



## 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 2021 and 2022 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.

Budget amounts do not reflect the 2021 carry forward funds. This entry needs to be posted, once completed the budget totals will increase.

## 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: 38%

- City Finance has not yet processed the 2021 revenue accrual entry; there will be changes to the revenues in 2021 and 2022 once that entry is complete.
- Real Estate Taxes first installment has been processed. Installments are posted in January, February, April, June and August.

## Wages and Benefits

Wages and Benefits budget used: 3%

- Wages and Benefits has 1.6 pay periods out of 26.2 pay periods. Last YTD had 1.8 pay periods out of 26.1.
  - January is low due to the City's accrual process posting a portion of the first 2022 payroll back to 2021.
- 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: 23%

- Furniture levy funding budget was zeroed out in the 2022 Adopted Operating Budget. Purchases in 2022 will be funded by donations.
- Library Collections Materials:

- Combined Capital and Operating budget is \$1,328,522 with purchases to date of \$212,695, 16% of budget is used. There are additional encumbrances not reflected in Munis of \$84,918, bringing us to 22% of budget used.
- Capital budget:
  - General Collections budget is \$930,447 with purchases to date of \$82,616, 9% of budget is used.
  - Pinney Collections budget is \$72,118 with purchases to date of \$4,683, 6% of budget is used.
  - Lakeview Too Good To Miss budget is \$34,921 with purchases to date of \$1,050, 3% of budget is used.
- Operating budget is \$291,036; with purchases to date of \$124,347, 43% of budget used.
- Machinery and Equipment is well over budget due to purchases made with donation funds, which were originally budgeted elsewhere. Further, the 2021 carry forward funds budget entry is yet to be posted.

#### Purchased Services

Purchased Services budget used: 18%

- 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 \$14,896 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney and Sequoya.
- Fire Protection is over budget due to equipment upgrades unknown at the time the 2021 budget request was created.
- Equipment Improvement/Repair/Maint encumbrance represents 2022 HVAC maintenance and printer/copier maintenance.
- Conferences and Training December expenses technology planning training.
- Membership January expense is for the Urban Libraries Council.

#### Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 0%

- There have been no entries posted in 2022 for inter-d charges. City staff are currently preparing for the year-end audit. Entries will be posted back to January when created.