

MADISON PUBLIC LIBRARY
Supplementary Notes to the September 2020 Year to Date Budget Report
As of October 23, 2020

Key Indicators

Budget Year Lapsed	75%
Total Operating Revenue	91%
Total Operating Expense	52%
Total Wages & Benefits Expense	64%
Total Supplies Expense	55%
Total Services Expense	40%
Total Debt/Inter-Dept Charges	15%

Financial Snapshot

										9/30/2020	
										Year remaining	25%
										Year lapsed	75%
MADISON PUBLIC LIBRARY SEPTEMBER 30, 2020 YEAR TO DATE BUDGET REPORT AS OF OCTOBER 23, 2020											
	2020 Adopted Budget	September 2020 Month to Date	2020 YTD Actuals	Encumbrances	% Budget Used	2020 Under/(Over) Budget	2019 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %		
Revenue Totals	22,659,276.34	681,344.77	20,651,576.40	-	91%	2,007,699.94	18,876,259.23	1,775,317.17	9%		
Expenses Totals:	(22,678,300.15)	(1,152,610.40)	(11,863,961.56)	(250,906.86)	52%	10,563,431.73	(12,670,421.70)	806,460.14	-6%		
Wages & Benefits Totals	(14,199,270.99)	(964,091.51)	(9,063,170.46)	-	64%	5,136,100.53	(9,081,620.39)	(18,449.93)	0%		
Supplies Totals	(1,287,387.11)	(52,507.57)	(708,746.28)	(59,999.83)	55%	518,641.00	(658,372.53)	50,373.75	8%		
Purchased Services Totals	(4,014,405.05)	(122,021.56)	(1,616,758.01)	(190,907.03)	40%	2,206,740.01	(2,144,019.85)	(527,261.84)	-25%		
Debt and Inter-Dept Totals	(3,177,237.00)	(13,989.76)	(475,286.81)	-	15%	2,701,950.19	(786,408.93)	(311,122.12)	-40%		
Net Gain/(Loss)	(19,023.81)	(471,265.63)	8,787,614.84	(250,906.86)		12,571,131.67	6,205,837.53				
Fund Balance 1/1/2020	788,973.98										
Fund Balance 9/30/20	449,633.15										

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. At the time of this report City Finance staff are still posting entries to September 2020.

The entry for 2019 carry forward funding was posted during September. This entry increased overall expense budget by \$339,341, leaving \$54,249 residing in Fund Balance for future use when branches open for in-person programs. Direction from City Finance is for the Library Fund Balance to be approximately 5% of total annual expenses, which would be \$1,000,000. We are short of that amount by \$550,000. This shortage will be made up with 2020 year end close, due to COVID Library has an extraordinary number of funded vacant positions, the unused budget will lapse to Library Fund Balance.

Revenue

Revenue budget used: 91%

- Real Estate Taxes Revenue has been credited with all four installments in 2020.
- Federal Revenues Operating is over budget due to the eRate rebate received. This was unknown at the time the 2020 operating budget was created.

- Other Unit of Gov Revenues Op amount of \$4,100 received for a Youth Literacy grant.
- With Library branches closing due to COVID-19 we do not anticipate the following revenues increasing from the current actuals:
 - Reproduction Services:
 - While the branches are now open for public computing, we are not currently charging for copy/print fees.
 - In house printing may increase slightly more than current actuals in third and fourth quarter. As things begin to open during COVID-19 we can anticipate print job requests from the Foundation and SCLS Libraries.
 - Appliance Collection: sales will not resume until Library is open for full services.
 - Catering Concessions: remaining 2020 events have been canceled. There was an entry in September to correct a previous receipt processed as facility rental, but was actually catering concessions.
 - Facility Rental: remaining 2020 events have been canceled. We will be receiving a stipend from the City Clerk's Office for branches that are polling places, \$750 per location for the August and November elections.
 - Library AV and Book Rentals: This has been renamed from Library Collection Fees to better describe the revenue origination. This may increase slightly more than current actuals in the third and fourth quarter, although we did not build that assumption into our 2nd Quarter 2020 projection.
 - Reimbursement of Expense: this revenue is generally related to reimbursements for conferences.
 - Library Fines: comprised of two revenue streams:
 - Library Fines: no longer being generated.
 - Lost and Damage fees: we may see revenue resume as curbside service started in May and online payments via SCLS continue.
 - Miscellaneous Revenue: this revenue is from book bag sales and payments from patrons that do not fit in another revenue category. We are not expecting to resume cash payments in 2020.

Wages and Benefits

Wages and Benefits budget used: 64%

- Wages and Benefits has 18.8 pay periods paid out of 26.2 pay periods. Last Year to Date had 18.1 pay periods paid out of 26.1.
- With a city-wide hiring freeze we are anticipating wages and benefits being below budget for the remainder of 2020.

Supplies

Supplies budget used: 55%

- Program Supplies are well below budget because of cancelation of in-person programs due to COVID-19.
- Janitorial Supplies will be over budget due to unanticipated purchases related to COVID-19.
- Library Collections purchases deemed as fixed assets are now housed in the Capital Fund.
 - Capital budget is \$700,000 with purchases YTD of \$406,030; 58% of budget is used.
 - Library Collections purchases also continue in the operating budget, funded by Levy and Private Funds.
 - Library Collections purchases in operating budget YTD totals \$310,428; 96% of Library Collections operating budget.
- Safety Supplies expenses are well over budget, and will continue to be for the remainder of 2020. This is directly due to COVID-19 procedures and precautions. This will be offset by many other supplies expenses being well under budget, also due to COVID-19.
- Electrical Supplies budget historically has been too low.

- A large ballast order was placed for Central in January 2020, where the 2019 purchases were spread more throughout the year.
- HVAC Supplies are over budget due to a large purchase of specialized filters for Central in January.
- Machinery and Equipment is over budget due to the remodel at Lakeview, funded by the Rosen-Weston donation. Budget for the remodel expenses is solely housed in Building Supplies; when the 2020 budget was created the individual accounts for the remodel expenses were unknown.

Purchased Services

Purchased Services budget used: 40%

- Telephone is over budget due to the Zendesk purchase of \$16,750, to enable remotely operating the reference desk line. This is currently funded by MPLF annual donation for technology.
- Systems Communication Internet expense is below budget due to realignment of Communication Device Repair and Maintenance expenses after 2020 budget was planned. This is an annual expense.
- Communication Device Repair and Maintenance is over budget due to:
 - Installation of wireless access points, unknown at the time 2020 budget was prepared. This was funded by the eRate Rebate received in January.
 - RFID support from Bibliotheca via SCLS.
- System and Software Maintenance is over budget due to a payment for the new reservation and calendar software, unknown at the time the 2020 budget was planned. This is a one-time payment.
- Recruitment expenses were all incurred January through April, prior to the hiring freeze.
- Audit Services has no budget, 2020 is the first year City Finance charged Library for a share of the annual audit service expenses. It was unknown during the preparation of the 2020 budget that Library would be charged a share of these expenses.
- Consulting Services is over budget, these services are funded in full by private funds.
- Many Purchased Services expenses will be much less than anticipated when building the 2020 budget, due to COVID-19.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 15%

- Inter-Dept Charge from Fleet Services is over budget due to distribution of Fleet Services depreciation and interest expenses to the agencies.
- Inter-Dept Charge from Traffic Engineering is slightly over budget. This is an annual charge, with minor adjustments at year end.
- Transfer Out to Debt Service is comprised of the Library's capital borrowing payments. Library's 2020 payments of \$3,045,046 are \$218,670 more than 2019 payments of \$2,826,376. On average, Library payments increase \$11,700 per \$100,000 of capital borrowing.