

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: 81%

- 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: 52%

- Wages and Benefits has 12.8 pay periods out of 26.1 pay periods. Last YTD had 12.2 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: 52%

- 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 is over budget, due to spending of private funds which were budgeted elsewhere. Future furniture purchases will be funded with donations. July purchase is Lakeview endcaps.
- Library Collections Materials:
 - Combined Capital and Operating budget is \$1,276,457 with purchases to date of \$682,689, 54% of budget is used. There are additional encumbrances not reflected in Munis of \$146,415.
 - Capital budget:
 - General Collections budget is \$720,000 with purchases to date of \$233,513, 32% of budget is used.
 - Pinney Collections budget is \$250,000 with purchases to date of \$149,249, 40% of budget is used.
 - Operating budget is \$306,457; with purchases to date of \$299,927, 94% 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.
- HVAC Supplies July purchase is for system-wide HVAC filters.
- Machinery and Equipment July purchase

Purchased Services

Purchased Services budget used: 77%, factoring out the Dane County Contract budget used is 43%

- Natural Gas is at 65% budget, which is normal. Historically over 50% of this budget is used in the first quarter of the year.
- 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 July expense of \$7,673 is for Sequoya bathroom plumbing updates 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.
- Equipment Improvement/Repair/Maint July expense includes drinking fountain replacement at Sequoya and semi-annual HVAC maintenance.
- Conferences and Training July expense is purchase of books for the all staff read.
- Membership expense in July is Rotary dues.
- 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.
- Program Services purchasing continues to increase with outdoor programming.
- Community Agency Contracts 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 June 2021 amount changed from \$0 to \$523 for fuel and maintenance. The entry posted after the June 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.