

MADISON PUBLIC LIBRARY
Supplementary Notes to the May 2024 Financial Reports
As of July 2, 2024

<u>Key Indicators</u>			
Budget Year Remaining	58%		
Budget Year Lapsed	42%		
<u>Percent of Budget Used</u>	<u>Grand Total</u>	<u>Levy/Earned Revenue</u>	<u>Private Funds</u>
Total Operating Revenue	71%	72%	42%
Total Operating Expense	43%	43%	43%
Total Wages & Benefits Expense	39%	39%	30%
Total Supplies Expense	58%	52%	69%
Total Services Expense	71%	78%	29%
Total Debt/Inter-Dept Charges	7%	7%	0%

Financial Snapshots

Year to Date:

									5/31/2024
								Year remaining	58%
								Year lapsed	42%
MADISON PUBLIC LIBRARY MAY 31, 2024 YEAR TO DATE BUDGET REPORT AS OF JULY 2, 2024									
	2024 Revised Budget	2024 YTD Actuals	Encumbrances	% Budget Used	2023 Under/ (Over) Budget	2023 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %	
Revenue Totals	24,129,998	17,086,351	-	71%	7,043,767	16,484,839	601,512	4%	
Expenses Totals:	(24,162,591)	(10,329,077)	(526,311)	43%	13,515,101	(9,487,253)	(841,824)	9%	
Wages & Benefits Totals	(15,510,988)	(6,071,617)	-	39%	9,647,269	(5,376,309)	695,308	13%	
Supplies Totals	(1,167,043)	(679,774)	(11,948)	58%	475,320	(666,712)	13,062	2%	
Purchased Services Totals	(4,791,948)	(3,401,131)	(514,363)	71%	876,454	(3,240,422)	160,708	5%	
Debt and Inter-Dept Totals	(2,692,613)	(176,556)	-	7%	2,516,058	(203,810)	(27,254)	-13%	
Net Gain/(Loss)	(32,593)	6,757,274	(526,311)		20,558,868	6,997,586			
	Levy/Earned Rev	Private Funds							
Fund Balance 1/1/2023	2,161,282	721,563							
Fund Balance 12/31/2023 - ESTIMATED									

Month to Date:

MADISON PUBLIC LIBRARY MAY 2024 MONTH TO DATE REPORT AS OF JULY 2, 2024												
	January 2024 Month to Date	February 2024 Month to Date	March 2024 Month to Date	April 2024 Month to Date	May 2024 Month to Date	June 2024 Month to Date	July 2024 Month to Date	August 2024 Month to Date	September 2024 Month to Date	October 2024 Month to Date	November 2024 Month to Date	December 2024 Month to Date
Revenue Totals	10,169,772	3,657,621	195,465	2,935,440	128,053	-	-	-	-	-	-	-
Expenses Totals:	(3,418,238)	(1,726,556)	(2,078,951)	(1,622,338)	(1,482,994)	-	-	-	-	-	-	-
Wages & Benefits Totals	(515,190)	(1,421,402)	(1,777,000)	(1,201,572)	(1,156,453)	-	-	-	-	-	-	-
Supplies Totals	(198,612)	(143,525)	(132,981)	(85,005)	(119,651)	-	-	-	-	-	-	-
Purchased Services Totals	(2,703,807)	(161,136)	(168,457)	(161,136)	(206,594)	-	-	-	-	-	-	-
Debt and Inter-Dept Totals	(629)	(493)	(514)	(174,625)	(295)	-	-	-	-	-	-	-
Net Gain/(Loss)	6,751,534	1,931,065	(1,883,486)	1,313,103	(1,354,941)	-	-	-	-	-	-	-

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: 71%

- Real Estate Taxes City Finance has posted the January, February and April 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. May amounts represent the Dane County Library Service Beyond the Page program grant of \$8,500 and South Central Library System grant supporting Margie Navarre-Saaf's PLA conference expenses.
- Reimbursement of Expense May amounts represent the Irwin A & Robert D Goodman Foundation support of archival equipment for a project MPL staff did for them (archival items to become part of MPL collection); and MSCR reimbursement for MPL facility staff work performed in the space Meadowridge shares with the Community Center.

Wages and Benefits

Wages and Benefits budget used: 43%

- Wages and Benefits has 9.5 pay periods out of 26.2 pay periods. Last YTD had 9.5 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: 58%; Actuals plus Encumbrances: 59%

- Hardware Supplies May expense includes SCLS staff laptop replacements at Central and monitor replacements for various locations.
- Program Supplies May expense includes purchases for We Read; Goodman South's Super Summer Science; Parents as First Teachers; Meadowridge's 50th 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 \$1,300,597 with purchases to date of \$636,049, 49% of budget is used. There are additional encumbrances not reflected in Munis of \$70,100 bringing us to 54% of budget used.
 - Capital budget:
 - General Collections budget is \$840,483 with purchases to date of \$293,485, 35% 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 \$4,327, 13% of budget is used.
 - Operating budget is \$427,399 with purchases to date of \$338,237, 79% of budget used.
 - Levy budget is \$247,143 with purchases to date of \$170,539, 69% of budget used.
 - Donations (MPLF and Friends) budget is \$180,256 with purchases to date of \$167,698, 93% of budget used.
- Food and Beverage May expense is for Staff Day breakfast and lunch, funded by MPLF.

Purchased Services

Purchased Services budget used: Actuals: 71%; Actuals plus Encumbrances: 82%.

- When factoring out the Dane County and SCLS Contract, budget used: Actuals: 30%; Actuals plus Encumbrances: 48%.
- 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 April 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, Sequoia and Goodman South.
 - Sequoia table refinishing, funded by the Sequoia Friends.
 - Equipment Improvement Repair Maint May expenses include:
 - Monthly MFD maintenance for all locations (\$212) and the in-house printer maintenance (\$1,618).
 - Storm drain relocation at Sequoia (\$1,188).

- Alarm repairs at Central (\$630).
- HVAC preventative maintenance for all locations (\$16,663).
- HVAC repairs at Library Support Center not covered by the preventative maintenance contract.
- Conferences and Training May expenses include Staff Day presenters (funded by MPLF), Play Make Learn Conference, Drupalcon Conference travel expenses, PLA conference travel expenses, IT staff training and Finance staff training.
- Credit Card Services May expense represents the 2024 Q1 SCLS e-Commerce fees.
- Consulting Services May expense include the Organizational Assessment and the IMLS grant Observational App development.
- Advertising Services May expenses include Meadowridge's Southwest Family Resource Fair, We Read banner repair/installation and Spanish advertising/translations.
- Program Services May expenses include Bubbler Artist in the Neighborhood onboarding and training; various cooking classes at multiple locations; Lakeview teen programs; Meadowridge Spanish and media programs; Pinney PlayLab, art, teen writing, creative movement/dance; Sequoia 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. **April amount increased as the inter-dept entry was posted after the April report.**
- Inter-Dept Charge from Fleet Services **January, February and March amounts increased as Finance began posting inter-dept entries. All charges are for fuel, no maintenance charges.**
- 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 Workers Comp is for Library's share of the City's expenses.
- 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.