

MADISON PUBLIC LIBRARY
Supplementary Notes to the December 2023 Financial Reports
As of April 24, 2024

| <u>Key Indicators</u> | | | |
|--------------------------------|--------------------|----------------------------|----------------------|
| Budget Year Remaining | 0% | | |
| Budget Year Lapsed | 100% | | |
| <u>Percent of Budget Used</u> | <u>Grand Total</u> | <u>Levy/Earned Revenue</u> | <u>Private Funds</u> |
| Total Operating Revenue | 97% | 101% | 47% |
| Total Operating Expense | 97% | 100% | 68% |
| Total Wages & Benefits Expense | 99% | 100% | 30% |
| Total Supplies Expense | 86% | 99% | 72% |
| Total Services Expense | 96% | 100% | 73% |
| Total Debt/Inter-Dept Charges | 100% | 100% | 0% |

Financial Snapshots

Year to Date:

| | | | | | | | | | 12/31/2023 |
|---|------------------------|----------------------|--------------|---------------|---------------------------|------------------|-------------------------|------------------------|------------|
| | | | | | | | | Year remaining | 0% |
| | | | | | | | | Year lapsed | 100% |
| MADISON PUBLIC LIBRARY PRELIMINARY DECEMBER 31, 2023 YEAR TO DATE BUDGET REPORT AS OF FEBRUARY 15, 2024 | | | | | | | | | |
| | 2023 Revised Budget | 2023 YTD Actuals | Encumbrances | % Budget Used | 2023 Under/ (Over) Budget | 2022 YTD Actuals | CYTD - LYTD Variance \$ | CYTD - LYTD Variance % | |
| Revenue Totals | 23,510,420 | 22,830,166 | - | 97% | 680,254 | 22,174,438 | 655,728 | 3% | |
| Expenses Totals: | (23,510,420) | (22,922,253) | (31,409) | 97% | 556,758 | (22,011,321) | (910,931) | 4% | |
| Wages & Benefits Totals | (14,548,813) | (14,371,380) | - | 99% | 177,433 | (13,949,654) | 421,726 | 3% | |
| Supplies Totals | (1,433,459) | (1,237,409) | (3,219) | 87% | 192,831 | (1,084,507) | 152,901 | 14% | |
| Purchased Services Totals | (4,725,198) | (4,518,556) | (28,190) | 96% | 178,452 | (4,038,672) | 479,884 | 12% | |
| Debt and Inter-Dept Totals | (2,802,950) | (2,794,908) | - | 100% | 8,042 | (2,938,488) | (143,580) | -5% | |
| Net Gain/(Loss) | 0 | (92,087) | (31,409) | | 1,237,013 | 163,117 | | | |
| | 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 PRELIMINARY DECEMBER 2023 MONTH TO DATE REPORT AS OF FEBRUARY 15, 2024 | | | | | | | | | | | | |
|---|----------------------------|-----------------------------|--------------------------|--------------------------|------------------------|-------------------------|-------------------------|---------------------------|------------------------------|----------------------------|-----------------------------|-----------------------------|
| | January 2023 Month to Date | February 2023 Month to Date | March 2023 Month to Date | April 2023 Month to Date | May 2023 Month to Date | June 2023 Month to Date | July 2023 Month to Date | August 2023 Month to Date | September 2023 Month to Date | October 2023 Month to Date | November 2023 Month to Date | December 2023 Month to Date |
| Revenue Totals | 8,396,148 | 4,062,556 | 33,181 | 2,348,124 | 1,644,829 | 1,847,565 | 166,339 | 3,437,232 | 93,534 | 456,600 | 22,319 | 321,716 |
| Expenses Totals: | (1,408,595) | (1,473,124) | (1,865,844) | (1,559,700) | (3,179,990) | (1,311,803) | (1,356,607) | (1,334,048) | (1,899,948) | (3,855,475) | (1,448,626) | (2,228,593) |
| Wages & Benefits Totals | (478,279) | (1,211,530) | (1,540,572) | (1,066,624) | (1,079,303) | (1,086,893) | (1,096,549) | (1,094,606) | (1,566,791) | (1,091,827) | (1,103,117) | (1,955,290) |
| Supplies Totals | (200,585) | (108,233) | (161,063) | (101,647) | (95,183) | (62,514) | (71,529) | (49,420) | (69,869) | (84,718) | (175,236) | (57,411) |
| Purchased Services Totals | (729,259) | (152,644) | (159,986) | (194,309) | (2,004,224) | (161,775) | (188,050) | (189,123) | (177,001) | (205,787) | (169,800) | (186,697) |
| Debt and Inter-Dept Totals | (472) | (716) | (4,222) | (197,120) | (1,280) | (621) | (479) | (900) | (86,287) | (2,473,143) | (473) | (29,195) |
| Net Gain/(Loss) | 6,987,553 | 2,589,432 | (1,832,663) | 788,425 | (1,535,161) | 535,762 | (1,190,268) | 2,103,184 | (1,806,413) | (3,398,874) | (1,426,307) | (1,906,877) |

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 and encumbrances; 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.

This report is not labeled as final because the City's audit is not final. It was confirmed that there were no auditor entries for General Fund, but the auditors are still testing Special Revenue Funds. As a reminder, while Library is part of the General Fund it is a Special Revenue Fund within the General Fund. It is highly unlikely that the audit will result in any additional entries, but the possibility does exist. If the unlikely happens and auditor entries are made to Library accounts that will be reported upon final completion of the City's audit, most likely at the June meeting.

Changes to Previously Reported Amounts

Some December amounts have changed from the preliminary report presented in February. The majority of any changes are due to year-end accruals of both revenue and expenses, items that posted in 2024 but were due to 2023 activity. This report will highlight changes to previously reported amounts in the preliminary 2023 reports. Revenue accruals back to 2023 are for payments received by 2/28/2024 that relate to 2023 activities. Expense accruals back to 2023 are for supplies or services purchased in 2023 but not paid until 2024 via p-cards (City-issued credit cards).

Library's Fund Balance now differentiates Levy/Earned Revenue Fund Balance from Private Funds Fund Balance. Levy/Earned Revenue Fund Balance is the "rainy day fund" amount, available for use in emergency, if necessary. The Private Funds Fund Balance can only be used for the unspent donations and grants carried forward into the next fiscal year.

Revenue

Revenue budget used: 97%

- Real Estate Taxes City Finance has posted all 2023 installments. Real Estate Taxes is the main revenue for Library and installments post in January, February, April, June and August.
- Federal Revenues Operating December amount is negative, it was found that grant revenue was incorrectly reported on the Federal Revenues Operating line instead of the Transfer in From Grants revenue.
- Other Unit of Government Revenues Op December amount increased by \$35,633 and represents the adjacent county revenues accrued back to 2023.
- Reproduction Services December amount increased by \$5,452.
- Reimbursement of Expense December is from MSCR for payroll and benefits of Facilities staff maintenance of the space shared between Meadowridge Library and Meadowood Community Center.
- Library Lost and Damaged Fees December amount increased \$7,972.

- Transfer in from General revenue was added in the amount of \$156,167. This was transferred to Library to cover the costs of the employee stipend paid in spring 2023.
- Transfer in From Grants May amount represents Library's share of FEMA COVID expense reimbursements to local governments and December amount increased by \$70,997 fully representing the IMLS grant proceeds for 2023.

Wages and Benefits

Wages and Benefits budget used: 99%

- Wages and Benefits has 26.0 pay periods out of 26.0 pay periods. Last YTD had 26.1 pay periods out of 26.1.
 - 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 number of payrolls processed in a month.
 - March and September had three payrolls processed.
 - December is high due to the City's accrual process posting a portion of the first 2024 payroll back to 2023. The City processes payroll accruals only at year-end and not on a monthly basis, which skews the January and December payroll totals.
 - December amounts that increased from the previously presented reports are due to entries related to the stipend paid to City employees in spring 2023 (with offsetting revenue Transfer in from General):
 - Permanent Wages by \$136,450.
 - WI Retirement System by \$10,438.
 - FICA Medicare benefits by \$9,279.

Supplies

Supplies budget used: Actuals: 87%

- Office Supplies December increased \$25 due to expense accruals.
- Postage December increased \$2,708 for the December postage paid in 2024.
- Program Supplies December increased \$594 due to expense accruals.
- Work Supplies December increased \$22 due to expense accruals.
- Electrical Supplies December increased \$50 due to expense accruals.

Purchased Services

Purchased Services budget used: Actuals: 96%.

- Telephone December increased \$28 due to expense accruals.
- Cellular Telephone December increased \$896 due to November and December Verizon expenses were paid via p-card and posted to 2024.
- Building Improvement/Repair/Maint December increased \$1,342 due to the following expense accruals:
 - LSC bio-retention basin inspection by Engineering \$250.
 - Central wiring for the TS staff refrigerator \$571.
 - Sequoia removal of abandoned power pole and AV wiring \$396.
 - Goodman South Madison AV meeting room wiring \$125.
- Process Fees Recyclables December increased \$224 for collections and battery recycling.
- Communication Device Repair/Maint December increased \$154 for the 2023 Q4 SCLS Envisionware charges.
- Recruitment December increased \$14 for two background checks.
- Uniform Laundry December increased \$714 due to December 2023 service paid in 2024.
- Credit Card Services December increased \$397 due to 2023 Q4 SCLS online payment fees.
- Advertising and Marketing Services December increased \$120 due to 2023 We Read winter ads paid in 2024.
- Transportation Services December decreased \$400 due to accrual of 2024 refund for 2023 services.
- Program Services December increased \$175 due to 2023 performer background checks paid in 2024.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 100%

- Inter-Dept Charge from Fleet Services December increased \$289 due to December fuel charges posting after the preliminary December report was created.
- Inter-Dept Charge from Workers Comp December increased \$3776 due to 2023 Q4 posting after the preliminary December report was created.