

MADISON PUBLIC LIBRARY
Supplementary Notes to the July 2022 Financial Reports
As of August 22, 2022

Key Indicators

Budget Year Remaining	42%
Budget Year Lapsed	58%
Total Operating Revenue	79%
Total Operating Expense	52%
Total Wages & Benefits Expense	54%
Total Supplies Expense	52%
Total Services Expense	82%
Total Debt/Inter-Dept Charges	12%

Financial Snapshots

Year to Date:

								7/31/2022
								Year remaining 42%
								Year lapsed 58%
MADISON PUBLIC LIBRARY JULY 31, 2022 YEAR TO DATE BUDGET REPORT AS OF AUGUST 22, 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	22,719,737	18,028,156	-	79%	4,691,582	17,757,768	270,387	2%
Expenses Totals:	(22,828,697)	(11,959,574)	(394,799)	52%	10,474,324	(11,307,867)	(651,708)	6%
Wages & Benefits Totals	(13,978,071)	(7,597,944)	-	54%	6,380,127	(7,099,119)	498,824	7%
Supplies Totals	(1,446,745)	(674,076)	(78,261)	52%	694,409	(541,806)	132,269	24%
Purchased Services Totals	(4,440,843)	(3,318,713)	(316,538)	82%	805,592	(3,242,479)	76,234	2%
Debt and Inter-Dept Totals	(2,963,039)	(368,842)	-	12%	2,594,196	(424,463)	(55,620)	-13%
Net Gain/(Loss)	(108,960)	6,068,581	(394,799)		15,165,906	6,449,902		
Fund Balance 1/1/2022		2,156,355						
Fund Balance 12/31/2022 - ESTIMATED								

Month to Date:

MADISON PUBLIC LIBRARY JUNE 2021 MONTH TO DATE REPORT AS OF JULY 28, 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	8,170,819	4,199,190	28,209	3,749,963	90,951	1,700,398	88,627	-	-	-	-	-	
Expenses Totals:	(1,373,574)	(1,393,676)	(1,330,064)	(3,910,444)	(1,374,741)	(1,314,319)	(1,262,756)	-	-	-	-	-	
Wages & Benefits Totals	(458,984)	(1,186,882)	(1,067,759)	(1,619,824)	(1,059,293)	(1,149,968)	(1,055,235)	-	-	-	-	-	
Supplies Totals	(198,841)	(72,066)	(85,126)	(52,275)	(149,825)	(60,985)	(54,958)	-	-	-	-	-	
Purchased Services Totals	(715,086)	(133,453)	(176,564)	(1,923,304)	(124,523)	(103,071)	(142,710)	-	-	-	-	-	
Debt and Inter-Dept Totals	(663)	(1,276)	(615)	(315,041)	(41,100)	(295)	(9,853)	-	-	-	-	-	
Net Gain/(Loss)	6,797,245	2,805,514	(1,301,855)	(160,481)	(1,283,790)	386,079	(1,174,130)	-	-	-	-	-	

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: 79%

- Real Estate Taxes have the first four installments processed. Installments are posted in January, February, April, June and August.
- 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.

Wages and Benefits

Wages and Benefits budget used: 54%

- Wages and Benefits has 13.5 pay periods out of 26 pay periods. Last YTD had 13.8 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.
- Post Employment Health Plans expenses are processed in January only.

Supplies

Supplies budget used: 52%

- Office Supplies **June total increased by \$253 due to transactions posting after last month's report was prepared.**
- Copy Printing Supplies **June total increased by \$593 due to transactions posting after last month's report was prepared.**
- Hardware Supplies **June total increased by \$171 due to transactions posting after last month's report was prepared.**
- Software Licenses and Supplies **June total increased by \$316 due to transactions posting after last month's report was prepared.**
- Program Supplies **June total increased by \$1,565 due to transactions posting after last month's report was prepared.** Budget includes approximately \$230,000 in funds intended to be spent over multiple years. The percent of budget used when adjusted for this is 58%.
- Work Supplies **June total increased by \$119 due to transactions posting after last month's report was prepared.**
- Library Collections Materials:
 - Combined Capital and Operating budget is \$1,515,721 with purchases to date of \$670,690, 44% of budget is used. There are additional encumbrances not reflected in Munis of \$79,333, bringing us to 49% of budget used.
 - Capital budget:
 - General Collections budget is \$976,405 with purchases to date of \$398,281, 41% of budget is used.
 - Pinney Collections budget is \$72,118 with purchases to date of \$19,994, 28% of budget is used.
 - Lakeview Too Good To Miss budget is \$50,921 with purchases to date of \$5,327, 10% of budget is used.
 - Operating budget is \$416,276; with purchases to date of \$247,087, 59% of budget used.
- Safety Supplies **June total increased by \$133 due to transactions posting after last month's report was prepared.**
- Building Supplies 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: 82% (When factoring out the Dane County Contract, budget used is 41%)

- 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 water, sewer and stormwater expenses.
- Telephone Expense **June total increased by \$294, due to transactions posting after last month's report was prepared.**
- Systems Communication Internet expense is at 97% budget. 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 July expenses include an annual backflow inspection and plumbing repairs at Central, toilet repairs at Lakeview and a leak repair at Sequoya.
- Fire Protection is over budget due to equipment upgrades unknown at the time the 2022 budget request was created.

- 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 as the bills are paid.
- Recruitment expense **June total increased by \$91 due to transactions posting after last month's report was prepared.** These expenses include background checks for MPL volunteers.
- Conferences and Training July expenses are for ALA conference travel expenses, project management training, YALSA (Young Adult Services) conference registration and travel expenses, bully-proofing library training.
- Advertising Services July expenses include the annual Our Lives Magazine ad contract at \$1,936 and Dream Bus yard signs at \$394.
- Security Services is over budget due to some unexpected system upgrades.
- Program Services **June total increased by \$119 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 \$90,000 in funds intended to be spent over multiple years, budget used is 34% 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: 12%

- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Inter-Dept Charge from Fleet Services May through July expenses have not yet been posted.
- 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 January through May expenses.
- Inter-Dept Charge from Workers Comp is for January through July expenses.
- 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.