

**MADISON PUBLIC LIBRARY**  
**Supplementary Notes to the 2<sup>nd</sup> Quarter 2020 Budget Projection**  
**As of July 15, 2020**

Key Projection Indicators

Total Projected YTD Operating Revenue	101%
Total Projected YTD Operating Expense	91%
Total Projected YTD Wages & Benefits Expense	89%
Total Projected YTD Supplies Expense	93%
Total Projected YTD Services Expense	97%
Total Projected YTD Debt/Inter-Dept Charges	100%

Financial Summary

Summary:			Revised Budget	Actual	Requisitions	Projection	Difference
Revenue	Projecting over budget.	Mainly due to increased donations for electronic services.	22,232,538.12	16,442,120.55	-	22,550,570.44	(318,032.32)
Wages & Benefits	Projecting under budget.	Mainly due to vacant positions not being filled.	(14,076,373.00)	(6,183,928.73)	-	(12,454,899.40)	(1,621,473.60)
Supplies	Projecting under budget.	Mainly due to reduced programming capabilities.	(1,109,502.07)	(485,494.37)	-	(1,033,337.75)	(76,164.32)
Purchased Service	Projecting under budget.	Mainly due to reduced energy costs and programming capabilities.	(3,970,925.00)	(1,286,879.47)	(5,240.00)	(3,839,653.24)	(131,271.76)
Inter-D & Transfers	Projecting over budget.		(3,177,237.00)	(438,251.80)	-	(3,177,279.00)	42.00
Total Expenses			(22,334,037.07)	(8,394,554.37)	(5,240.00)	(20,505,169.39)	(1,828,867.68)

Executive Summary

City of Madison Central Budget prepares quarterly budget projections to review with the agencies. Central Budget pulls data for budgeted and actual revenue and expense and sends the data to the agency contact. Agencies review the data and analyze actual and historical data to create a year-end projection. This quarterly budget projection report represents the projected actual revenue and expense based upon June 30, 2020, year to date data. The projection notes reference the type of projection used:

- “Straight-line projection” assumes revenue or expense totals will continue evenly through the end of the year.
- “Based on budget” is used when revenue or expense totals are sporadic and unpredictable.
- Payroll expense projections are based on either number of pay periods Q2 YTD or straight-line, depending on the nature of the posting of expenses. The projection also includes adjustments for known retirements and vacant positions which will remain vacant in 2020.

Revenue

Revenue budget YTD projection: 101%

- The 2020 budget was prepared based upon historical amounts and budget.
- Major reductions due to limited library services.
- Fines will no longer be charged reducing projected revenue by \$204,152.
- Contributions and Donations are trending to be over budget due to the hard work of the Foundation in fundraising for electronic services and alternative programming during COVID.

Salaries and Benefits

Salaries and Benefits budget YTD projection: 89%

- Salaries and Benefits has 11.8 pay periods paid out of 26.2 pay periods. With 50% of the budget year lapsed, we have used 44% of our budget.
- The projection has Salaries and Benefits under budget by \$1,621,474.

- Compensated Absence Escrow is over budget, if there are additional 2020 retirements, this expense will increase based on retiree's PTO accrual balances.
- The projection assumes 2020 vacant and retirement positions will remain vacant until 2021.

### Supplies

Supplies budget YTD projection: 93%

- If spending continues as projected, Supplies will be \$76,164 under budget.
- Library Materials are projecting higher than budget. 2020 non-capitalized expenditures will be higher than in the past due to the large donations for electronic materials. At year end there will be a reconciliation of materials that should be capitalized. At that time there will be a transfer to the Capital Fund from the Operating Expenses.
- Machinery and Equipment is projecting over budget due to the remodel at Lakeview, privately funded.

### Purchased Services

Purchased Services budget YTD projection: 97%

- If spending continues as projected, Purchased Services will be \$131,272 under budget.
- There are utilities savings due to branch closures.
- Telephone expenses are higher due to the purchase of a remote reference desk software, which is funded by the Madison Public Library Foundation annual donation for Technology.
- Equipment Improvement Repair & Maintenance is projecting lower than budget due to branch closures.
- March and April were background checks for either employees or performers.
- Conferences and Training are projecting below budget due to COVID-19 cancelations and travel savings for conversion to virtual conferences.
- Collection Services assumes we will cancel the services in conjunction with the cancelation of Fines.

Inter-D and Transfers budget YTD projection: 100%

- These expenses are generally known at the time budget is created.
- Variances from budget would be for services from Engineering, Fleet and Traffic Engineering.