

MADISON PUBLIC LIBRARY
Supplementary Notes to the August 2021 Financial Reports
As of September 27, 2021

Key Indicators

Budget Year Remaining	33%
Budget Year Lapsed	67%
Total Operating Revenue	95%
Total Operating Expense	57%
Total Wages & Benefits Expense	59%
Total Supplies Expense	57%
Total Services Expense	80%
Total Debt/Inter-Dept Charges	14%

Financial Snapshots

Year to Date:

									8/31/2021
								Year remaining	33%
								Year lapsed	67%
MADISON PUBLIC LIBRARY JULY 31, 2021 YEAR TO DATE BUDGET REPORT AS OF AUGUST 24, 2021									
	2021 Adopted Budget	2021 YTD Actuals	Encumbrances	% Budget Used	2021 Under/ (Over) Budget	2020 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %	
Revenue Totals	22,025,931	20,941,855	-	95%	1,084,076	19,970,232	971,623	5%	
Expenses Totals:	(22,053,093)	(12,505,502)	(305,494)	57%	9,242,097	(10,711,351)	(1,794,151)	17%	
Wages & Benefits Totals	(13,681,850)	(8,102,069)	-	59%	5,579,781	(8,099,079)	2,990	0%	
Supplies Totals	(1,071,314)	(611,169)	(17,759)	57%	442,385	(656,239)	(45,069)	-7%	
Purchased Services Totals	(4,213,407)	(3,367,506)	(287,735)	80%	558,166	(1,494,736)	1,872,769	125%	
Debt and Inter-Dept Totals	(3,086,522)	(424,757)	-	14%	2,661,765	(461,297)	(36,540)	-8%	
Net Gain/(Loss)	(27,162)	8,436,353	(305,494)		10,326,173	9,258,880			
Fund Balance 1/1/2021		1,678,069							
Fund Balance 12/31/2021 - ESTIMATED		1,878,069							

Month to Date:

MADISON PUBLIC LIBRARY MONTH TO DATE REPORT AS OF AUGUST 24, 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	-	-	-	-
Expenses Totals:	(1,388,730)	(1,250,983)	(1,216,614)	(1,991,286)	(2,970,416)	(1,192,298)	(1,297,541)	(1,197,635)	-	-	-	-
Wages & Benefits Totals	(482,458)	(1,110,890)	(1,036,004)	(1,479,793)	(973,077)	(991,269)	(1,025,629)	(1,002,950)	-	-	-	-
Supplies Totals	(164,921)	(28,760)	(67,079)	(51,226)	(38,113)	(74,172)	(117,534)	(69,363)	-	-	-	-
Purchased Services Totals	(728,530)	(102,195)	(100,241)	(102,756)	(1,950,175)	(113,324)	(145,258)	(125,027)	-	-	-	-
Debt and Inter-Dept Totals	(12,822)	(9,137)	(13,289)	(357,511)	(9,051)	(13,534)	(9,120)	(295)	-	-	-	-
Net Gain/(Loss)	6,579,125	2,924,332	(1,181,555)	63,245	(1,611,561)	506,199	(830,047)	1,986,614	-	-	-	-

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 June 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

City of Madison Finance has the ability to post entries to prior periods, after the MTD report is created. For the purposes of this report, material changes are increases or decreases greater than 15%. Material changes will be 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 offset by the overages in Federal Revenues Operating and Appliance Collection.
- Reimbursement of Expense budget represents the Hawthorne property owner payments for the remodeling currently happening. Our first payment of \$61,140 will be received in September.
- New revenue account Transfer in from Insurance. Library processed an insurance claim and Mark Benno can speak to that in more detail.

Wages and Benefits

Wages and Benefits budget used: 59%

- Wages and Benefits has 15.6 pay periods out of 26.1 pay periods. Last YTD had 15.8 pay periods out of 26.2.
- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year, budget is established by the City.
- Post Employment Health Plans expenses are processed in January only.

Supplies

Supplies budget used: 57%

- 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.
- Furniture expense is over budget, due to spending of private funds which were budgeted elsewhere. Future furniture purchases will be funded with donations. August purchases are for Lakeview chairs, Meadowridge toy shelf for quiet room and Pinney furniture cushions.
- Library Collections Materials:
 - Combined Capital and Operating budget is \$1,276,457 with purchases to date of \$682,689, 54% of budget is used. There are additional encumbrances not reflected in Munis of \$100,584.
 - Capital budget:
 - General Collections budget is \$720,000 with purchases to date of \$427,262.45, 41% of budget is used.
 - Pinney Collections budget is \$250,000 with purchases to date of \$121,513, 62% of budget is used.
 - Operating budget is \$310,988; with purchases to date of \$299,934, 96% 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 55% budget used. August purchases of janitorial supplies purchases are restocking shared supplies.
- 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: 80%, factoring out the Dane County Contract budget used is 44%

- Natural Gas is at 67% budget, which is normal. Historically over 50% of this budget is used in the first quarter of the year. The amount will be reduced when the issues with Central Finance's process for importing bills into Munis is resolved.
- Systems Communication Internet expense is at 99% budget. This is expected as the main expense is an annual purchase made in January. August purchase is the renewal of the ILLiad License and ILLiad Hosted Server.
- Custodial Building Use Charges and Facility Rental budget is 100% used because the encumbrances for the remaining expenses in 2021 are included in the calculation.
- Building Improvement/Repair/Maint:
 - Monthly common area maintenance charges of \$13,575 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney and Sequoya.
 - Additional August expenses include the annual Central Uninterrupted Power Source maintenance contract; drinking fountain replacements at Hawthorne and Monroe Street.
- Fire Protection is trending over budget due to encumbered repairs funded by donations, and the donation budget posted to Building Improvement/Repair/Maint. August expense is a fire alarm panel replacement at Lakeview.
- Equipment Improvement/Repair/Maint August expense includes Central ice machine maintenance, Meadowridge oven repairs.
- Conferences and Training August expenses are for Digipalooza 2021 attendees and UW Inclusive Marketing training.
- Consulting Services is over budget due to an encumbrance contracted by City Finance for Library's share of the PCI compliance consultant work. August expense is for a digital access equity study, funded by donations.
- Transportation expenses are for the new Home Delivery service.

- Program Services purchasing continues with outdoor programming. August programs include baby songbooks, Live Well at Your Library events, 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: 14%

- 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 July 2021 amount changed from \$0 to \$242 for fuel. The entry posted after the June report was prepared.**
- 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 entry was not posted at the time of creating this report.
- 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.