

MADISON PUBLIC LIBRARY
Supplementary Notes to the December 2019 Year to Date Budget Report
As of February 17, 2020

Key Indicators

Budget Year Lapsed	100%
Total Operating Revenue	98%
Total Operating Expense	100%
Total Wages & Benefits Expense	99%
Total Supplies Expense	86%
Total Services Expense	98%
Total Debt/Inter-Dept Charges	112%

Financial Snapshot

								12/31/2019
							Year remaining	0%
							Year lapsed	100%
MADISON PUBLIC LIBRARY DECEMBER 2019 YEAR TO DATE BUDGET REPORT AS OF FEBRUARY 17, 2020								
	Adopted Budget	2019 YTD Actuals	Encumbrances	% Budget Used	Under/(Over) Budget	2018 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %
Revenue Totals	20,929,128.40	20,593,873.63	-	98%	335,254.77	19,665,187.69	928,685.94	5%
Expenses Totals:	(20,937,044.40)	(20,944,399.03)	(21,953.81)	100%	(29,308.44)	(19,715,635.39)	(1,228,763.64)	6%
Wages & Benefits Totals	(13,155,531.99)	(13,026,439.56)	-	99%	129,092.43	(12,659,647.27)	366,792.29	3%
Supplies Totals	(1,022,364.87)	(877,829.17)	(13,023.81)	86%	131,511.89	(942,163.10)	(64,333.93)	-7%
Purchased Services Totals	(3,796,613.54)	(3,712,822.67)	(8,930.00)	98%	74,860.87	(2,656,264.22)	1,056,558.45	40%
Debt and Inter-Dept Totals	(2,962,534.00)	(3,327,307.63)	-	112%	(364,773.63)	(3,457,560.80)	(130,253.17)	-4%
Net Gain/(Loss)	(7,916.00)	(350,525.40)	(21,953.81)		305,946.33	(50,447.70)		
Fund Balance 1/1/2019		725,177.23						
Fund Balance 12/31/19								

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.

As of the creation of the budget report and supplementary notes the City of Madison is continuing to post 2019 transactions and adjustments. Agency and City Finance postings to 2019 will continue through mid-March, with the potential for auditor adjustments posting through April.

Revenue

Revenue budget used: 98%

- The City of Madison is required to accrue revenue back to 2019 for all payments received 1/2/20 – 2/29/20 which pertain to 2019 activities. This entry is not created and posted until the first week in March. Final 2019 revenue figures will be known by the time of the creation of the 2019 YTD budget report presented at the April 2020 Library Board meeting.
- Real Estate Taxes is current and credited in full for 2019, bringing us to 100% of budgeted revenue.

- Federal Revenues Operating will decrease in 2019. This is comprised of the IRS Interest Credits on the GO Bond issues 2009 – 2010. Due to the nature of paying the bonds, this interest credit will continue to decrease. 2020 will be the last year Library will receive these payments.
- **Other Unit of Government Revenues Operating has increased significantly.** This is directly related to the accounting for the Dane County walk in contract.

The Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting standards for US state and local governments that follow Generally Accepted Accounting Principles (GAAP). GASB issued Statement 37 in June 2001, which states that revenues, expenses, assets and liabilities are required to be accounted for separately. The Dane County walk in contract is comprised of both revenues and expenses. In past years, Madison Public Library has entered the net of revenue and expense as a singular amount.

The 2019 contract consists of four services:

- Madison Public Library service to county residents (revenue to MPL): \$1,144,935
- Madison residents' net use of other municipal libraries in Dane County (expense to MPL): \$1,217,401
- Madison Public Library use of Dane County facilities (expense to MPL): \$156,132
- Dane County courier services (expense to MPL): \$163,647

In 2019 we separated these contract amounts and recognized the revenue and expenses separately, per GASB Statement 37. The result of this separation has increased both revenue and expense significantly. The corresponding expense is reported in the Community Agency Contracts.

Appendix A has been added to these Supplementary Notes, it is a 10 year listing of the Dane County walk in contract revenue and expense totals. The bottom line is the net amount entered in the past, the individual revenue and expense lines should have been entered separately.

- Catering Concessions has decreased from 2018 due to overstated revenue in 2018:
 - 2017 revenues received in 2018 were not accrued back to 2017. (\$700)
 - 2018 revenues received in 2019 were accrued back to 2018. (\$3,500)
 - 2019 permit payments were receipted in 2018. (\$800)
 - 2019 saw fewer catered events than 2018.
 - Accrual of 2020 revenue back to 2019 has not yet been processed by City Finance.
- Reimbursement of Expense will decrease in 2019 in conjunction with a decrease in Postage and Printing Expenses.
- Contributions and Donations:
 - While we are showing an increase over last year to date, we will be under budget for 2019 due to prior year one time donations of \$300,000 that continued to be incorporated into Operating Budget requests through 2019 Operating Budget.
 - Increased over last year due to:
 - MPLF 2019 payments are \$10k more than 2018.
 - Friends 2019 payments are \$25k more than 2018.
- Miscellaneous Revenue is decreased due to a one-time payment of \$13,000 received in 2018.

Salaries and Benefits

Salaries and Benefits budget used: 99%

- Salaries and Benefits has 26.1 pay periods paid out of 26.1 pay periods. Last Year to Date had 26.0 pay periods paid out of 26.0.

- With no further retirements in 2019, we have realized a budget savings of \$84k in Compensated Absence Escrow.

Supplies

Supplies budget used: 86%

- Hardware Supplies is only at 45% of budget used. Madison Public Library will be purchasing many new computers in order to run Windows 10 and be compatible with the SCLS network. This purchase was not made until 2020, using 2020 funds.
- Library Collections purchases deemed as fixed assets are now housed in the Capital Fund.
 - Capital budget is \$700,000 with purchases YTD of \$647,020; 92% of budget is used.
 - Library Collections purchases also continue in the operating budget, funded by Levy and Contributions and Donations.
 - Total Library Collections purchases YTD totals \$964,100; 99% of total Library Collections budget.
 - The year end calculations of actual capital collections versus operating collections has yet to be completed and final numbers posted to the capital and operating budgets.
- 2019 budget is continuing to be realigned for the changes in recording of expenses.
 - Changes were made in 2018 and 2019, such as recording toner purchases in Copy Printing Supplies, previously recorded in Office Supplies. While individual line items have large discrepancies between actual and budget, overall we are under budget in Supplies Expenses.
 - Janitorial Supplies are being recorded in this account, previously recorded in Work Supplies.
 - Safety Supplies previously recorded in various supplies accounts.
 - Many Supplies purchases are inconsistent, happening as the need arises rather than consistently through the year. These purchases are largely unpredictable.

Purchased Services

Purchased Services budget used: 98%

- Purchased Services expenses had been coded inconsistently in the past, with the same types of expenses posting to various different accounts. While individual line items have large discrepancies between actual and budget, overall we are under budget in Purchased Services Expenses.
- Waste disposal has increased due to the following factors:
 - The temporary Pinney location now pays directly for waste disposal. At the old location the waste disposal was part of the common area maintenance charges. Total increase in 2019 will be \$1,224.
 - Advanced Disposal services Lakeview and Meadowridge branches. They perform waste disposal and recycling services. In prior years the services posted entirely to recycling, as that was the more expensive of the two services. In 2019 these services are being posted to the actual services performed, increasing the 2019 waste disposal by \$2,317 and decreasing the 2019 recycling by the same amount.
- Fire Protection services had previously been recorded in Security Services and Building Maintenance.
- Pest Control services in the past posted to either Pest Control or Building Improvement/Repair/Maintenance. This is now consistently posting to Pest Control.
- Process Fees Recyclables had a one-time payment of \$3,300 for mass recycling of fluorescent light bulbs, LED bulbs and batteries.
- Consulting Services is over budget due to expenses incurred which are funded by grants secured from the Madison Public Library Foundation. The total for the Consulting Services at year end will be \$24,000, and is fully encumbered. This total is comprised of the following:

- \$15,000 for creation of the observational assessment app for programs, funded by a grant from the Foundation.
 - \$9,000 for the Lakeview lighting updates in conjunction with the Rosen-Weston remodel donation.
- As noted in the revenue section notes, the Community Agency Contracts expense has increased significantly over previous years due to the proper accounting for the Dane County walk in contract amounts.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 112%

- Transfer out to Capital Projects was not budgeted for, this represents Library Collections allocations. This is a new process for 2019.

Appendix A to the Supplementary Notes

Dane County Extension of Service Contract										
(Walk-In Service Contract)										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
MPL providing services to residents of areas taxed by the county for library services	\$ 182,647.00	\$ 4,588.00	\$ 18,624.00	\$ 934,211.00	\$ 942,862.00	\$ 1,007,438.00	\$ 1,076,311.00	\$ 1,103,585.00	\$ 1,144,935.00	\$ 1,189,090.00
MPL providing services to residents of other municipalities exempt from county library tax				\$ 700,481.00	\$ 718,266.00	\$ 506,180.00	\$ 630,153.00			
MPL providing facilities expenses serving non-residents										
MPL providing 2,295 square feet of space to DCLS										
MPL providing up to 20,000 sheets of photocopied material										
DC to MPL (MPL Revenue)	\$ 182,647.00	\$ 4,588.00	\$ 18,624.00	\$ 1,634,692.00	\$ 1,661,128.00	\$ 1,513,618.00	\$ 1,706,464.00	\$ 1,103,585.00	\$ 1,144,935.00	\$ 1,189,090.00
Madison residents' use of other municipal libraries				\$ 1,585,911.00	\$ 1,689,437.00	\$ 1,575,530.00	\$ 1,733,702.00	\$ 1,126,885.00	\$ 1,217,401.00	\$ 1,317,362.00
Facility expenses incurred by local libraries serving non-residents	\$ 23,698.00	\$ 4,867.00	\$ 7,759.00	\$ 20,576.00	\$ 38,554.00	\$ 84,214.00	\$ 102,404.00	\$ 125,218.00	\$ 156,132.00	\$ 201,318.00
SCLS delivery service				\$ 92,496.00	\$ 91,202.00	\$ 91,202.00	\$ 91,458.00	\$ 115,690.00	\$ 163,647.00	\$ 172,114.00
Reconciliaton of 2012-2014 data amount owed to Fitchburg						\$ 23,125.00				
MPL to DC (MPL Expense)	\$ 23,698.00	\$ 4,867.00	\$ 7,759.00	\$ 1,698,983.00	\$ 1,819,193.00	\$ 1,774,071.00	\$ 1,927,564.00	\$ 1,367,793.00	\$ 1,537,180.00	\$ 1,690,794.00
Net (Revenue) and Expense, as reported in the past.	\$ (158,949.00)	\$ 279.00	\$ (10,865.00)	\$ 64,291.00	\$ 158,065.00	\$ 260,453.00	\$ 221,100.00	\$ 264,208.00	\$ 392,245.00	\$ 501,704.00