

MADISON PUBLIC LIBRARY
Supplementary Notes to the February 2023 Financial Reports
As of March 21, 2023

Key Indicators

Budget Year Remaining 84%
 Budget Year Lapsed 16%

Total Operating Revenue 55%
 Total Operating Expense 12%
 Total Wages & Benefits Expense 12%
 Total Supplies Expense 26%
 Total Services Expense 38%
 Total Debt/Inter-Dept Charges 0%

Financial Snapshots

Year to Date:

								2/28/2023
								Year remaining 84%
								Year lapsed 16%
MADISON PUBLIC LIBRARY FEBRUARY 28, 2023 YEAR TO DATE BUDGET REPORT AS OF MARCH 21, 2023								
	2023 Revised Budget	2023 YTD Actuals	Encumbrances	% Budget Used	2023 Under/ (Over) Budget	2022 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %
Revenue Totals	22,991,320	12,659,833	-	55%	10,331,487	12,370,921	288,913	2%
Expenses Totals:	(22,991,320)	(2,837,133)	(837,704)	12%	19,316,483	(2,767,794)	(69,339)	3%
Wages & Benefits Totals	(14,553,787)	(1,689,810)	-	12%	12,863,977	(1,646,410)	43,400	3%
Supplies Totals	(1,225,216)	(293,883)	(28,659)	26%	902,674	(270,906)	22,977	8%
Purchased Services Totals	(4,409,367)	(852,851)	(809,045)	38%	2,747,471	(848,539)	4,312	1%
Debt and Inter-Dept Totals	(2,802,950)	(590)	-	0%	2,802,361	(1,939)	(1,349)	-70%
Net Gain/(Loss)	0	9,822,700	(837,704)		29,647,969	9,603,126		
Fund Balance 1/1/2023		2,882,844						
Fund Balance 12/31/2023 - ESTIMATED								

Month to Date:

MADISON PUBLIC LIBRARY FEBRUARY 2023 MONTH TO DATE REPORT AS OF MARCH 21, 2023													
	January 2023 Month to Date	February 2023 Month to Date	March 2023 Month to Date	April 2023 Month to Date	May 2023 Month to Date	June 2023 Month to Date	July 2023 Month to Date	August 2023 Month to Date	September 2023 Month to Date	October 2023 Month to Date	November 2023 Month to Date	December 2023 Month to Date	
Revenue Totals	8,557,152	4,102,681	-	-	-	-	-	-	-	-	-	-	
Expenses Totals:	(1,408,466)	(1,428,668)	-	-	-	-	-	-	-	-	-	-	
Wages & Benefits Totals	(478,279)	(1,211,530)	-	-	-	-	-	-	-	-	-	-	
Supplies Totals	(200,585)	(93,298)	-	-	-	-	-	-	-	-	-	-	
Purchased Services Totals	(729,307)	(123,545)	-	-	-	-	-	-	-	-	-	-	
Debt and Inter-Dept Totals	(295)	(295)	-	-	-	-	-	-	-	-	-	-	
Net Gain/(Loss)	7,148,687	2,674,013	-	-	-	-	-	-	-	-	-	-	

Executive Summary

The financial reports represent the revenues, expenses and budget at the time of producing the report. This supplementary report provides analysis of MPL's financial statements. Variances between current and last year to date actuals 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. The City of Madison processes year-end accrual entries, but does not process month-end accrual entries. This can skew the financial data reported in January, February and December. The wages and benefits are the most notably affected by this process. Percentage of budget used reflects actual expense and encumbrances; Madison Public Library encumbers many annual expenses at the beginning of the year.

Accounting for donations and grants utilizes the Project Ledger in Munis, the City's financial software. Munis places limitations on budget processing in Project Ledger, only allowing use of a singular General Ledger account for budget entries. Madison Public Library staff spend the donations and grants using many different General Ledger accounts. This process can overspend budget on one account and underspend budget on another account. While the City processes budget and spending at the account level, overall the City requires spending to be within budget at the major account group level. The major account groups are listed as the sections on this report: Revenue; Wages and Benefits; Supplies; Purchased Services; and Debt/Inter-Departmental Charges.

Finance continues to post 2022 entries through March 29, 2023. Amounts reported can change through that date. Once the City's annual audit is completed, there is the potential for additional auditor entries. Auditor entries are unusual and any processed would be for material corrections to financial statements. Final balances for 2022 carry forward funds are complete once all 2022 entries are complete. At that time, final entries for the 2023 budget representing the 2022 carry forward funds are created and posted.

Changes to Previously Reported Amounts

MPL creates the MTD Financial Report when the City of Madison Finance Office is still posting to prior periods. Changes to prior period amounts are listed in bold font in the notes.

Revenue

Revenue budget used: 55%

- Real Estate Taxes **January amount changed posting the first installment**, second installment also posted. Since Real Estate Taxes is the main revenue for Library, and installments post in January, February, April, June and August the amount of revenue budget used grows quickly as the installments post.
- Lost and Damaged Fees **January amount increased by \$44 for transactions posting after the January report was prepared.**
- Contributions and Donations: MPL estimates conservatively for budget. As revenues meet and exceed the adopted budget, MPL adds revenue and expense budget.

Wages and Benefits

Wages and Benefits budget used: 12%

- Wages and Benefits has 2.5 pay periods out of 26.0 pay periods. Last YTD had 2.6 pay periods out of 26.1.
 - January is low due to the City's accrual process posting a portion of the first 2022 payroll back to 2021.
 - February returns to normal number of payrolls processed in a month.
- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year; budget is established by the City.
- Post Employment Health Plans expenses are processed in January only.

Supplies

Supplies budget used: 26%

- Office Supplies **January amount increased \$643 due to posting of transactions after creating the report.**
- Copy Printing Supplies **January amount increased \$3,058 due to posting of transactions after creating the report.**
- Furniture is over budget because Finance has not processed the prior year encumbrance carry forward entry at the time of this report. There is \$12,612 of 2022 encumbrances that will increase budget in 2023.
- Hardware Supplies **January amount increased \$560 due to posting of transactions after creating the report.**
- Software Licenses & Supplies **January amount increased \$5,611 due to posting of transactions after creating the report.** January expenses include Adobe Creative Cloud subscription, Gimlet annual subscription and various media software. February expenses include Zoom annual renewal.
- Postage **January amount increased \$2,759 due to posting of transactions after creating the report.**
- Program Supplies **January amount increased \$6,638 due to posting of transactions after creating the report.** February expenses include Parents as First Teachers supplies, seed library supplies, and many smaller programs supplies.
- Work Supplies **January amount increased \$512 due to posting of transactions after creating the report.**
- Library Collections Materials **January amount increased \$68,636 due to posting of transactions after creating the report.** Additional details:
 - Combined Capital and Operating budget is \$1,302,341 with purchases to date of \$448,610, 34% of budget is used. There are additional encumbrances not reflected in Munis of \$72,585, bringing us to 40% of budget used.
 - Capital budget:
 - General Collections budget is \$794,560 with purchases to date of \$134,129, 17% of budget is used.
 - Pinney Collections budget is \$31,346 with purchases to date of \$7,059, 23% of budget is used.
 - Lakeview Too Good To Miss budget is \$41,527 with purchases to date of \$3,916, 9% of budget is used.
 - Operating budget is \$434,908; with purchases to date of \$303,507, 70% of budget used.
- Safety Supplies **January amount increased \$382 due to posting of transactions after creating the report.**
- Building Supplies **January amount increased \$307 due to posting of transactions after creating the report.**

Purchased Services

Purchased Services budget used: 38%

- Telephone **January amount increased \$467 due to posting of transactions after creating the report.**
- Cellular Telephone **January amount increased \$465 due to posting of transactions after creating the report.** January amount is still negative due to payroll reimbursements and the year-end accrual process run by Finance.
- Systems Communication Internet expense is at 96% budget. This is expected, as the main expense is an annual purchase made in January.
- Building Improvement/Repair/Maint:
 - Monthly common area maintenance charges of \$22,018 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - Ashman property has a new management company and the 2023 common area maintenance charges increased dramatically.
 - The City's Office of Real Estate person assigned to this property is currently working with the management company to verify all charges are applicable to common area maintenance.
 - We based the 2023 budget request on prior year's charges, totaling \$35,000; currently the new management company's monthly amount is \$6,904; or \$822,847 annually.

- February expenses also include a credit for Pinney's 2022 common area maintenance reconciliation, and a charge for Hawthorne's meeting room AV setup.
- Waste Disposal **January amount increased \$1,011 due to posting of transactions after creating the report.**
- Fire Protection is at 95% budget because MPL has encumbered the annual maintenance contracts.
- Pest Control **January amount increased \$310 due to posting of transactions after creating the report.**
- Custodial Building Use Charges is at 100% budget because MPL has encumbered the annual maintenance contracts.
- Process Fees Recyclables **January amount increased \$667 due to posting of transactions after creating the report.**
- Equipment Improvement Repair Maint **January amount decreased \$515 due to accrual of transactions back to 2022 after creating the report.** This account is currently over budget by \$93,641, there is a budget entry of \$94,634 needed for the ARPA funds to upgrade AV equipment at Sequoya and Goodman South Madison for the Amplifying Community Voices project. MPL has encumbered the annual maintenance contracts for HVAC and public printers.
- System and Software Maint **January amount increased \$360 due to posting of transactions after creating the report.**
- Conferences and Training **January amount increased \$4,840 due to posting of transactions after creating the report.**
 - January expenses include UW Reference Desk Ready courses, JCLC conference registrations and travel expense deposits.
 - February expenses include JCLC travel expenses for final flight and hotel charges.
- Memberships **January amount increased \$9,000 due to posting of transactions after creating the report.** This amount represents MPL's annual ULC membership.
- Uniform Laundry **January amount increased \$1,151 due to posting of transactions after creating the report.** The net expense is negative -\$255 due to a credit for erroneous charges.
- Consulting Services is over budget because that 2022 carry forward funds budget entry was not posted at the time of the data pull for this report. This encumbrance represents the contract for Developing Librarian's Observation Toolkit, funded by a grant.
- Security Services **January amount increased \$1,558 due to posting of transactions after creating the report** January expenses include annual monitoring services for all locations except Pinney and Sequoya.
- Transportation Services represents the expenses of our partnership with Madison Reading Project for the Home Delivery program.
- Program Services **January amount increased \$272 due to posting of transactions after creating the report.** Some of the larger February expenses include Artist in Residence programs at various branches, Making Justice programs, and program website development expenses.
- Other Services and Expenses **January amount increased \$38 due to posting of transactions after creating the report.** This expense is for a notary stamp for Public Services staff member at Central.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 0%

- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Finance staff have not posted any Fleet or Traffic Engineering charges for 2023. When Finance creates the entries, they will post back to the appropriate month.