

MADISON PUBLIC LIBRARY
Supplementary Notes to the Preliminary December 2021 Financial Reports
As of February 16, 2022

Key Indicators

Budget Year Remaining	0%
Budget Year Lapsed	100%
Total Operating Revenue	98%
Total Operating Expense	96%
Total Wages & Benefits Expense	97%
Total Supplies Expense	80%
Total Services Expense	91%
Total Debt/Inter-Dept Charges	99%

Financial Snapshots

Year to Date:

									12/31/2021
								Year remaining	0%
								Year lapsed	100%
MADISON PUBLIC LIBRARY PRELIMINARY DECEMBER 31, 2021 YEAR TO DATE BUDGET REPORT AS OF FEBRUARY 16, 2022									
	2021 Revised Budget	2021 YTD Actuals	Encumbrances	% Budget Used	2021 Under/ (Over) Budget	2020 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %	
Revenue Totals	22,009,182	21,473,599	-	98%	535,583	22,291,872	(818,273)	-4%	
Expenses Totals:	(22,037,648)	(21,049,481)	(108,960)	96%	879,207	(20,838,602)	(210,879)	1%	
Wages & Benefits Totals	(13,594,551)	(13,243,926)	-	97%	350,625	(12,993,201)	250,725	2%	
Supplies Totals	(1,136,329)	(906,349)	(64,262)	80%	165,718	(1,011,254)	(104,905)	-10%	
Purchased Services Totals	(4,220,246)	(3,856,156)	(44,698)	91%	319,391	(3,652,447)	203,709	6%	
Debt and Inter-Dept Totals	(3,086,522)	(3,043,050)	-	99%	43,472	(3,181,699)	(138,649)	-4%	
Net Gain/(Loss)	(28,467)	424,118	(108,960)		1,414,790	1,453,271			
Fund Balance 1/1/2021		2,242,244							
Fund Balance 12/31/2021 - ESTIMATED		2,666,362							

Month to Date:

MADISON PUBLIC LIBRARY PRELIMINARY 2021 MONTH TO DATE REPORT AS OF FEBRUARY 16, 2022.													
	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	65,954	28,828	370,097	66,865	
Expenses Totals:	(1,388,730)	(1,250,983)	(1,216,614)	(1,991,286)	(2,970,416)	(1,192,298)	(1,297,541)	(1,206,891)	(1,145,543)	(4,217,812)	(1,195,577)	(1,975,792)	
Wages & Benefits Totals	(482,458)	(1,110,890)	(1,036,004)	(1,479,793)	(973,077)	(991,269)	(1,025,629)	(1,002,950)	(993,248)	(1,514,615)	(1,004,807)	(1,629,187)	
Supplies Totals	(164,921)	(28,760)	(67,079)	(51,226)	(38,113)	(74,172)	(117,534)	(69,363)	(28,760)	(57,169)	(54,806)	(154,445)	
Purchased Services Totals	(728,530)	(102,195)	(100,241)	(102,756)	(1,950,175)	(113,324)	(145,258)	(125,211)	(90,103)	(99,141)	(126,778)	(172,446)	
Debt and Inter-Dept Totals	(12,822)	(9,137)	(13,289)	(357,511)	(9,051)	(13,534)	(9,120)	(9,367)	(33,433)	(2,546,888)	(9,186)	(19,715)	
Net Gain/(Loss)	6,579,125	2,924,332	(1,181,555)	63,245	(1,611,561)	506,199	(830,047)	1,977,359	(1,079,589)	(4,188,984)	(825,480)	(1,908,927)	

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 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

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: 98%

- City Finance has not yet processed the 2021 revenue accrual entry; there will be changes to the revenues in 2021 and 2022 once that entry is complete.
- 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 during the year-end revenue accrual process, bringing the revenue in line with the budgeted amount.
- Reproduction Services revenue did not rebound as much as anticipated in 2021. The overage in Federal Revenues Operating offsets this shortage.
- Appliance Stickers revenue has refunds posted in December, these should have posted to Streets Division. MPL's accountant has reached out to Treasury to request a correcting entry to post back to 2021.
- Reimbursement of Expense budget represents the Hawthorne property owner payments for the remodeling currently happening. Our first payment of \$61,140 was received in September. Work was delayed and final payments will be received in 2022.
- Transfer in from Permanent represents the annual Library Trust Fund draw. Library draws the previous year's earnings.

Wages and Benefits

Wages and Benefits budget used: 97%

- Wages and Benefits has 26.1 pay periods out of 26.1 pay periods. Last YTD had 26.2 pay periods out of 26.2.

- December is high due to the City's accrual process posting a portion of the first 2022 payroll back to 2021. January 2022 payroll will be much smaller because this accrual process is only performed at year-end, not monthly.
- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year, budget is established by the City. MPL saw additional retirements in 2021 of long-time employees, bringing this account over budget. Library is again under budget for Wages and Benefits, this offsets the overage of Compensated Absence Escrow payments.
- Unemployment Benefits November amount changed due to funding received for the workshares program.
- Overtime Wages increased in October and November due to Sunday hours. December increase is due to payroll accruals back to 2021.
- Health Insurance final 2021 premiums are paid in November. There may be a small adjustment in December.
- Post Employment Health Plans expenses are processed in January only.

Supplies

Supplies budget used: 80%

- Office Supplies is over budget. The 2021 cost to continue budget was reduced based on reduced purchases during 2020. Library requested an increase in the cost to continue budget but that was not approved by Central Budget. The Copy Printing Supplies being under budget will compensate for the Office Supplies being over budget.
- Copy Printing Supplies had a bulk purchase of paper in November of \$3,040. This purchase is disbursed to the branches for public printing and copying. Library is still projecting this account to be under budget.
- Furniture expense is over budget, due to spending of private funds, which were budgeted elsewhere. Future furniture purchases will be funded with donations. December's purchases are for furniture at Hawthorne, in conjunction with the remodel, funded by donations.
- Library Collections Materials:
 - Combined Capital and Operating budget is \$1,329,027 with purchases to date of \$1,120,490, 84% of budget is used. There are additional encumbrances not reflected in Munis of \$79,410, bringing us to 90% of budget used.
 - Capital budget:
 - General Collections budget is \$720,000 with purchases to date of \$529,553, 74% of budget is used.
 - Pinney Collections budget is \$250,000 with purchases to date of \$177,882, 71% of budget is used.
 - Lakeview Too Good To Miss budget is \$48,000 with purchases to date of \$13,079, 27% of budget is used.
 - Operating budget is \$311,027; with purchases to date of \$399,976, 129% of budget used. (Library supplies are under budget overall, allowing for this overage.)
 - November has a correction to a June invoice. The invoice was for 2022 subscriptions and was moved to other prepaid expenses. It will be expensed in 2022.
- Janitorial Supplies and Safety Supplies:
 - The janitorial supplies are well under budget and the safety supplies are well over budget. 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 69% budget used.
- 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. December charges are refunding sales tax charged on a November purchase. The remaining encumbrance is for public printers/copiers that were delayed, these are installed in January 2022.

Purchased Services

Purchased Services budget used: 91%, factoring out the Dane County Contract budget used is 50%

- Natural Gas and Electric totals are extremely low due to MGE's switchover to a new billing and payment provider. All locations have now been billed, but reading dates are still not consistent, with some location readings being ½ month.
- Telephone expense is well under budget due to the shifting of the reference desk call center from Zendesk to the city VOIP system.
- Systems Communication Internet expense is at 100% budget. This is expected, as the main expense is an annual purchase made in January.
- Building Improvement/Repair/Maint:
 - Monthly common area maintenance charges of \$13,575 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney and Sequoya.
 - This account is under budget due to remodel funds budget posting here and actual expenses posting to multiple accounts.
 - Looking at total Building Improvement and Equipment Improvement budget versus actuals budget is 85% used.
- Fire Protection is trending over budget due to encumbered repairs funded by donations, and the donation budget posted to Building Improvement/Repair/Maint.
- Pest control is over budget due to price increases from the current provider. Library is switching providers in 2022, using a local company instead of a national chain.
- Equipment Improvement/Repair/Maint is over budget partially due to expenses funded by donations, which were budgeted in Building Improvement/Repair/Maint. Looking at total Building Improvement and Equipment Improvement budget versus actuals budget is 85% used.
- Conferences and Training December expenses are for MPL staff strength finder trainings.
- Armored Car Services expenses have been sporadic during 2021 due to continued billing and service issues from Brinks. It was discovered the September bill was missed and the final payment posted in December.
- Credit Card Services expense represents the 3rd quarter SCLS online payments fees. The 4th quarter 2021 SCLS online payment fees will be accrued back to 2021. The total 2021 expense will be \$2,142, budget used 54%.
- Consulting Services is over budget due to an encumbrance contracted by City Finance for Library's share of the PCI compliance consultant work.
- Transportation expenses are for the new Home Delivery service. Services are now being provided by Madison Reading Project. The October and November bills were received and paid in December.
- Program Services purchasing continues with programming. November programs include the continuance of the Native American Storyteller, Parents as First Teachers, the Youth Voices writing contest, Bubbler Cohort Artist in Residence, Mentor Workshops, Black Artists Exhibition and various small programs.
- Community Agency Contracts expense is the payment on the Dane County Contract. There is offsetting revenue netting the total expense to \$525,580.
- Taxes and Special Assessments is under budget due to the Lakeview landlord not submitting the 2021 tax bill for payment.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 99%

- 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 December 2021 total includes Library's share of the 4th quarter interest and depreciation charges.
- Inter-Dept Charges from Traffic Engineering for radios and communication equipment, charged in January.
- Inter-Dept Charges from Insurance represent Library's share.
- Inter-Dept Charges from Workers Comp is processed on a quarterly basis, therefore only 75% of budget is used.
- Transfer out to Debt Service represents the principal and interest payments on Library's GO Borrowing. The 2021 payments have been processed in full.