

MADISON PUBLIC LIBRARY
Supplementary Notes to the November 2021 Financial Reports
As of December 23, 2021

Key Indicators

Budget Year Remaining	9%
Budget Year Lapsed	91%
Total Operating Revenue	97%
Total Operating Expense	87%
Total Wages & Benefits Expense	85%
Total Supplies Expense	67%
Total Services Expense	87%
Total Debt/Inter-Dept Charges	98%

Financial Snapshots

Year to Date:

								11/30/2021
								Year remaining 9%
								Year lapsed 91%
MADISON PUBLIC LIBRARY NOVEMBER 31, 2021 YEAR TO DATE BUDGET REPORT AS OF DECEMBER 23, 2021								
	2021 Revised Budget	2021 YTD Actuals	Encumbrances	% Budget Used	2021 Under/ (Over) Budget	2020 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %
Revenue Totals	22,006,870	21,406,734	-	97%	600,136	21,893,734	(487,000)	-2%
Expenses Totals:	(22,035,337)	(19,077,963)	(224,474)	87%	2,732,900	(18,966,510)	(111,453)	1%
Wages & Benefits Totals	(13,617,880)	(11,622,927)	-	85%	1,994,953	(11,379,446)	243,481	2%
Supplies Totals	(1,112,189)	(748,739)	(66,813)	67%	296,637	(904,581)	(155,842)	-17%
Purchased Services Totals	(4,218,746)	(3,683,270)	(157,661)	87%	377,815	(3,511,731)	171,538	5%
Debt and Inter-Dept Totals	(3,086,522)	(3,023,027)	-	98%	63,495	(3,170,752)	(147,725)	-5%
Net Gain/(Loss)	(28,467)	2,328,771	(224,474)		3,333,036	2,927,224		
Fund Balance 1/1/2021		1,678,069						
Fund Balance 12/31/2021 - ESTIMATED		1,878,069						

Month to Date:

MADISON PUBLIC LIBRARY MONTH TO DATE REPORT AS OF DECEMBER 23, 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	467,494	3,184,249	65,954	28,828	370,097	-	
Expenses Totals:	(1,388,730)	(1,250,983)	(1,216,614)	(1,991,286)	(2,970,416)	(1,192,298)	(1,297,541)	(1,206,891)	(1,145,543)	(4,217,812)	(1,199,851)	-	
Wages & Benefits Totals	(482,458)	(1,110,890)	(1,036,004)	(1,479,793)	(973,077)	(991,269)	(1,025,629)	(1,002,950)	(993,248)	(1,514,615)	(1,012,995)	-	
Supplies Totals	(164,921)	(28,760)	(67,079)	(51,226)	(38,113)	(74,172)	(117,534)	(69,363)	(28,760)	(57,169)	(51,641)	-	
Purchased Services Totals	(728,530)	(102,195)	(100,241)	(102,756)	(1,950,175)	(113,324)	(145,258)	(125,211)	(90,103)	(99,141)	(126,337)	-	
Debt and Inter-Dept Totals	(12,822)	(9,137)	(13,289)	(357,511)	(9,051)	(13,534)	(9,120)	(9,367)	(33,433)	(2,546,888)	(8,878)	-	
Net Gain/(Loss)	6,579,125	2,924,332	(1,181,555)	63,245	(1,611,561)	506,199	(830,047)	1,977,359	(1,079,589)	(4,188,984)	(829,754)	-	

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 September 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

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. The October report was created earlier in the month than usual, necessitated by the Thanksgiving break. There will be more changes to the previously reported amounts than normal.

Revenue

Revenue budget used: 97%

- Real Estate Taxes have been received in full.
- 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.
- Reproduction Services revenue did not rebound as much as anticipated in 2021. This is partially offset by the overage in Federal Revenues Operating.
- Reimbursement of Expense budget represents the Hawthorne property owner payments for the remodeling currently happening. Our first payment of \$61,140 was received in September. Additional payments will be posted to 2021 as work is completed and we bill the landlord for reimbursement.
- Transfer in from Permanent represents the annual Library Trust Fund draw. The draw amount is determined by the previous year's earnings amount.

Wages and Benefits

Wages and Benefits budget used: 85%

- Wages and Benefits has 20.6 pay periods out of 26.1 pay periods. Last YTD had 20.8 pay periods out of 26.2.
 - October had three payrolls processed. Two months out of the year have three payrolls processed, in 2021 those months were April and October.
- Library is again projecting well under budget for wages in 2021. This is evidenced by budget used of 85% when 91% of the budget year has lapsed.

- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year, budget is established by the City. MPL saw additional retirements in 2021 of long-time employees, bringing this account over budget. There will also be expenses in December when accumulated sick leave over the limit is paid out. This will be offset by the wages being under budget.
- Overtime Wages increased in October and November, this is indicative of the vacancies and absences when not feeling well.
- Health Insurance and Wage Insurance final 2021 premiums are paid in November. There may be a small adjustment in December.
- Post Employment Health Plans expenses are processed in January only.

Supplies

Supplies budget used: 67%

- Office Supplies is over budget. The 2021 cost to continue budget was reduced based on reduced purchases during 2020. Library requested an increase in the cost to continue budget but that was not approved by Central Budget. The Copy Printing Supplies being under budget will compensate for the Office Supplies being over budget.
- Copy Printing Supplies had a bulk purchase of paper in November of \$3,040. This purchase is disbursed to the branches for public printing and copying. Library is still projecting this account to be under budget.
- Furniture expense is over budget, due to spending of private funds, which were budgeted elsewhere. Future furniture purchases will be funded with donations. October's furniture purchase includes new furniture for Hawthorne, funded by donations secured by the foundation.
- Library Collections Materials:
 - Combined Capital and Operating budget is \$1,329,027 with purchases to date of \$1,004,923, 76% of budget is used. There are additional encumbrances not reflected in Munis of \$58,338, bringing us to 80% of budget used.
 - Capital budget:
 - General Collections budget is \$720,000 with purchases to date of \$523,389, 73% of budget is used.
 - Pinney Collections budget is \$250,000 with purchases to date of \$176,411, 71% of budget is used.
 - Lakeview Too Good To Miss budget is \$48,000 with purchases to date of \$12,690, 26% of budget is used.
 - Operating budget is \$311,027; with purchases to date of \$292,433, 94% of budget used.
 - November has a correction to a June invoice. The invoice was for 2022 subscriptions and was moved to other prepaid expenses. It will be expensed in 2022.
- Janitorial Supplies and Safety Supplies:
 - The janitorial supplies are well under budget and the safety supplies are well over budget. 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 66% budget used.
 - **The Janitorial Supplies October amount changed from \$0 to \$945 due to posting of invoices for gloves, trash bags, etc.**
- **Electrical Supplies October amount changed from \$15 to \$3,316 due to posting of invoices for light bulbs and batteries.**
- HVAC Supplies is well over budget due to purchase of filters for every location. These filters are purchased every other year and it was not known by MPL Finance staff that 2021 was the year they would be purchased; they will be included in the 2023 budget request.
- **Plumbing Supplies October amount changed from \$299 to \$1,351 due to posting of invoices for faucet controls.**
- Machinery and Equipment is well over budget due to purchases made with donation funds, which were originally budgeted elsewhere.

Purchased Services

Purchased Services budget used: 87%, factoring out the Dane County Contract budget used is 48%

- Natural Gas and Electric totals are extremely low due to MGE's switchover to a new billing and payment provider. All locations have now been billed, but reading dates are still not consistent, with some location readings being ½ month.
- Telephone expense in November includes an annual billing for the city's VOIP phone maintenance of \$3,214. Library will be well under budget due to the shifting of the reference desk call center from Zendesk to the city VOIP system.
- Systems Communication Internet expense is at 100% 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.
 - **The October amount changed from \$3,424 to \$4,347 due to posting of backflow testing and drinking fountain repairs.**
- Fire Protection is trending over budget due to encumbered repairs funded by donations, and the donation budget posted to Building Improvement/Repair/Maint.
- **Pest Control October amount changed from \$0 to \$491 due to posting of the monthly invoices.** Pest control will be over budget due to price increases from the current provider. Library is switching providers in 2022, using a local company instead of a national chain.
- Custodial Building Use Charges and Facility Rental budget is 109% used due to the updated Sunday hours and Purchase Order encumbrances. Munis is being problematic in reducing the encumbrance for Sunday hours at Pinney and Sequoya, so the encumbrance for these locations is overinflated. This will be resolved with the last payments of the year relieving all encumbrances.
- Equipment Improvement/Repair/Maint is over budget due to Lakeview drinking fountain replacement that includes a water bottle filler, funded by donations, which were budgeted in Building Improvement/Repair/Maint.
 - **The October amount changed from \$9,388 to \$12,079 due to posting of HVAC repairs.**
- Conferences and Training November expenses are for MPL staff strength finder trainings.
- Armored Car Services expenses have been sporadic during 2021 due to continued billing and service issues from Brinks. It was discovered the September bill was missed and the final payment will post in December.
- Credit Card Services expense represents the 3rd quarter SCLS online payments fees.
- 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. Services are now being provided by Madison Reading Project. The October and November bills were received and paid in December.
- Program Services purchasing continues with programming. November programs include the continuance of the Native American Storyteller, Parents as First Teachers, the Youth Voices writing contest, Bubbler Cohort Artist in Residence and various small programs.
- 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: 98%

- 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 October 2021 amount changed from \$0 to \$230 for fuel charges. The entry posted after the October 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.
- Inter-Dept Charges from Workers Comp is processed on a quarterly basis, therefore only 75% of budget is used.

- Transfer out to Debt Service represents the principal and interest payments on Library's GO Borrowing. The 2021 payments have been processed in full.