaid fines and fees are 33.5% of total customer amounts owed.

The number of customers owing the Library rose from 179,579 at the end of January to 180,629 at June 30, 2010 an increase of 1050 customers or an average of 210 customers per month.

In June, 26.6% of total cardholders had fines outstanding on their accounts. This is down from January which saw 28.6% of total cardholders with fines outstanding and is significantly less than the March 2008 benchmark which revealed 41.58% of cardholders had outstanding fines.

Overall the growth rate of outstanding fines and fees has slowed considerably over the past year. Library staff continues to look for ways to mitigate the increases.

CUSTOMER AMOUNTS WRITTEN OFF IN FISCAL YEAR 2010

October 2009	- 74,705 records totaling $2,167,311
January 2010	- 11,051 records totaling $150,004
April 2010	- 4,199 records totaling $94,770
Total	- 89,955 records totaling $2,412,085

ATTACHMENTS

Attachment A: Statement of Revenues and Expenditures – June 2010
Attachment B: Statement of Revenues and Expenditures – July 2010
Attachment C: Trend History of Customer Amounts Owed Report

SACRAMENTO PUBLIC LIBRARY
Statement of Revenues and Expenditures
For the Period Ending June 30, 2010

	Budget[1] Annual	Actual [2] YTD	$ Variance	% of Budget (Benchmark100%)[3]
REVENUES				
Program revenues:				
Service fees				
Fines and penalties	780,000	876,880	96,880	112.42
Facility rental income	257,200	321,857	64,657	125.14
Operating grants and contributions:				
Library property tax	19,034,708	18,349,673	(685,035)	96.40
Sac. City contributions	7,921,710	7,921,710	0	100.00
Other agency contributions	182,600	323,476	140,876	177.15
Sac. City special tax	4,479,660	4,481,272	1,612	100.04
Contribution for capital projects	4,886,953	3,798,717	(1,088,236)	77.73
State appropriations	655,720	702,193	46,473	107.09
Federal and state grants	65,506	70,506	5,000	107.63
Investment income - permanent funds	0	7,660	7,660	0.00
Total program revenues	38,264,057	36,853,945	(1,410,112)	96.31%
General revenues:				
Gifts and donations	427,566	317,803	(109,764)	74.33
Investment income	392,500	487,190	94,690	124.12
Other income	117,379	122,798	5,419	104.62
Total general revenues	937,445	927,790	(9,655)	98.97%
Other source of funds[4]	3,396,431	0	(3,396,431)	0.00
Total revenues	42,597,933	37,781,735	(4,816,198)	
EXPENDITURES				
Salaries and benefits	24,741,153	23,181,500	1,559,653	93.70
Books and materials	6,373,149	5,206,048	1,167,101	81.69
Services and supplies	7,606,373	6,589,572	1,016,801	86.63
Capital and equipment	3,877,258	2,648,784	1,228,474	68.32
Total expenditures	42,597,933	37,625,904	4,972,029	88.33%
Net Revenues (Expenditures)	0	155,830	(155,830)	

1 Budget numbers reflect the mid-year adopted budget and subsequent Board approved appropriations
2 Actual amounts are subject to change pending close of the 2010 fiscal year
3 Benchmark of 100% represents the expected percent of budget expired at June 30, 2010
4 Other source of funds are prior year fund balances reserved or restricted for the current period

SACRAMENTO PUBLIC LIBRARY
Statement of Revenues and Expenditures
For the Period Ending July 31, 2010

	Budget[1] Annual	Actual [2] YTD	$ Variance	% of Budget (Benchmark 8.33%)[3]
REVENUES				
Program revenues:				
Service fees				
Fines and penalties	800,000	62,358	(737,642)	7.79
Facility rental income	257,200	24,057	(233,143)	9.35
Operating grants and contributions:				
Library property tax	18,655,010	0	(18,655,010)	0.00
Sac. City contributions	7,921,710	0	(7,921,710)	0.00
Other agency contributions	100,000	0	(100,000)	0.00
Sac. City special tax	4,479,660	0	(4,479,660)	0.00
Contribution for capital projects	0	0	(0)	0.00
State appropriations	491,850	0	(491,850)	0.00
Federal and state grants	30,000	0	(30,000)	0.00
Investment income - permanent funds	0	0	0	0.00
Total program revenues	32,735,430	86,415	(32,649,015)	0.26%
General revenues:				
Gifts and donations	45,000	47,327	2,327	105.17
Investment income	300,000	0	(300,000)	0.00
Other income	140,800	7,425	(133,375)	5.27
Total general revenues	485,800	54,753	(431,047)	11.27%
Total revenues	33,221,230	141,168	(33,080,063)	0.42%
EXPENDITURES				
Salaries and benefits	24,156,300	1,945,124	22,211,176	8.05
Books and materials	3,123,486	35,405	3,088,082	1.13
Services and supplies	6,773,006	(172,888)	6,945,894	-2.55
Capital and equipment	453,857	(185,385)	639,242	-40.85
Total expenditures	34,506,649	1,622,256	32,884,393	4.70%
Net Revenues (Expenditures)	(1,285,419)	(1,481,089)	195,669	

1 Budget numbers reflect the May adopted budget and subsequent Board approved appropriations
2 Actual amounts are subject to change pending close of the 2010 fiscal year
3 Benchmark of 8.33% represents the expected percent of budget expired at July 31, 2010

Sacramento Public Library Authority
History of Customer Amounts Owed
and Fines and Fees Received
As Of June 30, 2010

	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010	Jun 2010
Customer Amounts Owed - Fines and Fees	1,221,263	1,240,850	1,269,936	1,221,153	1,228,167	1,242,081	1,234,381	1,256,068	1,274,558
Value of Unreturned Books	2,312,533	2,372,303	2,444,350	2,362,725	2,349,655	2,402,440	2,420,747	2,465,962	2,524,110
Total Customer Amounts Owed	**3,533,795**	**3,613,153**	**3,714,286**	**3,583,878**	**3,577,822**	**3,644,521**	**3,655,128**	**3,722,030**	**3,798,668**
Customer Amounts Owed - prior month end	5,506,794	3,533,795	3,613,153	3,714,286	3,583,878	3,577,822	3,644,521	3,655,128	3,722,030
Fines and Fees Paid	(72,238)	(54,773)	(62,309)	(67,768)	(59,891)	(69,028)	(66,226)	(58,759)	(68,627)
Records purged	(2,167,311)			(150,004)			(94,770)		
Increase in Fines and Fees	266,550	134,131	163,442	87,363	53,835	135,727	171,603	125,661	145,265
Customer Amounts Owed - month end	3,533,795	3,613,153	3,714,286	3,583,878	3,577,822	3,644,521	3,655,128	3,722,030	3,798,668
Net Monthly Change	(1,972,999)	79,358	101,133	(130,408)	(6,056)	66,699	10,607	66,902	76,638

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