

MADISON PUBLIC LIBRARY
Supplementary Notes to the September 2019 Year to Date Budget Report
As of October 24, 2019

Key Indicators

Budget Year Lapsed	75%
Total Operating Revenue	95%
Total Operating Expense	64%
Total Wages & Benefits Expense	69%
Total Supplies Expense	64%
Total Services Expense	81%
Total Debt/Inter-Dept Charges	27%

Financial Snapshot

	Adopted Budget	2019 YTD Actuals	Encumbrances	% Budget Used	Under/(Over) Budget	2018 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %
Revenue Totals	19,787,529.43	18,876,259.23	-	95%	911,270.20	18,910,360.65	(34,101.42)	0%
Expenses Totals:	(19,795,445.43)	(12,669,850.54)	(231,217.68)	64%	6,894,377.21	(12,178,013.11)	(491,837.43)	4%
Wages & Benefits Totals	(13,145,244.26)	(9,081,620.39)	-	69%	4,063,623.87	(8,841,043.40)	240,576.99	3%
Supplies Totals	(1,031,417.64)	(658,372.53)	(32,608.20)	64%	340,436.91	(1,057,374.93)	(399,002.40)	-38%
Purchased Services Totals	(2,656,249.53)	(2,143,991.85)	(198,609.48)	81%	313,648.20	(1,904,959.41)	239,032.44	13%
Debt and Inter-Dept Totals	(2,962,534.00)	(785,865.77)	-	27%	2,176,668.23	(374,635.37)	411,230.40	110%
Net Gain/(Loss)	(7,916.00)	6,206,408.69	(231,217.68)		7,805,647.41	6,732,347.54		

Executive Summary

The monthly year to date budget report represents the current net operating position of the library at the time of producing the report. This report provides analysis on MPL's current and last year to date expense and budget performance by comparison. 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.

Special note: the amount of the fund balance on 1/1/2019 changed from \$305,303.78 to \$725,177.23. The 2018 year end entry prepared to carry forward unspent funding received prior to 2018 reduced the fund balance to \$305,303.78; the entry was reviewed and approved by City Finance staff at year end. Baker Tilly, our auditors, did not agree with the entry and it was reversed. Baker Tilly's stance was that the entry should have been made in 2017, not 2018. Without the entry the Library Fund Balance is reported as \$725,177.23, and any adjustments for funding prior to 2018 will occur when closing the books for 2019.

The expected outcome will be a reduction in the Library Fund Balance by the amount of the 2017 carry forward funding spent in 2018. Further, the 2017 carry forward funding will not be fully spent in 2019, as this is funding for Library positions into 2020. Per the 3rd quarter 2019 projection, we are tracking to end 2019 with Fund Balance approximately \$662,000. The directive from City Finance is a target Fund Balance of 5% of total expenses, approximately \$1,000,000. The mechanism to increase Fund Balance is to receive 100% of budgeted revenues and spend less than 100% of budgeted expenditures. The main vehicle to increase Fund Balance is salary savings.

Revenue

Revenue budget used: 95%

- Real Estate Taxes is current and credited in full for 2019, bringing us to 100% of budgeted revenue.

- Federal Revenues Operating will decrease in 2019. This is comprised of the IRS Interest Credits on the GO Bond issues 2009 – 2010. Due to the nature of paying the bonds, this interest credit will continue to decrease. 2020 will be the last year Library will receive these payments.
- Catering Concessions has decreased from 2018 because 2018 revenue was overstated due to:
 - 2017 revenues received in 2018 were not accrued back to 2017. (\$700)
 - 2018 revenues received in 2019 were accrued back to 2018. (\$3,500)
 - 2019 permit payments were receipted in 2018. (\$800)
- Reimbursement of Expense will decrease in 2019 in conjunction with a decrease in Postage and Printing Expenses.
- Contributions and Donations:
 - While we are showing an increase over last year to date, we will be under budget for 2019 due to prior year one time donations of \$300,000 that continued to be incorporated into Operating Budget requests through 2019 Operating Budget.
 - Increased over last year due to:
 - MPLF payments through June 2019 are \$44k more than through July 2018.
 - Friends payments through June 2019 are \$29k more than through July 2018.
- Miscellaneous Revenue is decreased due to a one-time payment of \$13,000 received in 2018.
- Transfers in From Permanent Funds represents the annual draw from the US Bank Trust Fund. This transfer was completed in October, we will be 100% of budget on the next report.

Salaries and Benefits

Salaries and Benefits budget used: 69%

- Salaries and Benefits has 18.9 pay periods paid out of 26.1 pay periods. Last Year to Date had 18.0 pay periods paid out of 26.0. With 75% of the budget year lapsed, we have used 69% of our budget. Sunday hours resumed in September.

Supplies

Supplies budget used: 64%

- Hardware Supplies is only at 17% of budget used. Madison Public Library will be purchasing many new computers yet in 2019, in order to run Windows 10 and be compatible with the SCLS network.
- Library Collections purchases deemed as fixed assets are now housed in the Capital Fund.
 - Capital budget is \$700,000 with purchases YTD of \$510,782; 73% of budget is used.
 - Library Collections purchases also continue in the operating budget, funded by Levy and Contributions and Donations.
- 2019 budget is continuing to be realigned for the changes in recording of expenses.
 - Changes were made in 2018 and 2019, such as recording toner purchases in Copy Printing Supplies, previously recorded in Office Supplies.
 - Janitorial Supplies are being recorded in this account, previously recorded in Work Supplies.
 - Safety Supplies previously recorded in various supplies accounts.
 - Many Supplies purchases are inconsistent, happening as the need arises rather than consistently through the year.

Purchased Services

Purchased Services budget used: 81%

- Purchased Services expenses had been coded inconsistently in the past, with the same types of expenses posting to various different accounts.

- Annual purchases of services posted in the first quarter, totaling \$995,000.
- Known facility expenses have been encumbered for the entire year, factoring into the budget percent used:
 - Rent totaling \$495,000.
 - Common area maintenance totaling \$150,000.
 - Custodial charges totaling \$137,000.
 - Taxes and special assessments totaling \$24,000.
- Waste disposal has increased due to the temporary Pinney location. At the old location the waste disposal was part of the common area maintenance charges, at the temporary location we are responsible for waste disposal.
- Fire Protection services had previously been recorded in Security Services and Building Maintenance.
- Pest Control services in the past posted to either Pest Control or Building Improvement/Repair/Maintenance. This is now consistently posting to Pest Control.
- Process Fees Recyclables had a one-time payment of \$3,300 for mass recycling of fluorescent light bulbs, LED bulbs and batteries.
- Consulting Services is over budget due to expenses incurred which are funded by a grant secured from the Madison Public Library Foundation. The total for the Consulting Services at year end will be \$15,000, and is fully encumbered.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 27%

- Transfer out to Debt Service October payments include principal and interest. The budget will be 100% used on the October 2019 report.