

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.

The mid-year budget appropriation entry approved at the June 2023 meeting is posted effective July 2023, and are reflected in the July 2023 Financial Reports.

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.

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 Finance has posted all 2023 installments. Real Estate Taxes is the main revenue for Library and installments post in January, February, April, June and August.
- Transfer in From Grants May amount represents Library's share of FEMA COVID expense reimbursements to local governments.

Wages and Benefits

Wages and Benefits budget used: 59%

- Wages and Benefits has 15.5 pay periods out of 26.0 pay periods. Last YTD had 15.6 pay periods out of 26.1.
 - 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 number of payrolls processed in a month.
 - March had three payrolls processed.
- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year; budget is established by the City.
- Health Insurance Benefit budget used percentage is higher than year lapsed percentage; these premiums are paid in advance. August has nine months of premiums processed.
- Post Employment Health Plans expenses are processed in January.

Supplies

Supplies budget used: Actuals: 68%; Actuals plus Encumbrances: 69%

- Program Supplies July purchases include art club supplies at GSMB; bubbler in the neighborhood supplies for neighborhood branches; We Read and Dream Bus summer program supplies, Bubbler Artist in the Neighborhood program supplies, Parents as First Teachers books in various languages, Naturalist in Residence program supplies, Magic Pride Fest supplies, and various other programs.
- Library Collections Materials details of all purchases YTD:
 - Combined Capital and Operating budget is \$1,314,716 with purchases to date of \$971,143, 74% of budget is used. There are additional encumbrances not reflected in Munis of \$89,564 bringing us to 81% of budget used.
 - Capital budget:
 - General Collections budget is \$794,560 with purchases to date of \$541,575, 84% of budget is used.
 - Pinney Collections budget is \$31,346 with purchases to date of \$31,346, 100% of budget is used.
 - Lakeview Too Good To Miss budget is \$41,527 with purchases to date of \$21,322, 51% of budget is used.
 - Operating budget is \$447,284 with purchases to date of \$376,900, 84% of budget used.
 - Levy budget is \$221,086 with purchases to date of \$199,062, 90% of budget used.
 - Donations (MPLF and Friends) budget is \$226,198 with purchases to date of \$177,838, 79% of budget used.

Purchased Services

Purchased Services budget used: Actuals: 82%; Actuals plus Encumbrances: 85%.

When factoring out the Dane County Contract, budget used: Actuals: 71%; Actuals plus Encumbrances: 84%.

- Systems Communication Internet expense is at 96% budget. This is expected, as the main expense is an annual purchase made in January.
- Building Improvement/Repair/Maint July expenses include Pinney window washing of \$2,000, Central lift hose repair of \$511.60.
 - Monthly common area maintenance charges of \$22,499 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - Ashman property has a new management company and the 2023 common area maintenance charges increased dramatically.
 - The City's Office of Real Estate person assigned to this property is currently working with the management company to verify all charges are applicable to common area maintenance. Work continues, the new owner and management company have been slow to respond.
- Facility Rental is currently under budget. We do not have the new lease for Lakeview completed, commencing 10/1/2023. Once that is complete Library will encumber the remaining expense for 2023. Update: we still do not have a signed lease, Library did encumber the remaining three months of rent at the current rate in September.
- Equipment Improvement Repair Maint August expenses include Central and Pinney community room divider annual maintenance, and HVAC and water heater repairs at Lakeview, Pinney and Goodman South Madison.
- Conferences and Training:
 - January expenses include UW Reference Desk Ready courses, JCLC conference registrations and travel expense deposits.
 - February expenses include JCLC travel expenses for final flight and hotel charges and Drupalcon registration fees.
 - March expenses include US Book show, Digipalooza travel, Drupalcon travel and registration.
 - April expenses include ALA annual conference registrations and trauma informed care for MPL staff.
 - May expenses include Shaping Our Offering training for library programming, Publishers Weekly Book Show registration and ALA annual conference registration.

- June expenses include ALA annual conference travel expenses.
- July expenses include ALA annual conference hotel and travel expenses, staff head shots (originally planned for last year's staff day, but there were so many requests some had to be delayed until now), Censorship and Banned Books: How to Defend Intellectual Freedom training.
- August expenses include ALA annual conference hotel, travel and meal expenses; Digipalooza conference travel, hotel and meal expenses.
- Consulting Services is over budget because 2022 carry forward funds budget entry was not posted at the time of the data pull for this report, this was delayed due to discussion between MPL's Accountant and City Budget and Finance staff. The budget entry has been completed in September. The August actual and the 2023 encumbrance represents the contract for Developing Librarian's Observation Toolkit, funded by a grant.
- Advertising Services August expenses include We Read, Youth Voices Contest, Teejop, Bubbler in the Neighborhood Artist in Residence and Ascendium workforce development programs.
- Program Services August expenses include: Bubbler in the Neighborhood; Wild Rumps; Youth Voices winner awards; cooking programs at LAK; Community English programs at MEA; Toddlers in motion and art programs at PIN; Art Club and Yoga at GSMB; Spanish programs at Hawthorne and Pinney; Jazz at SEQ; Our Town Everywhere at various locations; Making Justice and various programming throughout the branches.

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 Finance has processed the **May amount of \$931, which includes \$277 for repairs to the Ford Transit van and the Kubota utility vehicle.**
- 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.
- Transfer out to Debt Service expense for principal and interest payments will post in October.