



## 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.

## 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 City Finance has posted the January, February, April and June 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 revenue from the walk-in contract, with offsetting expenses posting to Community Agency Contracts, net expense to MPL in 2024 is \$625,832.

## Wages and Benefits

Wages and Benefits budget used: 47%

- Wages and Benefits has 11.5 pay periods out of 26.2 pay periods. Last YTD had 11.5 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 includes 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: 63%; Actuals plus Encumbrances: 65%

- Program Supplies June expense includes purchases for We Read; Juneteenth; Maker intern; Goodman South's Super Summer Science; Parents as First Teachers; Meadowridge's 50<sup>th</sup> anniversary, teen cooking and Get Down party; Pinney's PlayLab, art and various programs; Bubbler summer artist in the neighborhood.
- Library Collections Materials details of all purchases YTD.
  - Combined Capital and Operating budget totals \$1,302,597 with purchases to date of \$786,527, 60% of budget is used. There are additional encumbrances not reflected in Munis of \$74,393 bringing us to 66% of budget used.
  - Capital budget:
    - General Collections budget is \$840,483 with purchases to date of \$406,768, 48% 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 \$7,771, 24% of budget is used.
  - Operating budget is \$429,399 with purchases to date of \$371,988, 87% of budget used.
    - Levy budget is \$247,143 with purchases to date of \$184,574, 75% of budget used.
    - Donations (MPLF and Friends) budget is \$182,256 with purchases to date of \$184,414, 103% of budget used.
- Food and Beverage June expenses includes purchases for Meadowridge's 50<sup>th</sup> anniversary, Pride Prom held at Central, and a refund of Staff Day overpayment.
- Building Supplies June expenses includes interior signage for Central (\$5,180), paid with endowment funds.

### Purchased Services

Purchased Services budget used: Actuals: 73%; Actuals plus Encumbrances: 83%.

- When factoring out the Dane County and SCLS Contract, budget used: Actuals: 63%; Actuals plus Encumbrances: 77%.
- Natural Gas and Electricity for June is posted in July, the invoice was received after the cutoff date for processing June transactions.
  - 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.
    - Central bathroom drain repair; LSC mechanical room pump repair; Lakeview painting funded by Lakeview Friends and Pinney window cleaning.
  - Fire Protection June expense includes Central fire system maintenance (\$2,290).
  - Equipment Improvement Repair Maint May expenses include:
    - Monthly MFD maintenance for all locations (\$690) and the in-house printer maintenance (\$1,809).
    - Storm drain relocation at Sequoya (\$1,188).

- Backflow preventer testing at Central and Goodman South Madison (\$1,219).
- HVAC repairs at LSC, Sequoya and Goodman South Madison (\$3,900).
- Conferences and Training June expenses include Drupalcon conference travel expenses, Play make Learn conference registrations.
- Audit Services expense is Library's share of the City's annual audit.
- Advertising Services June expenses include downtown map advertising; Facebook ads for Friends events, Book Club Café, Teejop calls for submissions and Meadowridge Library Takeover event.
- Program Services **May expenses increased \$14.** June expenses include Bubbler Artist in the Neighborhood art exhibitions; various cooking classes at multiple locations; Juneteenth; Thurber Park Artist in Residence; bilingual storytimes at Hawthorne; Lakeview teen programs; Meadowridge Spanish and media programs; Pinney PlayLab, art, teen writing, creative movement/dance; Sequoya Dungeons & Dragons, Jazz, sewing, Chinese storytime; Goodman South community English; 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%; Finance staff have not posted any Traffic Engineering, Insurance or Workers Comp transactions at the time of this report.

- Inter-Dept Charge from Engineering is for Hawthorne building maintenance. June's expense was not posted as of the date of this report.
- Inter-Dept Charge from Fleet Services April, May and June expenses were not posted as of the date of this report.
- 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.