

MADISON PUBLIC LIBRARY
 Supplementary Notes to the Preliminary December 2025 Financial Reports
 As of January 28, 2026

Financial Snapshots

<u>Key Indicators</u>			
Budget Year Remaining	0%		
Budget Year Lapsed	100%		
<u>Percent of Budget Used</u>	<u>Grand Total</u>	<u>Levy/Earned Revenue</u>	<u>Private Funds</u>
Total Operating Revenue	97%	98%	81%
Total Operating Expense	98%	98%	87%
Total Wages & Benefits Expense	100%	100%	114%
Total Supplies Expense	87%	88%	85%
Total Services Expense	94%	90%	87%
Total Debt/Inter-Dept Charges	100%	100%	0%

Year to Date:

									12/31/2025
									Year remaining
									Year lapsed
MADISON PUBLIC LIBRARY PRELIMINARY DECEMBER 31, 2025 YEAR TO DATE BUDGET REPORT AS OF JANUARY 28, 2026									
	2025 Revised Budget	2025 YTD Actuals	Encumbrances	% Budget Used	2025 Under/ (Over) Budget	2024 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %	
Revenue Totals	25,932,179	25,274,344	-	97%	(733,848)	23,996,799	1,277,544	5%	
Expenses Totals:	(25,720,714)	(25,231,498)	(31,950)	98%	457,266	(24,004,359)	(1,227,140)	5%	
Wages & Benefits Totals	(16,042,119)	(16,074,436)	-	100%	(32,316)	(15,565,504)	508,931	3%	
Supplies Totals	(1,606,315)	(1,393,225)	(25,540)	88%	187,550	(1,154,140)	239,085	21%	
Purchased Services Totals	(5,026,986)	(4,725,414)	(6,410)	94%	295,162	(4,594,467)	130,947	3%	
Debt and Inter-Dept Totals	(3,045,294)	(3,038,424)	-	100%	6,870	(2,690,248)	348,176	13%	
Net Gain/(Loss)	211,465	42,846	(31,950)		(276,583)	(7,559)			
	<u>Levy/Earned Rev</u>	<u>Private Funds</u>							
Fund Balance 1/1/2025	2,464,159	319,040							
Fund Balance 12/31/2025 - ESTIMATED	2,464,159	287,716							

Month to Date:

MADISON PUBLIC LIBRARY PRELIMINARY DECEMBER 2025 MONTH TO DATE REPORT AS OF JANUARY 28, 2026.												
	January 2025 Month to Date	February 2025 Month to Date	March 2025 Month to Date	April 2025 Month to Date	May 2025 Month to Date	June 2025 Month to Date	July 2025 Month to Date	August 2025 Month to Date	September 2025 Month to Date	October 2025 Month to Date	November 2025 Month to Date	December 2025 Month to Date
Revenue Totals	10,323,149	4,259,960	23,182	3,210,959	164,692	1,942,225	23,257	4,733,807	9,443	395,280	68,575	119,815
Expenses Totals:	(3,674,170)	(2,238,944)	(1,646,158)	(1,586,275)	(1,454,850)	(1,538,144)	(1,432,404)	(2,017,367)	(1,440,692)	(3,653,684)	(1,424,885)	(3,123,600)
Wages & Benefits Totals	(959,768)	(1,384,784)	(1,219,576)	(1,218,455)	(1,224,013)	(1,256,517)	(1,227,468)	(1,805,129)	(1,216,285)	(1,217,881)	(1,233,363)	(2,111,198)
Supplies Totals	(325,418)	(96,405)	(254,161)	(86,227)	(75,580)	(55,869)	(45,422)	(47,313)	(72,203)	(99,482)	(57,021)	(178,123)
Purchased Services Totals	(2,388,196)	(757,215)	(171,750)	(127,606)	(154,623)	(149,143)	(158,471)	(164,393)	(150,367)	(158,765)	(133,474)	(211,409)
Debt and Inter-Dept Totals	(788)	(541)	(671)	(153,987)	(635)	(76,614)	(1,042)	(532)	(1,838)	(2,177,556)	(1,026)	(622,870)
Net Gain/(Loss)	6,648,978	2,021,016	(1,622,976)	1,624,684	(1,290,159)	404,081	(1,409,147)	2,716,440	(1,431,249)	(3,258,404)	(1,356,310)	(3,003,785)

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 most notably affected by this process. The percentage of budget used incorporates both actual expenses and encumbrances in the calculation. Encumbrances are known expenditures that MPL reserves for future obligations, mainly through creation of Purchase Orders.

These reports are labeled as Preliminary because the City continues to post 2025 transactions back to 2025 through the middle of April. All revenues related to 2025 are required to be accrued back to 2025 if the payment is received prior to 2/28/2026. All expenses related to 2025 are required to be accrued back to 2025, regardless of when the payment is made. The City's audit is completed in April, and any entries made because of auditor findings are posted back to 2025. Auditor entries are for discoveries of items that are material in nature, for the City material items are greater than \$1,000,000. When all 2025 entries are completed the Library's Accountant will prepare and present final December 2025 financial reports to the Library Board, highlighting any changes between the preliminary and final reports.

Continuing in 2025, City Finance imposed budget efficiencies on all agencies. The way this was done is to effectively reduce every agency's budget by 1%. This was done because most agencies have typically been under budget by at least 1% in previous years. Doing so in this manner allows agencies to realize expenditure reductions throughout the year without requiring budget reduction scenarios in their budget requests. The budget efficiencies were placed in the Wages and Benefits major account group because it was expected that most agencies would meet the efficiencies through position vacancies.

The sign on the amounts in the reports has been reversed from accounting signs. Accounting revenues are reported as negatives, or credits; and accounting expenses are reported as positives, or debits. This report reflects the revenues as a positive number and the expenses as a negative number, Most Board members who depend on these reports think of revenues as a positive entry in a checkbook register, and expenses as a negative entry in a checkbook register; therefore, these reports have amounts listed in a checkbook register fashion.

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 the City processes budget and spending 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. There are two times per year the City will realign budget to reflect actual spending: during the mid-year projections and year-end appropriations. The goal of this is to align budget with actual spending for future budgets.

Budget Transfers report details the budget amendments processed by Library's accountant. Budget amendments should be reviewed and approved by Madison Public Library Board per WI State Statute 43 section 58. MPL assumes a conservative amount of donations building the budget request, this assumed budget is only added to the general ledger because we don't know what projects will be applied to the funds during the request process. As MPL receives the funds budget is added to the project ledger, net neutral to general ledger, until the assumed donation total has been reached. Once the assumed donation budget has been reached, future budget entries add to both general ledger and project ledger. MPL reached the assumed donation budget during March 2025.

NEW: The City has added their investment portfolios and investment policy to the Finance website. You can find these reports at <https://www.cityofmadison.com/finance/treasury/investment-portfolios>.

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: 97%

- The budget used, overall, shows 97%. There was Fund Balance Applied budget, MPL didn't use Fund Balance for the operating budget in 2025. After adjusting for this factor, budget used is 125%.
- Balances have been manually adjusted for known 2025 revenues with payments received in 2026. There may be additional 2025 revenue entries that are unknown at the time of this report.
- Real Estate Taxes payments are the main revenue for Library and installments post in January, February, April, June and August.
- Federal Revenues Operating are over budget because the eRate rebate for 2025 was more than anticipated when the 2025 budget request was prepared.
- Other Unit of Government Revenues Operating October amount is the annual SCLS Youth Literacy grant funds.
- Reproduction Services October saw its highest monthly amount collected via the new credit card readers installed on the public printers in April, mainly due to an extra week in October. The total amount collected via the new credit card readers on public printers for 2025 is \$18,129.
- South Central Library System contract amounts second (and final) installment was received in October.
- Library Lost and Damaged **November increased \$25 for a cash receipt posting after the November report was completed.**

Wages and Benefits

Wages and Benefits budget used: 100%

- Regular payroll entries have been completed at the time of this report. There are potentially some benefits accounts that may still have 2025 adjustments, but that is unlikely. The adjustments are for GASB statements 68 (WRS), 75 (Health) and 101 (Compensated Absences). The Payroll Manager indicated we should see if any Library accounts were adjusted 12/30/24 with posting dates in February or March; there were none.
- Wages and Benefits is over budget by \$32,316, this is due to the Budget Efficiencies being listed in this section. If the Budget Efficiencies are disregarded in this section MPL was under budget by \$187,623.
- Wages and Benefits have 26.1 pay periods out of 26.1 pay periods. Last YTD had 26.2 pay periods out of 26.2.
 - January is low due to the City's accrual process posting a portion of the first 2025 payroll back to 2024.
 - December is high due to the City's accrual process posting a portion of the first two payrolls of 2026 back to 2025.
- Salary Savings represents the amount of savings due to vacancies throughout the year.
- Premium Pay represents night premium, Sunday premium, bi-lingual pay and on call payroll expenses.
- Budget Efficiencies: when reviewing the wages and benefits keep in mind that is where Budget staff built in the 1% reduction in budget for all agencies for 2025.
- Post Employment Health Plans expenses are processed in January.

Supplies

Supplies budget used: Actuals: 87%; Actuals plus Encumbrances: 88%

- Furniture Supplies has 148% of the budget used. Some branches used MPLF or Friends funds for furniture purchases, budget was brought into program supplies. It was unknown at the time of adding the budget how the funds would be spent. December expenses are for chairs and stools at Sequoya using endowment funds. The remaining encumbrance is for furniture at Central, funded in part by MPL Friends and in part by MPL's Capital Budget.
- Hardware Supplies December purchase includes many computer replacements connected to the SLCS network. MPL was projecting a very large surplus and gave IT staff funds to purchase much needed replacements this year.
- Program Supplies December purchases include Making Justice program; 150th artist reception; babies and toddler programs at various locations; storytime programs at various branches; cooking and art programs at various locations, programming computers for Meadowridge (using surplus funds) and a vinyl printer (funded by MPL Friends).
- Library Collections Materials:
 - Combined Capital and Operating budget totals \$2,387,252 with purchases to date of \$1,608,703, 67% of budget is used. There are additional encumbrances not reflected in Munis of \$82,143, bringing us to 71% of the budget used.
 - Capital budget:
 - General Collections budget is \$911,211 with purchases to date of \$888,792, 98% of budget is used.
 - Lakeview High Demand budget is \$375 with purchases to date of \$375, 100% of budget is used.
 - Imagination Center at Reindahl Park budget is \$850,000 with purchases to date of \$167,611, 20% of budget is used.
 - Operating budget is \$625,667 with purchases to date of \$551,925, 88% of budget used.
 - Levy budget is \$257,284 with purchases to date of \$264,943, 103% of budget used.
 - Donations (MPLF and Friends) budget is \$368,383 with purchases to date of \$286,982, 78% of budget used.
- Janitorial Supplies December expenses include purchases from October through December, paid in December.
- HVAC Supplies is over budget due to an unanticipated boiler control board purchase for Sequoya.
- Plumbing Supplies December purchase was for toilet flush valve actuators at Central.
- Machinery and Equipment is well over budget. December purchases use the surplus funds in MPL's operating budget to replace self-check machines at Central, Hawthorne, Ashman, Lakeview, Monroe Street, and Sequoya. MPL's self-check machines are nearing end of life in 2026, the ability to use surplus funds in 2025 decreased the number of replacements in 2026 to a more manageable cost.
- Equipment Supplies is over budget, the expenses used carry forward budget which was posted to Hardware Supplies when brought into 2025, not knowing exactly where all technology purchases would be posting.
- Inventory purchases are for patron hygiene and clothing needs.

Purchased Services

Purchased Services budget used: Actuals: 94%; Actuals plus Encumbrances: 94%.

When factoring out the Dane County and SCLS Contract, budget used: Actuals: 86%; Actuals plus Encumbrances: 87%.

- Water Expense is beginning to reduce, this is expected. Central's air conditioning system uses water for cooling, so that it increases during the summer months. The October expense amount is for September activity, water usage will decrease in November and December.
- Telephone Expense will exceed the budget for the year. It was unknown when processing the 2025 operating budget request that MPL would need to add copper lines to three locations to enable long-distance faxing.
- Building Improvement/Repair/Maint December expenses include:
 - Monthly common area maintenance (CAM) charges \$20,062 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - Hawthorne 2025 CAM reconciliation credit of \$1,204.
 - Central garage door repairs, \$12,250.
 - Lakeview drain clearing for flushed wipes, \$956.
 - Sequoya backflow device and sanitation, \$986.
- Office Equipment Repair is a newly used expense category to capture the cost of the multi-function device maintenance contracts and charges. These had previously been reported in Equipment Improv/Repair/Maint. They have been moved to this account to clearly call out the expenses. Because of this change Office Equipment Repair will be over budget in 2025. These are now billed quarterly on a combined invoice; in the past they were billed monthly with an invoice for each location. This will streamline the process for MPL Finance staff.
- Equipment Improvement, Repair and Maintenance is over budget due to some purchases made with private funds that were budgeted elsewhere. December expenses include Central's carpet extractor repairs; UPS (Uninterruptable Power Supply) lighting inspections at Hawthorne, Ashman, Lakeview, Meadowridge, Sequoya and Goodman South; Ashman HVAC repairs.
- Lease Rental of Equipment is over budget due to unanticipated rental of floor buffer equipment at Central.
- Conferences and Training December expense is for security monitor CPR/AED training.
- Credit Card Services will now have monthly fees in addition to the quarterly SCLS eCommerce fees. This is due to the credit card readers now attached to public printers in all locations and public copiers at Hawthorne and Meadowridge. December also includes the 4th quarter SCLS eCommerce fees.
- Advertising Services is over budget due to grant and donation funded marketing with budget added fully to programming, not knowing some would be spent on marketing. December expenses are for MPL branded merchandise, Teejop ads, outreach table cloths and We Read winter campaign.
- Security Services is over budget in part due to an unanticipated panic button replacements at Central and the need to install cell dialers for the security systems at Central, Ashman and Meadowridge. These locations currently use POTS lines (copper lines) for security and fire monitoring; the FCC has mandated elimination of POTS lines.
- Transportation Services is for the youth delivery program. **November expenses increased \$900, MPL received October and November billings in December.**
- Program Services **November expenses increased \$7.** December expenses include 150th anniversary artist reception, cooking classes and storytimes at multiple locations; art programs at multiple locations; Lakeview teen programs; Pinney PlayLab, art, teen writing, creative movement/dance; Sequoya Jazz, yoga for kids, Dungeons and Dragons; Goodman South family art club; and Making Justice programs.
- Community Agency Contracts represents MPL's payment to Dane County Library Service walk-in contract, with offsetting revenue, net expense to MPL is \$982,605. This is a net increase of \$356,773, or 57% over the 2024 contract. MPL is well under budget mainly due to Dream Bus operations being supported by the Foundation longer than anticipated.

- Taxes and Special Assessments are at 108% of the budget used, Lakeview taxes were slightly higher than anticipated. Meadowridge's year-end tax reconciliation has not been completed.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 100%

- Inter-Dept Charge from Engineering is for Hawthorne building maintenance, **September through November charges have been updated.**
- Inter-Dept Charge from Fleet Services **October charges include maintenance on the Ford Transit, November charges include maintenance on the Chevrolet Express, December charges have not yet been posted.**
- Inter-Dept Charge from Traffic Engineering is for radio system maintenance. This is an annual charge, and there may be some smaller charges for repairs not covered by the maintenance plan.
- Inter-Dept Charge from Insurance and Workers Comp is for Library's share of the City's expenses.
- Transfer out to Debt Service is for Library's General Obligation Bond issuance repayments. The largest (and final) payment processed in October for principal and interest payments. Due to a recent change in accounting Library's debt service payments for borrowing, beginning with 2021 borrowing and going forward, is now recorded in the General Fund. Library Fund debt service payments will continue to decrease annually through 2032.
- Transfer out to Capital Projects December amount is the Library Board approved use of Fund Balance to support additional start-up collection purchases for the Imagination Center Reindahl Park.