

MADISON PUBLIC LIBRARY
Supplementary Notes to the August 2022 Financial Reports
As of September 26, 2022

Key Indicators

Budget Year Remaining	33%
Budget Year Lapsed	67%
Total Operating Revenue	94%
Total Operating Expense	58%
Total Wages & Benefits Expense	62%
Total Supplies Expense	56%
Total Services Expense	83%
Total Debt/Inter-Dept Charges	13%

Financial Snapshots

Year to Date:

									8/31/2022
									Year remaining 33%
									Year lapsed 67%
MADISON PUBLIC LIBRARY AUG 31, 2022 YEAR TO DATE BUDGET REPORT AS OF SEP 26, 2022									
	2022 Revised Budget	2022 YTD Actuals	Encumbrances	% Budget Used	2022 Under/ (Over) Budget	2021 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %	
Revenue Totals	22,827,197	21,474,802	-	94%	(1,352,395)	15,593,778	5,881,024	38%	
Expenses Totals:	(22,827,197)	(13,196,694)	(346,972)	58%	9,283,531	(12,514,757)	(681,937)	5%	
Wages & Benefits Totals	(13,978,071)	(8,640,919)	-	62%	5,337,152	(8,102,069)	538,850	7%	
Supplies Totals	(1,448,467)	(727,702)	(82,011)	56%	638,754	(611,169)	116,533	19%	
Purchased Services Totals	(4,437,621)	(3,433,790)	(264,961)	83%	738,870	(3,367,689)	66,100	2%	
Debt and Inter-Dept Totals	(2,963,039)	(394,283)	-	13%	2,568,755	(433,829)	(39,546)	-9%	
Net Gain/(Loss)	-	8,278,108	(346,972)		7,931,135	3,079,020			
Fund Balance 1/1/2022		2,156,355							
Fund Balance 12/31/2022 - ESTIMATED									

Month to Date:

MADISON PUBLIC LIBRARY AUGUST 2021 MONTH TO DATE REPORT AS OF SEPTEMBER 26, 2022.												
	January 2022 Month to Date	February 2022 Month to Date	March 2022 Month to Date	April 2022 Month to Date	May 2022 Month to Date	June 2022 Month to Date	July 2022 Month to Date	August 2022 Month to Date	September 2022 Month to Date	October 2022 Month to Date	November 2022 Month to Date	December 2022 Month to Date
Revenue Totals	8,171,732	4,199,190	28,209	3,749,963	90,951	1,700,398	88,627	3,445,734	-	-	-	-
Expenses Totals:	(1,374,118)	(1,393,676)	(1,330,568)	(3,910,971)	(1,375,932)	(1,314,846)	(1,263,598)	(1,232,985)	-	-	-	-
Wages & Benefits Totals	(459,529)	(1,186,882)	(1,068,263)	(1,620,351)	(1,059,820)	(1,150,495)	(1,055,279)	(1,040,302)	-	-	-	-
Supplies Totals	(198,841)	(72,066)	(85,126)	(52,275)	(149,825)	(60,985)	(55,281)	(53,304)	-	-	-	-
Purchased Services Totals	(715,086)	(133,453)	(176,564)	(1,923,304)	(124,523)	(103,071)	(143,186)	(114,601)	-	-	-	-
Debt and Inter-Dept Totals	(663)	(1,276)	(615)	(315,041)	(41,763)	(295)	(9,853)	(24,778)	-	-	-	-
Net Gain/(Loss)	6,797,613	2,805,514	(1,302,359)	(161,008)	(1,284,980)	385,552	(1,174,972)	2,212,749	-	-	-	-

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 budget and spending is processed 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.

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: 94%

- Real Estate Taxes have all installments processed.
- Federal Revenues Operating 2021 total included the e-rate rebate, which we will not be receiving in 2022.
- Other Unit of Government Revenues Operating April amount includes the Dane County Contract revenue of \$1,277,496, with offsetting expense of \$1,803,076, netting to an expense of \$525,580.
- Reimbursement of Expense **January amount changed from \$-28,440 to \$-27,527 due to a correcting entry for 2021 unemployment insurance amounts previously posted by Central Payroll.**

Wages and Benefits

Wages and Benefits budget used: 62%

- Wages and Benefits has 15.5 pay periods out of 26 pay periods. Last YTD had 15.8 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.
 - April had three pay periods.
- Hourly Overtime Wages have been incurred due to the staffing issues to keep branches open. In the past, people would come in to work with a cold or when they weren't feeling 100%; the pandemic has taught people to stay home when they are sick. While we do not have budget for hourly overtime we are tracking under budget overall in this major category.
- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year; budget is established by the City. Library anticipates additional expenses through the year, if Wages and Benefits are over budget at year-end Library will use Fund Balance to make us whole.
- Unemployment Benefits **January through August amounts changed from \$0, overall total change was an increase of \$2,673 due to Central Payroll catching up on 2022 entries. September has credits totaling \$3,986 representing an additional correcting entry when all 2021 WI DWD payments were received and reconciled.**

- Post Employment Health Plans expenses are processed in January only.

Supplies

Supplies budget used: 56%

- Office Supplies **July total increased by \$31 due to transactions posting after last month's report was prepared.**
- Hardware Supplies **July total increased by \$195 due to transactions posting after last month's report was prepared.**
- Software Licenses and Supplies **July total decreased by \$3 due to refund of tax transaction posting after last month's report was prepared.**
- Program Supplies **July total increased by \$81 due to transactions posting after last month's report was prepared.** Budget includes approximately \$200,000 in funds intended to be spent over multiple years. The percent of budget used when adjusted for this is 78%.
- Work Supplies **July total increased by \$10 due to transactions posting after last month's report was prepared.**
- Library Collections Materials:
 - Combined Capital and Operating budget is \$1,511,021 with purchases to date of \$783,527, 52% of budget is used. There are additional encumbrances not reflected in Munis of \$66,103, bringing us to 56% of budget used.
 - Capital budget:
 - General Collections budget is \$976,405 with purchases to date of \$463,106, 47% of budget is used.
 - Pinney Collections budget is \$72,118 with purchases to date of \$25,017, 35% of budget is used.
 - Lakeview Too Good To Miss budget is \$50,921 with purchases to date of \$6,491, 13% of budget is used.
 - Operating budget is \$411,576; with purchases to date of \$288,913, 70% of budget used.
- Building Supplies **July total increased by \$8 due to transactions positing after last month's report was prepared,** and is over budget due to an unexpected purchase of door parts for Central.
- Plumbing Supplies are over budget due to replacing touch faucets with sensor faucets at multiple facilities.
- Equipment Supplies **June total increased by \$48 due to transactions posting after last month's report was prepared.** Equipment Supplies are over budget due to phone purchases for City VOIP services.

Purchased Services

Purchased Services budget used: 83% (When factoring out the Dane County Contract, budget used is 43%)

- Natural Gas expense is higher due to MGE rate increases. January usage charges, paid in February, were extremely high. We may need to reallocate budget from another line item.
- Water expense is higher than previous months due to Central's AC system usage of water for cooling. This is typical and expected. The Municipal Services bill for Central, Hawthorne, Ashman and Pinney was received after City Finance's mandated cutoff date for posting back to July. Those charges totaling \$795 posted to August, skewing the July and August water, sewer and stormwater expenses.
- Telephone Expense **July total increased by \$295, due to transactions posting after last month's report was prepared.** The CenturyLink long distance service (\$352 per month) was canceled now that all branches are connected to the city network and have the VOIP phones, and are using the city-wide long distance service; which we have been paying for since January.
- Systems Communication Internet expense is at 100% budget used. This is expected, as the main expense is an annual purchase made in January. The final large purchase was made in July.
- Building Improvement/Repair/Maint:
 - Monthly common area maintenance charges of \$14,896 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney and Sequoya.
 - Additional August expenses include a purchase of garden flowers for Central's loading dock area (\$155).

- Fire Protection is over budget due to equipment upgrades unknown at the time the 2022 budget request was created.
- Process Fees Recyclables **July total increased by \$97 due to transactions posting after last month's report was prepared.**
- Equipment Improvement/Repair/Maint encumbrance represents 2022 HVAC maintenance and printer/copier maintenance. There were some unexpected repairs causing MPL to be over budget. Most items are encumbered and will not increase the budget percentage used as the bills are paid.
- Recruitment expense **July total increased by \$77 due to transactions posting after last month's report was prepared.** These expenses include background checks for MPL volunteers.
- Mileage is over budget as staff have resumed outreach programs outside of Library branches. While we anticipated less mileage due to Zoom meetings, we did not anticipate the number of outreach programs. Another factor is our Computer Specialist and Computer Tech are traveling to branches and claiming mileage, when in the past that mileage was not claimed.
- Conferences and Training August expenses are for ALSC conference travel expenses, UW's Back in Circulation training, International Book Fair travel expenses, staff day trainings, UW's Play-Make-Learn training.
- Advertising Services August expenses include the annual Downtown Business Improvement District at \$375 and banner install at \$273.
- Security Services is slightly over budget due to some unexpected system upgrades.
- Program Services **July total increased by \$7 due to transactions posting after last month's report was prepared.** Program Services expenses are mainly payments made to MPL partners for programming. Budget includes approximately \$150,000 in funds intended to be spent over multiple years, budget used is 50% when this is factored into the calculation.
- Community Agency Contracts represents the Dane County Contract expense, with offsetting revenue of \$1,277,496, netting to an expense of \$525,580.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 13%

- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Inter-Dept Charge from Fleet Services **May total increased by \$663 due to transactions posting after last month's report was prepared,** June through July expenses have not yet been posted. May expenses include repairs of \$167.12 for MPL's trailer.
- Inter-Dept Charge from Traffic Engineering is an annual expense. There may be additional minor charges for repairs.
- Inter-Dept Charge from Insurance is the third quarter 2022 expenses.
- Inter-Dept Charge from Workers Comp only has the January through July expenses posted in July.
- Transfer out to Debt Service is the April interest payment on Library's General Obligation (GO) borrowing. The principal and interest payment will be processed in October.