

MADISON PUBLIC LIBRARY
Supplementary Notes to the September 2021 Financial Reports
As of October 26, 2021

Key Indicators

Budget Year Remaining	25%
Budget Year Lapsed	75%
Total Operating Revenue	95%
Total Operating Expense	62%
Total Wages & Benefits Expense	66%
Total Supplies Expense	58%
Total Services Expense	82%
Total Debt/Inter-Dept Charges	15%

Financial Snapshots

Year to Date:

									9/30/2021
									Year remaining 25%
									Year lapsed 75%
MADISON PUBLIC LIBRARY SEPTEMBER 30, 2021 YEAR TO DATE BUDGET REPORT AS OF OCTOBER 26, 2021									
	2021 Revised Budget	2021 YTD Actuals	Encumbrances	% Budget Used	2021 Under/ (Over) Budget	2020 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %	
Revenue Totals	22,062,030	21,007,809	-	95%	1,054,221	20,651,576	356,233	2%	
Expenses Totals:	(22,089,192)	(13,659,419)	(296,369)	62%	8,133,404	(11,863,985)	(1,795,434)	15%	
Wages & Benefits Totals	(13,681,850)	(9,095,317)	-	66%	4,586,533	(9,063,170)	32,147	0%	
Supplies Totals	(1,107,413)	(640,014)	(40,434)	58%	426,965	(708,746)	(68,732)	-10%	
Purchased Services Totals	(4,213,407)	(3,457,743)	(255,936)	82%	499,728	(1,616,782)	1,840,962	114%	
Debt and Inter-Dept Totals	(3,086,522)	(466,344)	-	15%	2,620,178	(475,287)	(8,943)	-2%	
Net Gain/(Loss)	(27,162)	7,348,390	(296,369)		9,187,625	8,787,591			
Fund Balance 1/1/2021		1,678,069							
Fund Balance 12/31/2021 - ESTIMATED		2,078,069							

Month to Date:

MADISON PUBLIC LIBRARY MONTH TO DATE REPORT AS OF OCTOBER 26, 2021.												
	January 2021 Month to Date	February 2021 Month to Date	March 2021 Month to Date	April 2021 Month to Date	May 2021 Month to Date	June 2021 Month to Date	July 2021 Month to Date	August 2021 Month to Date	September 2021 Month to Date	October 2021 Month to Date	November 2021 Month to Date	December 2021 Month to Date
Revenue Totals	7,967,855	4,175,315	35,059	2,054,532	1,358,855	1,698,497	467,494	3,184,249	65,954	-	-	-
Expenses Totals:	(1,388,730)	(1,250,983)	(1,250,614)	(1,991,286)	(2,970,416)	(1,192,298)	(1,297,541)	(1,206,891)	(1,144,662)	-	-	-
Wages & Benefits Totals	(482,458)	(1,110,890)	(1,036,004)	(1,479,793)	(973,077)	(991,269)	(1,025,629)	(1,002,950)	(993,248)	-	-	-
Supplies Totals	(164,921)	(28,760)	(67,079)	(51,226)	(38,113)	(74,172)	(117,534)	(69,363)	(28,845)	-	-	-
Purchased Services Totals	(728,530)	(102,195)	(100,241)	(102,756)	(1,950,175)	(113,324)	(145,258)	(125,211)	(90,054)	-	-	-
Debt and Inter-Dept Totals	(12,822)	(9,137)	(13,289)	(357,511)	(9,051)	(13,534)	(9,120)	(9,367)	(32,515)	-	-	-
Net Gain/(Loss)	6,579,125	2,924,332	(1,181,555)	63,245	(1,611,561)	506,199	(830,047)	1,977,359	(1,078,708)	-	-	-

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. At the time of this report City Finance is still processing September 2021 transactions. 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.

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 when the City of Madison Finance is still posting to prior periods. Changes to prior period amounts are listed in bold font in the notes.

Revenue

Revenue budget used: 95%

- Real Estate Taxes have been received in full.
- Federal Revenues Operating are over budget due to the 2021 eRate rebate, amount unknown at the time the 2021 operating budget was created.
- Other Unit of Gov Revenues Operating include the Dane County Contract revenue, recorded in May. There is a corresponding expense in Community Agency Contracts, the net between the revenue and expense is \$525,580 expense to MPL. The adjacent county payments are recorded in this account and will post at the end of the year, bringing the revenue in line with the budgeted amount.
- Reproduction Services revenue did not rebound as much as anticipated in 2021. This is partially offset by the overage in Federal Revenues Operating.
- South Central Library Services and Cataloging Services have two payments per year and the second payment is anticipated in November.
- Reimbursement of Expense budget represents the Hawthorne property owner payments for the remodeling currently happening. Our first payment of \$61,140 was received in September. Additional payments will be posted to 2021 as work is completed and we bill the landlord for reimbursement.

Wages and Benefits

Wages and Benefits budget used: 66%

- Wages and Benefits has 17.6 pay periods out of 26.1 pay periods. Last YTD had 17.8 pay periods out of 26.2.
- Library is again projecting well under budget for wages in 2021. This is evidenced by budget used of 66% when 75% of the budget year has lapsed.
- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year, budget is established by the City. MPL saw additional retirements in 2021 of long-time employees, bringing

this account over budget. There will also be expenses in December when accumulated sick leave over the limit is paid out. This will be offset by the wages being under budget.

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

Supplies

Supplies budget used: 58%

- Copy Printing Supplies had a bulk purchase of paper in May of \$2,960. This purchase is disbursed to the branches for public printing and copying. There was also many purchases of toner as patron usage began rising in May. There will be another bulk purchase in 2021 to take advantage of pricing before it is increased.
- Furniture expense is over budget, due to spending of private funds which were budgeted elsewhere. Future furniture purchases will be funded with donations.
- Software Licenses & Supplies was adjusted for a purchase earlier in the year posting to this account incorrectly.
- Library Collections Materials:
 - Combined Capital and Operating budget is \$1,328,987 with purchases to date of \$843,287, 63% of budget is used. There are additional encumbrances not reflected in Munis of \$86,525, bringing us to 70% of budget used.
 - Capital budget:
 - General Collections budget is \$720,000 with purchases to date of \$366,722, 51% of budget is used.
 - Pinney Collections budget is \$250,000 with purchases to date of \$158,595, 63% of budget is used.
 - Lakeview Too Good To Miss budget is \$48,000 with purchases to date of \$9,476, 20% of budget is used.
 - Operating budget is \$310,987; with purchases to date of \$308,494, 99% of budget used.
- Janitorial Supplies and Safety Supplies:
 - The janitorial supplies are well under budget and the safety supplies are well over budget for where we should be at this time of year. When additional budget was given to Library for these purchases it wasn't certain which expense would increase more. Overall, these expenses combined are at 63% budget used.
- HVAC Supplies is well over budget due to purchase of filters for every location. These filters are purchased every other year and it was not known by MPL Finance staff that 2021 was the year they would be purchased; they will be included in the 2023 budget request.
- Machinery and Equipment is well over budget due to purchases made with donation funds, which were originally budgeted elsewhere.

Purchased Services

Purchased Services budget used: 82%, factoring out the Dane County Contract budget used is 45%

- Natural Gas and Electric totals are extremely low due to MGE's switchover to a new billing and payment provider. Some locations received partial bills in September, most did not. Billing will be caught up in with the October bills.
- Water expenses increase in the summer months due to Central's air conditioning system, which uses water to cool the equipment.
- Systems Communication Internet expense is at 100% 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 \$13,575 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney and Sequoya.
- Fire Protection is trending over budget due to encumbered repairs funded by donations, and the donation budget posted to Building Improvement/Repair/Maint.
- Custodial Building Use Charges and Facility Rental budget is 109% used due to the updated Sunday hours and Purchase Order encumbrances. Munis is being problematic in reducing the encumbrance for Sunday hours at Pinney

and Sequoya, so the encumbrance for these locations is overinflated. This will be resolved with the last payments of the year relieving all encumbrances.

- Communication Device Repair/Maint for September is the annual maintenance on the public printing/web printing equipment and software.
- Equipment Improvement/Repair/Maint is over budget due to Lakeview drinking fountain replacement that includes a water bottle filler, funded by donations, which were budgeted in Building Improvement/Repair/Maint.
- Conferences and Training September expenses are for the YWCA Racial Justice Summit, MPL sent 16 staff to the summit this year. Staff also attended suicide prevention training, trauma informed care training, ALA transforming educators into library ambassadors, marketing and communication training and positive reinforcement training.
- Consulting Services is over budget due to an encumbrance contracted by City Finance for Library's share of the PCI compliance consultant work.
- Transportation expenses are for the new Home Delivery service.
- Program Services purchasing continues with outdoor programming. September programs include baby songbooks, Live Well at Your Library events, Youth Voices writing contest, Making Justice mural residency and various smaller programs.
- Community Agency Contracts expense is the payment on the Dane County Contract. There is offsetting revenue netting the total expense to \$525,580.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 15%

- Inter-Dept Charges from Engineering are building maintenance charges for the Hawthorne branch.
- Inter-Dept Charges from Fleet Services is for fuel and vehicle repairs.
 - **The August 2021 amount changed from \$0 to \$489 for fuel and maintenance charges. The entry posted after the June report was prepared.**
 - The September 2021 charges on this report represent \$3,733 for interest and \$15,772 for depreciation charges. Last year interest charges were \$548 and depreciation charges were \$2,350; the increase in 2021 is due to the new facility on Nakoosa Trail.
 - Fuel and maintenance charges were not posted at the time the data was pulled for this report.
- Inter-Dept Charges from Traffic Engineering for radios and communication equipment, charged in January.
- Inter-Dept Charges from Insurance represent Library's share. **The August amount changed from \$0 to \$8,583.** This was expected, it was noted last month the charges had not been posted when the data was pulled.
- Inter-Dept Charges from Workers Comp is processed on a quarterly basis, therefore only 50% of budget is used.
- Transfer out to Debt Service represents the principal and interest payments on Library's GO Borrowing. Interest payments are made in April, principal and interest payments are made in October.