

MADISON PUBLIC LIBRARY
Supplementary Notes to the November 2022 Financial Reports
As of December 23, 2022

Key Indicators

Budget Year Remaining	9%
Budget Year Lapsed	91%
Total Operating Revenue	95%
Total Operating Expense	88%
Total Wages & Benefits Expense	88%
Total Supplies Expense	81%
Total Services Expense	88%
Total Debt/Inter-Dept Charges	98%

Financial Snapshots

Year to Date:

								11/30/2022
								Year remaining 9%
								Year lapsed 91%
MADISON PUBLIC LIBRARY NOVEMBER 30, 2022 YEAR TO DATE BUDGET REPORT AS OF DECEMBER 23, 2022								
	2022 Revised Budget	2022 YTD Actuals	Encumbrances	% Budget Used	2022 Under/ (Over) Budget	2021 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %
Revenue Totals	22,980,734	21,836,442	-	95%	1,144,292	21,406,896	429,545	2%
Expenses Totals:	(22,980,734)	(20,195,822)	(147,785)	88%	2,637,127	(19,081,877)	(1,113,945)	6%
Wages & Benefits Totals	(13,984,947)	(12,273,809)	-	88%	1,711,138	(11,622,927)	650,882	6%
Supplies Totals	(1,549,632)	(1,201,231)	(54,521)	81%	293,880	(751,904)	449,327	60%
Purchased Services Totals	(4,483,117)	(3,829,753)	(93,264)	88%	560,100	(3,683,711)	146,042	4%
Debt and Inter-Dept Totals	(2,963,039)	(2,891,029)	-	98%	72,009	(3,023,335)	(132,306)	-4%
Net Gain/(Loss)	-	1,640,620	(147,785)		3,781,419	2,325,020		
Fund Balance 1/1/2022		2,156,355						
Fund Balance 12/31/2022 - ESTIMATED								

Month to Date:

MADISON PUBLIC LIBRARY OCTOBER 2022 MONTH TO DATE REPORT AS OF NOVEMBER 21, 2022.													
	January 2022 Month to Date	February 2022 Month to Date	March 2022 Month to Date	April 2022 Month to Date	May 2022 Month to Date	June 2022 Month to Date	July 2022 Month to Date	August 2022 Month to Date	September 2022 Month to Date	October 2022 Month to Date	November 2022 Month to Date	December 2022 Month to Date	
Revenue Totals	8,171,732	4,199,190	28,209	3,749,963	90,951	1,700,398	88,627	3,398,734	347,536	12,906	48,197	-	
Expenses Totals:	(1,374,118)	(1,393,676)	(1,330,568)	(3,910,971)	(1,375,932)	(1,315,127)	(1,263,903)	(1,233,789)	(1,788,887)	(3,791,709)	(1,417,174)	-	
Wages & Benefits Totals	(459,529)	(1,186,882)	(1,068,263)	(1,620,351)	(1,059,820)	(1,150,495)	(1,055,279)	(1,040,302)	(1,530,104)	(1,048,336)	(1,054,451)	-	
Supplies Totals	(198,841)	(72,066)	(85,126)	(52,275)	(149,825)	(60,985)	(55,281)	(53,304)	(125,390)	(115,781)	(232,390)	-	
Purchased Services Totals	(715,086)	(133,453)	(176,564)	(1,923,304)	(124,523)	(103,071)	(143,186)	(114,894)	(132,619)	(133,012)	(130,038)	-	
Debt and Inter-Dept Totals	(663)	(1,276)	(615)	(315,041)	(41,763)	(576)	(10,158)	(25,289)	(774)	(2,494,580)	(295)	-	
Net Gain/(Loss)	6,797,613	2,805,514	(1,302,359)	(161,008)	(1,284,980)	385,271	(1,175,276)	2,164,945	(1,441,351)	(3,778,803)	(1,368,976)	-	

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 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.

Revenue

Revenue budget used: 95%

- Real Estate Taxes have all installments processed.
- Federal Revenues Operating 2021 total included the e-rate rebate, which we will not be receiving in 2022.
- Other Unit of Government Revenues Operating April amount includes the Dane County Contract revenue of \$1,277,496, with offsetting expense of \$1,803,076, netting to an expense of \$525,580.

Wages and Benefits

Wages and Benefits budget used: 88%

- Wages and Benefits has 22.6 pay periods out of 26.1 pay periods. Last YTD had 22.8 pay periods out of 26.2.
 - January is low due to the City's accrual process posting a portion of the first 2022 payroll back to 2021.
 - April had three pay periods.
 - September had three pay periods.
- Hourly Overtime Wages have been incurred due to the staffing issues to keep branches open. In the past, people would come in to work with a cold or when they weren't feeling 100%; the pandemic has taught people to stay home when they are sick. While we do not have budget for hourly overtime we are tracking under budget overall in this major category.
- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year; budget is established by the City. Library anticipates additional expenses through the year, Wages and Benefits are projected over budget at year-end and Library will use Fund Balance to make us whole. Recommended budget transfer reallocates budget to this account.
- Post Employment Health Plans expenses are processed in January only.

Supplies

Supplies budget used: 81%

- Furniture November expenses include Central staff office chairs, a desk extension, Ashman breakroom furniture, Meadowridge chairs and Sequoia conference room furniture funded by donations and endowments; Central staff desks, Hawthorne programming table and a table for outreach programs.
- Postage Supplies **October total increased \$2,809 due to transactions posting after the October report was prepared.**
- Program Supplies **October total increased \$1,526 due to transactions posting after the October report was prepared.** The majority of the expenses are for giveaway books associated with various programs and We Read kits. Budget includes approximately \$175,000 in funds intended to be spent over multiple years. The percent of budget used when adjusted for this is 86%.
- Work Supplies **October total increased \$9 due to transactions posting after the October report was prepared.**
- Janitorial Supplies **October total increased \$635 due to transactions posting after the October report was prepared.**
- Library Collections Materials:
 - Combined Capital and Operating budget is \$1,595,221 with purchases to date of \$1,273,248, 80% of budget is used. There are additional encumbrances not reflected in Munis of \$120,252, bringing us to 87% of budget used.
 - Capital budget:
 - General Collections budget is \$976,405 with purchases to date of \$707,314, 72% of budget is used.
 - Pinney Collections budget is \$72,118 with purchases to date of \$40,647, 56% of budget is used.
 - Lakeview Too Good To Miss budget is \$50,921 with purchases to date of \$9,394, 18% of budget is used.
 - Operating budget is \$495,776; with purchases to date of \$515,893, 104% of budget used.
- Safety Supplies **October total increased \$889 due to transactions posting after the October report was prepared.**
- Food and Beverage November expense is for the Pride Affinity Group fall social snacks, funded by the Madison Public Library Foundation. Recommended budget transfer reallocates budget to this account.
- Building Supplies is over budget due to an unexpected purchase of door parts for Central. Recommended budget transfer reallocates budget to this account.
- Plumbing Supplies are over budget due to replacing touch faucets with sensor faucets at multiple facilities. Recommended budget transfer reallocates budget to this account.
- Equipment Supplies is over budget due to phone purchases for City VOIP services. Recommended budget transfer reallocates budget to this account.

Purchased Services

Purchased Services budget used: 88% (When factoring out the Dane County Contract, budget used is 79%)

- Natural Gas expense is higher due to MGE rate increases. January usage charges, paid in February, were extremely high. Recommended budget transfer reallocates budget to this account.
- Telephone Expense **September expenses increased by \$432 due to transactions posting after the October report was prepared.** City Finance is currently understaffed and working on getting citywide postings up to date. The average expense for the citywide VOIP service for Library is \$300 per month. The CenturyLink long distance service (\$352 per month) was canceled now that all branches are connected to the city network and have the VOIP phones, and are using the citywide long distance service; which we have been paying for since January.
- Systems Communication Internet expense is at 100% budget used. This is expected, as the main expense is an annual purchase made in January. The November expense represents additional Meadowridge computers connected to the South Central Library System network.
- Building Improvement/Repair/Maint:

- Monthly common area maintenance charges of \$20,272 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
- Additional November expense is a door and frame replacement at Ashman.
- Waste Disposal **October expenses increased by \$320 due to transactions posting after the October report was prepared.**
- Fire Protection is over budget due to equipment upgrades unknown at the time the 2022 budget request was created. Recommended budget transfer reallocates budget to this account.
- Process Fees Recyclables **October expenses increased by \$374 due to transactions posting after the October report was prepared.** Charges for battery and bulb recycling of \$710 and electronics recycling of \$178 posted in November.
- Equipment Improvement/Repair/Maint encumbrance represents 2022 HVAC maintenance and printer/copier maintenance. **October expenses increased by \$571 due to transactions posting after the October report was prepared.** Credits of \$6,558 posted to this account representing in house print jobs for programs funded by donations and grants.
- Recruitment **October expenses increased by \$189 due to transactions posting after the October report was prepared.** These expenses are for background check charges on newly hired staff.
- Mileage is over budget as staff have resumed outreach programs outside of Library branches. While we anticipated less mileage due to Zoom meetings, we did not anticipate the number of outreach programs. Another factor is our Computer Specialist and Computer Tech are traveling to branches and claiming mileage, when in the past that mileage was not claimed. Recommended budget transfer reallocates budget to this account.
- Conferences and Training **October expenses increased by \$749 WI Library Assoc (WLA) annual conference hotel deposits and a registration fee.** November expenses include WLA annual conference hotel and travel charges, and Joint Council of Librarians of Color (JCLC) hotel deposits.
- Credit Card Services November charge is for the third quarter 2022 South Central Library Services (SCLS) online payment fees.
- Consulting Services November expense is for the Bubbler website development work.
- Advertising Services November expenses include Facebook ads for programs and marketing giveaway materials.
- Security Services is slightly over budget due to some unexpected system upgrades. November expenses include a new radio installation at Sequoya and access card maintenance at Central. Recommended budget transfer reallocates budget to this account.
- Program Services expenses are mainly payments made to MPL partners for programming, **October expenses increased by \$364 due to transactions posting after the October report was prepared.** Some of the higher expenses in November are for the "Our Town Everywhere" project introduced at All Staff Day and We Read kits. Budget includes approximately \$150,000 in funds intended to be spent over multiple years, budget used is 67% when this is factored into the calculation.
- Other Services and Expenses is over budget mainly due to the Collections diversity audit. Recommended budget transfer reallocates budget to this account.
- Community Agency Contracts represents the Dane County Contract expense, with offsetting revenue of \$1,277,496, netting to an expense of \$525,580.
- Taxes and Special Assessments November expenses include special assessment charges for sidewalk repairs at Central and Goodman South Madison.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 98%

- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Inter-Dept Charge from Fleet Services for fuel and vehicle maintenance, Finance has not posted October and November expenses.

- Inter-Dept Charge from Traffic Engineering is an annual expense. There may be additional minor charges for repairs.
- Inter-Dept Charge from Insurance has three of four quarters posted.
- Inter-Dept Charge from Workers Comp only has the January through July expenses posted in July.
- Transfer out to Debt Service represents the principal and interest payments on Library's GO Borrowing. 2022 payments have been processed in full.