

MADISON PUBLIC LIBRARY
Supplementary Notes to the June 2021 Financial Reports
As of July 27, 2021

Key Indicators

Budget Year Remaining	50%
Budget Year Lapsed	50%
Total Operating Revenue	79%
Total Operating Expense	45%
Total Wages & Benefits Expense	44%
Total Supplies Expense	40%
Total Services Expense	74%
Total Debt/Inter-Dept Charges	13%

Financial Snapshots

Year to Date:

								6/30/2021
								Year remaining 50%
								Year lapsed 50%
MADISON PUBLIC LIBRARY JUNE 30, 2021 YEAR TO DATE BUDGET REPORT AS OF JULY 26, 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	21,994,658	17,290,112	-	79%	4,704,546	16,442,121	847,991	5%
Expenses Totals:	(22,021,820)	(10,009,599)	(442,448)	45%	11,569,773	(8,343,805)	(1,665,795)	20%
Wages & Benefits Totals	(13,681,850)	(6,073,491)	-	44%	7,608,359	(6,185,622)	(112,131)	-2%
Supplies Totals	(1,049,524)	(424,272)	(30,717)	40%	594,534	(470,002)	(45,730)	-10%
Purchased Services Totals	(4,203,924)	(3,097,017)	(411,731)	74%	695,177	(1,249,465)	1,847,551	148%
Debt and Inter-Dept Totals	(3,086,522)	(414,819)	-	13%	2,671,703	(438,715)	(23,896)	-5%
Net Gain/(Loss)	(27,162)	7,280,513	(442,448)		16,274,319	8,098,316		
Fund Balance 1/1/2020		788,974						
Fund Balance 12/31/2020 - ESTIMATED		2,242,244						

Month to Date:

MADISON PUBLIC LIBRARY MONTH TO DATE REPORT AS OF JULY 26, 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	-	-	-	-	-	-
Expenses Totals:	(1,388,730)	(1,250,983)	(1,216,614)	(1,991,286)	(2,970,416)	(1,191,571)	-	-	-	-	-	-
Wages & Benefits Totals	(482,458)	(1,110,890)	(1,036,004)	(1,479,793)	(973,077)	(991,269)	-	-	-	-	-	-
Supplies Totals	(164,921)	(28,760)	(67,079)	(51,226)	(38,113)	(74,172)	-	-	-	-	-	-
Purchased Services Totals	(728,530)	(102,195)	(100,241)	(102,756)	(1,950,175)	(113,120)	-	-	-	-	-	-
Debt and Inter-Dept Totals	(12,822)	(9,137)	(13,289)	(357,511)	(9,051)	(13,011)	-	-	-	-	-	-
Net Gain/(Loss)	6,579,125	2,924,332	(1,181,555)	63,245	(1,611,561)	506,926	-	-	-	-	-	-

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: 79%

- Real Estate Taxes:
 - MPL has received the first four installments. The remaining installment will post in August.
- 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.

Wages and Benefits

Wages and Benefits budget used: 44%

- Wages and Benefits has 10.8 pay periods out of 26.1 pay periods. Last YTD had 10.2 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: 40%

- 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 has almost fully used budget. Any future furniture purchases will be funded with donations. June purchases include Hawthorne book shelves, Ashman display panels and Lakeview end panels.
- Software Licenses & Supplies June purchase was the annual renewal of Library Zoom licenses and a QR code generator.
- Program Supplies purchasing spiked in June for supplies for We Read, Mini Maker Kits, Pinney Artist in Residence, Serendipity Saturdays and various outdoor programs.
- Library Collections Materials:
 - Capital budget is \$720,000 with purchases YTD of \$179,908, 25% of budget is used.
 - Operating budget is \$306,457; with purchases YTD of \$209,722, 68% 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 52% budget used. June purchases of safety supplies includes disinfecting wipes and hand sanitizer.

Purchased Services

Purchased Services budget used: 74%, factoring out the Dane County Contract budget used is 41%

- Natural Gas is at 63% budget, which is normal. Historically over 50% of this budget is used in the first quarter of the year.
- **Natural Gas and Electricity: In June it was discovered that the former Library Support Center, now owned by Madison Metro, was still being charged to Library. This was corrected for 2021 in May and June, resulting in reduced reported amounts. Most City of Madison MGE bills are processed centrally in City Finance via import files. Library's accounts have now been removed from the data file and will be entered by Library staff.**
- 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:
 - Monthly common area maintenance charges of \$13,575 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney and Sequoya.
 - Additional June expense of \$4,627 is for the annual maintenance on the folding walls at Central and Pinney, and miscellaneous small repairs.
- Fire Protection is trending over budget due to encumbered repairs being funded by donations, and the donation budget posted to Building Improvement/Repair/Maint.
- Elevator repair **May expense was charged twice and corrected in June. Previous May expense was \$960, now reported correctly at \$480.**
- Equipment Improvement/Repair/Maint June expense includes drinking fountain replacement at Hawthorne, exhaust fan repairs at Ashman and Sequoya and additional boiler maintenance at Sequoya.
- Membership expense is mainly comprised of annual renewals paid in January.
- Consulting Services is over budget due to an encumbrance contracted by City Finance for Library's share of the PCI compliance consultant work.
- Security Service annual contracts are paid in January and May.
- Transportation expenses are for the new Home Delivery service.
- Program Services purchasing spiked in June for We Read programs, Pinney Artist in Residence, Serendipity Saturdays and various outdoor programs.
- Other Services and Expenses May amount is for the collections diversity audit.
- Community Agency Contracts May 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: 13%

- 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 May 2021 amount changed from \$0 to \$173 for fuel. The entry was posted after the April 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.
- 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.