

MADISON PUBLIC LIBRARY
Supplementary Notes to the March 2025 Financial Reports
As of April 24, 2025

Financial Snapshots

<u>Key Indicators</u>			
Budget Year Remaining	75%		
Budget Year Lapsed	25%		
<u>Percent of Budget Used</u>	<u>Grand Total</u>	<u>Levy/Earned Revenue</u>	<u>Private Funds</u>
Total Operating Revenue	58%	59%	38%
Total Operating Expense	33%	32%	47%
Total Wages & Benefits Expense	22%	22%	26%
Total Supplies Expense	59%	59%	59%
Total Services Expense	74%	76%	29%
Total Debt/Inter-Dept Charges	0%	0%	0%

Year to Date:

								3/31/2025
								Year remaining 75%
								Year lapsed 25%
MADISON PUBLIC LIBRARY MARCH 31, 2025 YEAR TO DATE BUDGET REPORT AS OF APRIL 24, 2025								
	2025 Revised Budget	2025 YTD Actuals	Encumbrances	% Budget Used	2025 Under/ (Over) Budget	2024 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %
Revenue Totals	25,003,826	14,598,291	-	58%	10,405,536	14,022,858	575,433	4%
Expenses Totals:	(24,792,361)	(7,557,245)	(615,588)	33%	16,839,467	(7,223,746)	(333,499)	5%
Wages & Benefits Totals	(16,035,811)	(3,564,127)	-	22%	12,691,623	(3,713,592)	(149,465)	-4%
Supplies Totals	(1,177,062)	(675,985)	(20,136)	59%	480,942	(475,118)	200,867	42%
Purchased Services Totals	(5,084,195)	(3,317,134)	(595,452)	77%	1,171,609	(3,033,400)	283,734	9%
Debt and Inter-Dept Totals	(2,495,294)	-	-	0%	2,495,294	(1,636)	(1,636)	-100%
Net Gain/(Loss)	211,465	7,041,045	(615,588)		27,245,003	6,799,112		
	Levy/Earned Rev	Private Funds						
Fund Balance 1/1/2025 - ESTIMATED	2,464,159	319,040						
Fund Balance 12/31/2025 - ESTIMATED								

Month to Date:

MADISON PUBLIC LIBRARY MARCH 2025 MONTH TO DATE REPORT AS OF APRIL 24, 2025.												
	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	10,315,149	4,259,960	23,182	-	-	-	-	-	-	-	-	-
Expenses Totals:	(3,673,382)	(2,238,404)	(1,645,459)	-	-	-	-	-	-	-	-	-
Wages & Benefits Totals	(959,768)	(1,384,784)	(1,219,576)	-	-	-	-	-	-	-	-	-
Supplies Totals	(325,418)	(96,405)	(254,161)	-	-	-	-	-	-	-	-	-
Purchased Services Totals	(2,388,196)	(757,215)	(171,722)	-	-	-	-	-	-	-	-	-
Debt and Inter-Dept Totals	-	-	-	-	-	-	-	-	-	-	-	-
Net Gain/(Loss)	6,641,767	2,021,556	(1,622,278)	-	-	-	-	-	-	-	-	-

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 actuals and encumbrances in the calculation. Encumbrances are known expenditures that MPL reserves for future obligations, mainly through creation of Purchase Orders.

New in 2024, City Finance imposed budget efficiencies on all agencies. The manner in which this was done is effectively reducing 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 allowed 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 have 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.

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: 58%

- Real Estate Taxes payments are the main revenue for Library and installments post in January, February, April, June and August.
- Catering Concessions **February amount decreased \$748 for an amount that was accrued back to 2024. MPL's accountant manually adjusted 2025 revenue amounts for known 2024 related revenue and missed the 2024 Q4 catering concession payment received in February 2025.**
- Reimbursement of Expense **February amount decreased \$209 for an amount that was accrued back to 2024. MPL's accountant manually adjusted 2025 revenue amounts for known 2024 related revenue and missed the 2024 Q4 reimbursement of expense payment received in February 2025.**
- Library Lost and Damaged Fees **January amount decreased \$5,558 for an amount that was accrued back to 2024. MPL's accountant manually adjusted 2025 revenue amounts for known 2024 related revenue and missed the final 2024 payments receipted in January 2025.**
- Library Miscellaneous Revenue **January amount decreased \$2 for an amount that was accrued back to 2024. MPL's accountant manually adjusted 2025 revenue amounts for known 2024 related revenue and missed a 2024 payment receipted in January 2025.**

Wages and Benefits

Wages and Benefits budget used: 22%

- Wages and Benefits has 5.3 pay periods out of 26.1 pay periods. Last YTD had 4.5 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.
- Salary Savings represents the amount of savings due to vacancies throughout the year.
- Premium Pay represents night premium, Sunday premium 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: 57%; Actuals plus Encumbrances: 59%

- Furniture Supplies has 81% of budget used. In 2024 the City restored \$5,000 of levy funding budget that was cut during the COVID years as part of MPL's budget reductions. This \$5,000 is to support accommodation furniture for staff. Other furniture needs are currently being funded by the Foundation or Friends groups.
- Hardware Supplies March had a large replacement order with SCLS for public and staff computers.
- Program Supplies March purchases include seed library supplies, give-away books for Parents as First Teachers, storytimes at various locations, supplies for activities at Henderson 4K, Making Justice supplies.
- Work Supplies March included a large purchase of RFID tags for Imagination Center Reindahl Park collection purchases. This account is currently showing 81% of budget used, but MPL received \$195,000 budget for ICRP purchases as construction begins and supplies are needed. This budget currently is in object 54810 Other Services and Expenses; MPL staff are meeting soon to map out where this budget should be transferred for our 2026 needs.
- Janitorial Supplies January decreased \$2,787 due to accruing 2024 purchases back to 2024 after the January report was created. The payments for the supplies accrued back to 2024 were made in February, January and February combined equal an average amount of \$1,100 per period.
- Library Collections Materials January increased \$827, below are details of all purchases YTD.

- Combined Capital and Operating budget totals \$1,350,988 with purchases to date of \$595,643, 44% of budget is used. There are additional encumbrances not reflected in Munis of \$60,169 bringing us to 49% of budget used.
- Capital budget:
 - General Collections budget is \$911,211 with purchases to date of \$172,155, 19% of budget is used.
 - Lakeview High Demand budget is \$375 with purchases to date of \$375, 100% of budget is used.
- Operating budget is \$439,403 with purchases to date of \$423,113, 96% of budget used.
 - Levy budget is \$268,383 with purchases to date of \$263,304, 98% of budget used.
 - Donations (MPLF and Friends) budget is \$171,020 with purchases to date of \$159,809, 93% of budget used.
 - It is not unusual for so much of the operating budget to be used in January, that is when the annual subscriptions payments are made. The January expenses include \$270,343 for 2025 renewals.
- Equipment Supplies encumbrance uses 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: 65%; Actuals plus Encumbrances: 77%.

When factoring out the Dane County and SCLS Contract, budget used: Actuals: 78%; Actuals plus Encumbrances: 85%.

- Natural Gas and Electricity are zero in February because the bill was received after the cutoff date for posting February transactions. Natural Gas was \$10,139.31 and Electricity was \$19,749. March Natural Gas was \$6,782 and Electricity was \$20,663.
- Systems Communication Internet budget is almost fully used, this is where we record the SCLS contract payment of \$608,792. There will be very few additional expenses for the remainder of the year.
- Building Improvement/Repair/Maint March expenses include:
 - Monthly common area maintenance (CAM) charges of \$20,062 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - Meadowridge CAM credit of \$235, Pinney door repairs of \$1,571, and Goodman South CAM credit of \$778.
- Equipment Improvement Repair Maint March expenses include:
 - Monthly MFD maintenance for all locations (\$492) and the in-house printer maintenance (\$2,575).
 - HVAC repairs not included in the maintenance contracts at Lakeview (\$1,058), Sequoya (\$1,740) and Goodman South (\$539).
 - Cooling tower maintenance at Central (\$1,100), Pinney (\$40), Sequoya (\$85), Goodman South (\$85) and Library Support Center (\$40).
 - CO2/NO2 sensor calibrations at Central (\$630), Pinney (\$795) and Library Support Center (\$275).
 - Lakeview community room AV upgrades (\$7,178) funded by the Rosen-Weston gift.
- Conferences and Training March expenses are for Meadowridge ServSafe certification, UW Madison Lead the Way conference registrations and WLA WAPL conference registration.
- Uniform Laundry Services is negative due to the 2024 expense accrual reversal and no payments made yet in 2025 for the service.
- Advertising Services March expenses include MPL 150th anniversary yard signs and branded caps; Naturalist in Residence and Teejop ads, Spanish language ads, and photographer for Kid's Fair and Storytimes.
- Transportation Services is for the youth delivery program.

- Program Services March expenses include cooking classes at multiple locations; art programs; 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. Dream Bus expenses will be recorded here when MPL begins to operationalize the expenses in 2025.
- Taxes and Special Assessments is only at 72% budget used because Lakeview taxes are a singular payment at the end of the year. Hawthorne and Meadowridge taxes are paid monthly and reconciled at year-end.
- Permits and Licenses **January amount decreased \$625 for a 2024 expense processed in 2025 and accrued back to 2024.**

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 0%

- Due to year-end reconciliations and preparation for the annual audit, City Finance staff have not posted any 2025 inter-departmental charges.
- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Inter-Dept Charge from Fleet Services is for vehicle maintenance and fuel.
- 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.