



Charlotte Mecklenburg Library

The Library's Financial Models

Understanding Conceptually How
The Library's Finances Work



Today's Topics

- Understanding the Financial Model
- Understanding the starting budget
- Exploring the model
- Key Decision Drivers

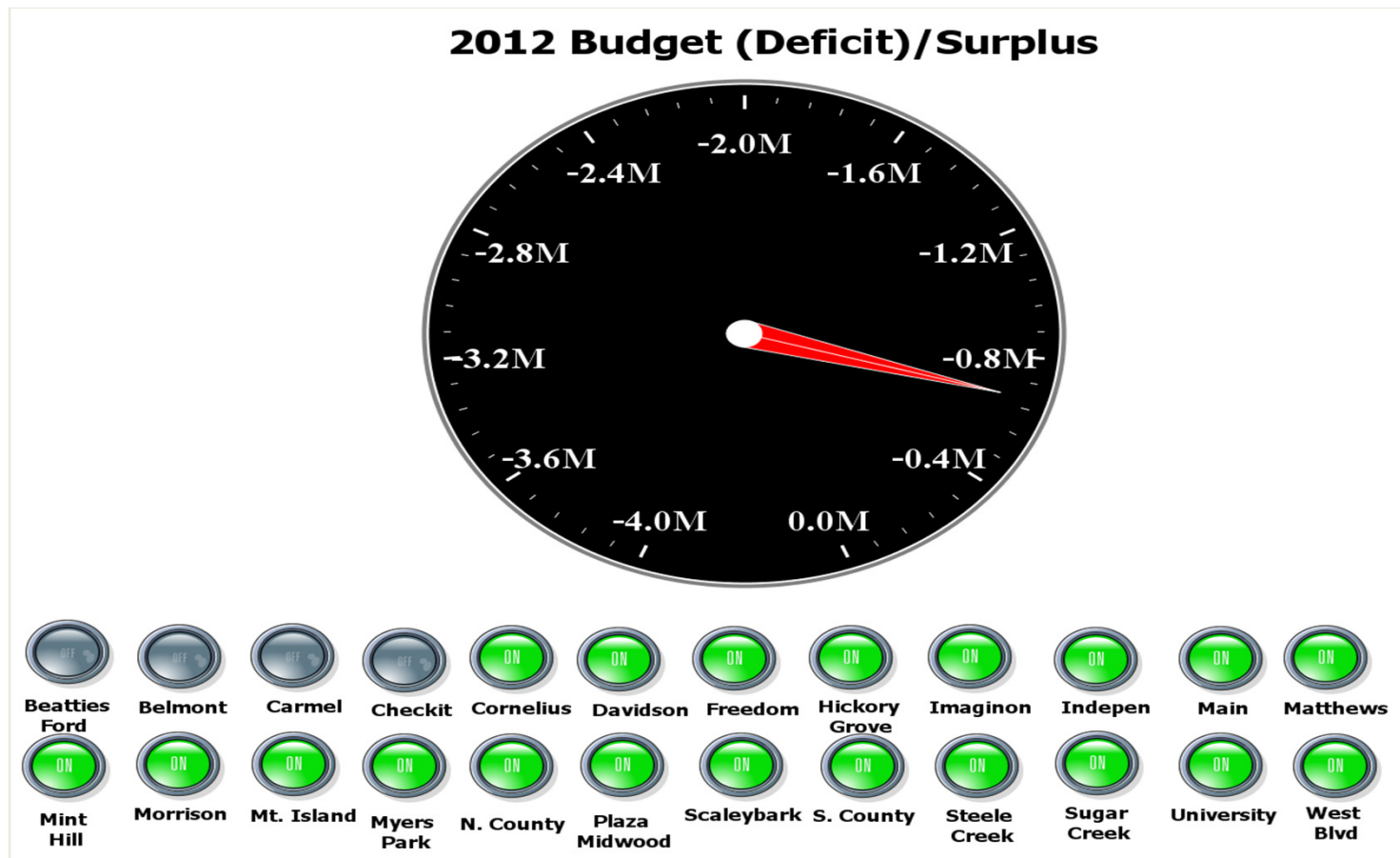


What is the Model

- A tool to understand how key financial decisions will impact operations
- Quantitative Analysis of Operational Neutrality (Budget Neutral)
- A Tool For Forecasting



Model Dashboard





Model Inputs

- Revenue
 - Mecklenburg County Funding
 - Branch Operations
 - ABC Funding
 - Municipalities
 - City of Charlotte
 - Federal
 - Contributions
 - All Other



Model Inputs

- Staff Expense
 - Branch Salaries
 - Shared Salaries
 - Fringe Salary Expense
 - Unemployment Expense
 - Termed Payout



Model Inputs

- Expense
 - County Funded Operating Expenses
 - Both Fixed and Variable Costs
 - Allocated and branch specific
 - Non County Funded Operating Expenses
 - Both Fixed and Variable Costs
 - Allocated and branch specific



Model Drivers

- Facility Statistics
- Hours
- Inflation Assumptions
- Locations Status
- Positions



Facility Statistics

- Drives revenue and expense that is allocated
- Driven by quantitative factors of usage
- Allocates revenues and expenses by a usage coefficient
- Readjusts allocations based on location status



Hours

- Hours of operation drive operational revenue that can be earned at a branch
- Examples- Copiers, Print Income, Fines and Fees



Inflation Assumptions

- Models increases in expense structure for out years
- Examples; Employees Expenses, Utilities, Fringe Salary Calculation



Location Status

- Drives allocation of most revenue and most expenses



Positions

- Are linked to the branch
- Shared resources are allocated to branches by usage coefficient
- Terminations drive unemployment costs and sick/vacation payout



Understanding Offsets

- Every decision has varying degree of financial impact to the operations of the library
- Controllable inputs have minor impacts to the model
 - Branch Operation Revenues
 - Fines and Fee Structure
 - Hours
 - Utilities
 - Etc.



Offsets

- Inputs that cannot be controlled have major impact
 - Mecklenburg County Revenue
 - Unemployment Expense
 - Sick/Vacation Payout for Employees



Offsets

Changes	Offset
Hours of Operation	Branch Revenue
Locations	Allocation of Revenue and Expense
Employees	Unemployment Expense
Employees	Sick/Vacation Payout
Employees	Operational Deficit/Surplus



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Questions