

MADISON PUBLIC LIBRARY
Supplementary Notes to the August 2024 Financial Reports
As of September 30, 2024

<u>Key Indicators</u>			
Budget Year Remaining	42%		
Budget Year Lapsed	58%		
<u>Percent of Budget Used</u>	<u>Grand Total</u>	<u>Levy/Earned Revenue</u>	<u>Private Funds</u>
Total Operating Revenue	79%	81%	38%
Total Operating Expense	54%	54%	53%
Total Wages & Benefits Expense	54%	54%	38%
Total Supplies Expense	65%	60%	73%
Total Services Expense	77%	84%	41%
Total Debt/Inter-Dept Charges	7%	7%	0%

Financial Snapshots

Year to Date:

									8/31/2024
								Year remaining	33%
								Year lapsed	67%
MADISON PUBLIC LIBRARY AUGUST 31, 2024 YEAR TO DATE BUDGET REPORT AS OF SEPTEMBER 30, 2024									
	2024 Revised Budget	2024 YTD Actuals	Encumbrances	% Budget Used	2023 Under/ (Over) Budget	2023 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %	
Revenue Totals	24,367,806	23,063,032	-	95%	1,304,895	21,935,975	1,127,057	5%	
Expenses Totals:	(24,367,806)	(15,055,929)	(365,431)	63%	9,154,344	(13,489,712)	(1,566,218)	12%	
Wages & Benefits Totals	(15,524,368)	(10,091,253)	-	65%	5,641,013	(8,654,356)	1,436,897	17%	
Supplies Totals	(1,285,638)	(869,760)	(80,550)	74%	335,328	(850,176)	19,584	2%	
Purchased Services Totals	(4,865,187)	(3,912,486)	(284,881)	86%	667,820	(3,779,370)	133,116	4%	
Debt and Inter-Dept Totals	(2,692,613)	(182,430)	-	7%	2,510,183	(205,810)	(23,380)	-11%	
Net Gain/(Loss)	-	8,007,102	(365,431)		10,459,239	8,446,263			

Month to Date:

MADISON PUBLIC LIBRARY AUGUST 2024 MONTH TO DATE REPORT AS OF SEPTEMBER 30, 2024												
	January 2024 Month to Date	February 2024 Month to Date	March 2024 Month to Date	April 2024 Month to Date	May 2024 Month to Date	June 2024 Month to Date	July 2024 Month to Date	August 2024 Month to Date	September 2024 Month to Date	October 2024 Month to Date	November 2024 Month to Date	December 2024 Month to Date
Revenue Totals	10,169,772	3,657,621	195,465	2,935,440	128,053	1,985,689	16,886	3,974,105	-	-	-	-
Expenses Totals:	(3,418,238)	(1,726,556)	(2,078,951)	(1,622,641)	(1,483,138)	(1,353,872)	(1,472,976)	(1,899,262)	-	-	-	-
Wages & Benefits Totals	(515,190)	(1,421,402)	(1,777,000)	(1,201,572)	(1,156,453)	(1,166,190)	(1,163,033)	(1,690,414)	-	-	-	-
Supplies Totals	(198,612)	(143,525)	(132,981)	(85,005)	(119,651)	(65,797)	(65,583)	(58,606)	-	-	-	-
Purchased Services Totals	(2,703,807)	(161,136)	(168,457)	(161,136)	(206,608)	(117,328)	(244,066)	(149,948)	-	-	-	-
Debt and Inter-Dept Totals	(629)	(493)	(514)	(174,928)	(425)	(4,557)	(295)	(295)	-	-	-	-
Net Gain/(Loss)	6,751,534	1,931,065	(1,883,486)	1,312,800	(1,355,085)	631,817	(1,456,090)	2,074,843	-	-	-	-

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; 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. There are two times per year the City will realign budget to reflect actual spending: during the mid-year projections and year-end appropriations. The goal of this is to align budget with actual spending for future year budgets.

Budget Transfers report details the budget amendments processed by Library's Accountant. Budget amendments should be reviewed and approved by Madison Public Library Board per WI State Statute 43 section 58.

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: 95%

- Real Estate Taxes City Finance has posted all 2024 installments. Real Estate Taxes is the main revenue for Library and installments post in January, February, April, June and August.
- Other Unit of Government Revenues January amount represents the Dane County Library Service (DCLS) revenue from the walk-in contract, with offsetting expenses posting to Community Agency Contracts, net expense to MPL in 2024 is \$625,832. Also included in this account are the Adjacent County payments, expected in December. August amount is from DCLS in support of banned book purchases.
- Library Lost and Damaged Fees August amount includes the quarterly eCommerce fees paid online and disbursed by South Central Library System (SCLS).

Wages and Benefits

Wages and Benefits budget used: 65%

- Wages and Benefits has 16.5 pay periods out of 26.2 pay periods. Last YTD had 16.5 pay periods out of 26.0.
 - January is low due to the City's accrual process posting a portion of the first 2023 payroll back to 2022.
 - February returns to normal due to the City's accrual process, which is only performed annually and not monthly.
 - March and August had three pay periods.

- Salary Savings represents the amount of savings due to vacancies throughout the year. In the past this was around \$224k - \$273k; for 2024 Budget staff adjusted the amount to align with actual salary savings; Library's is now \$385k.
- Premium Pay represents night premium, Sunday premium and on call payroll expenses.
- Budget Efficiencies: when reviewing the wages and benefits keep in mind that is where Budget staff built in the 1% reduction in budget for all agencies for 2024.
- Compensated Absence represents retiree payouts for unused vacation and comp time.
- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year; budget is established by the City. If Library exceeds payroll and benefits budget this is an acceptable use of Fund Balance to make Library whole.
- Post Employment Health Plans expenses are processed in January.

Supplies

Supplies budget used: Actuals: 68%; Actuals plus Encumbrances: 74%

- Furniture August purchases are for Lakeview end panels and Sequoia study room chairs, both funded by donations received from Madison Public Library Foundation (MPLF).
- Postage supplies invoices are typically received after the cutoff date for posting back to the previous period. In July there was June and July expenses, August invoice was received after the cutoff date and is recorded in September.
- Program Supplies July expense includes purchases for We Read; Maker kits; artist programs at various locations; Making Justice program; Beyond the Page Care & Repair; Lakeview and Meadowridge teen programs; Pinney's PlayLab, art and various programs.
- Library Collections Materials details of all purchases YTD.
 - Combined Capital and Operating budget totals \$1,315,388 with purchases to date of \$912,758, 69% of budget is used. There are additional encumbrances not reflected in Munis of \$91,239 bringing us to 76% of budget used.
 - Capital budget:
 - General Collections budget is \$840,483 with purchases to date of \$493,580, 59% of budget is used. Library's 2024 Capital collections budget was increased in anticipation of beginning purchasing for Reindahl.
 - Lakeview High Demand budget is \$32,715 with purchases to date of \$10,644, 33% of budget is used.
 - Operating budget is \$442,190 with purchases to date of \$408,534, 92% of budget used.
 - Levy budget is \$247,143 with purchases to date of \$189,623, 77% of budget used.
 - Donations (MPLF and Friends) budget is \$195,047 with purchases to date of \$218,912, 112% of budget used.
- Machinery and Equipment is extremely over budget, the encumbrance is for Lakeview's AV equipment upgrade for broadcasting and viewing teen programming, funded by Cheryl Rosen-Weston's gift from the estate. Budget will be added to this account with the next payment request from MPLF.
- Inventory purchases are for patron hygiene and clothing needs.

Purchased Services

Purchased Services budget used: Actuals: 80%; Actuals plus Encumbrances: 86%.

When factoring out the Dane County and SCLS Contract, budget used: Actuals: 73%; Actuals plus Encumbrances: 81%.

- Water and Sewer are higher in the summer due to Central's air conditioning system, which is water cooled.
- Systems Communication Internet has the main expense posting in January, with additional small purchases throughout the year. This represents MPL's payment to South Central Library System for technology, network

services, PC support and Integrated Library System (ILS) services. Also included in this expenditure are payments to WI Dept of Corrections for prisoner email service.

- Building Improvement/Repair/Maint June expenses include:
 - Encumbrances are for common area maintenance charges, Central window cleaning and Central roof anchor certification.
 - Monthly common area maintenance charges of \$23,496 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - August expenses include a credit for Goodman South's 2023 common area maintenance adjustments from 2023 reconciliations.
- Pest Control August expenses include bed bug treatments at Central and Lakeview.
- Equipment Improvement Repair Maint is over budget due to some projects paid with private funds that were budgeted elsewhere. July expenses include:
 - Monthly MFD maintenance for all locations (\$271) and the in-house printer maintenance (\$1,214).
 - Central door power assist repairs (\$210).
 - Credits for in-house printing jobs funded by donations and grants (\$4,838).
- Conferences and Training August expenses are for ALA conference travel and lodging; first aid/AED training for security monitors; reference service training.
- Advertising Services August expenses include library card signup ads and banner; Teejop and Naturalist marketing; Beyond the Page Care and Repair marketing; LGBTQ+ wellness marketing.
- Parking Towing Services August expense is for meter hoods for a wedding at Central.
- Security Services August expense is for Central's card access system licenses.
- Program Services July expenses include Youth Voices Writer's Contest winners; Bubbler Artist in the Neighborhood art exhibitions; We Read; Beyond the Page Care and Repair programs at various locations; cooking classes at multiple locations; bilingual storytimes at Hawthorne; Lakeview teen programs; Pinney PlayLab, art, teen writing, creative movement/dance; Sequoya Jazz, yoga for kids; and Making Justice programs.
- Community Agency Contracts represents MPL's payment to Dane County Library Service walk-in contract, with offsetting revenue, net expense to MPL is \$625,832.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 7%

- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Inter-Dept Charge from Fleet Services **June amount increased \$697 for preventative maintenance work and fuel.**
- Inter-Dept Charge from Traffic Engineering is for radio system maintenance. This is an annual charge, and there may be some smaller charges for repairs not covered by the maintenance plan.
- Inter-Dept Charge from Insurance and Workers Comp is for Library's share of the City's expenses. These expenses have not been posted as of the date of this report.
- Transfer out to Debt Service is for Library's General Obligation Bond issuance repayments. The largest payment is in October when principal and interest payments are due.