

MADISON PUBLIC LIBRARY
Supplementary Notes to the February 2026 Financial Reports
As of March 30, 2026

Financial Snapshots

<u>Key Indicators</u>			
Budget Year Remaining	84%		
Budget Year Lapsed	16%		
<u>Percent of Budget Used</u>	<u>Grand Total</u>	<u>Levy/Earned Revenue</u>	<u>Private Funds</u>
Total Operating Revenue	53%	54%	22%
Total Operating Expense	18%	18%	31%
Total Wages & Benefits Expense	15%	15%	5%
Total Supplies Expense	40%	40%	41%
Total Services Expense	32%	33%	16%
Total Debt/Inter-Dept Charges	0%	0%	0%

Year to Date:

		2/28/2026
	Year remaining	84%
	Year lapsed	16%

MADISON PUBLIC LIBRARY FEBRUARY 28, 2026 YEAR TO DATE BUDGET REPORT AS OF MARCH 30, 2026

	2026 Revised Budget	2026 YTD Actuals	Encumbrances	% Budget Used	2026 Under/ (Over) Budget	2025 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %
Revenue Totals	25,947,980	13,715,580	-	53%	12,232,401	14,583,115	(867,535)	-6%
Expenses Totals:	(25,947,980)	(3,960,326)	(740,503)	18%	21,422,501	(5,913,115)	1,952,789	-33%
Wages & Benefits Totals	(17,242,644)	(2,550,854)	-	15%	14,867,139	(2,344,551)	201,302	9%
Supplies Totals	(1,228,635)	(493,999)	(3,523)	40%	731,114	(421,823)	72,175	17%
Purchased Services Totals	(5,181,090)	(915,474)	(736,980)	32%	3,528,636	(3,145,411)	(2,229,938)	-71%
Debt and Inter-Dept Totals	(2,295,612)	-	-	0%	2,295,612	(1,329)	(1,329)	-100%
Net Gain/(Loss)	-	9,755,254	(740,503)		33,654,901	8,670,000		

	Levy/Earned Rev	Private Funds
Fund Balance 1/1/2026	2,020,240	287,284
Fund Balance 12/31/2026 - ESTIMATED		

Month to Date:

MADISON PUBLIC LIBRARY FEBRUARY 2026 MONTH TO DATE REPORT AS OF MARCH 30, 2026.

	January 2026 Month to Date	February 2026 Month to Date	March 2026 Month to Date	April 2026 Month to Date	May 2026 Month to Date	June 2026 Month to Date	July 2026 Month to Date	August 2026 Month to Date	September 2026 Month to Date	October 2026 Month to Date	November 2026 Month to Date	December 2026 Month to Date
Revenue Totals	9,635,716	4,079,864	-	-	-	-	-	-	-	-	-	-
Expenses Totals:	(1,971,907)	(1,988,419)	-	-	-	-	-	-	-	-	-	-
Wages & Benefits Totals	(951,328)	(1,599,526)	-	-	-	-	-	-	-	-	-	-
Supplies Totals	(245,860)	(248,139)	-	-	-	-	-	-	-	-	-	-
Purchased Services Totals	(774,720)	(140,754)	-	-	-	-	-	-	-	-	-	-
Debt and Inter-Dept Totals	-	-	-	-	-	-	-	-	-	-	-	-
Net Gain/(Loss)	7,663,808	2,091,445	-	-	-	-	-	-	-	-	-	-

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.

Continuing in 2026, City Finance imposed budget efficiencies on all agencies. The way this was done is to effectively reduce every agency's budget by 0.75%. This was done because most agencies have typically been under budget by at least 0.75% 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 major account group because it is 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.

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: 53%

- All 2025 revenue accruals and reversals have been posted as of this report, there will be no additional changes related to revenue accruals.
- Real Estate Taxes payments are the main revenue for Library and installments post in January, February, April, June and August.
- Other Unit of Gov Revenues Op 2025 had the Dane County Contract payment reflected in the YTD balance. In 2026 the Dane County Contract is paid in March.

Wages and Benefits

Wages and Benefits budget used: 15%

- Wages and Benefits have 3.2 pay periods out of 26.9 pay periods. Last YTD had 3.3 pay periods out of 26.1.
 - January is low due to the City's accrual process posting the first and a portion of the second 2026 payroll 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.
- Overtime Wages Permanent are higher than usual with staff working to order and receive Reindahl collections during the ILS migration process, which will freeze collection activities in the system mid-April.
- 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.
- Moving Expenses has been added to the reports.
- Post Employment Health Plans expenses are processed in January.

Supplies

Supplies budget used: Actuals: 40%; Actuals plus Encumbrances: 40%. Actuals without Library Materials is 21%.

- Program Supplies February purchases include Making Justice: Parents as First Teachers; Prison certified book club books; Junk Journaling, Coffee & Connections, youth play space at Central; art programs, maker programs at Hawthorne; drop in art, film program, youth play space at Ashman; art programs at Lakeview; Agatha Christie, book club, junk journaling at Meadowridge; art and maker programs, junk journaling at Pinney; and D&D, share your voice and art at Goodman South.
- Library Collections Materials:
 - Combined Capital and Operating budget totals \$2,525,278 with purchases to date of \$625,485, 25% of budget is used. There are additional encumbrances not reflected in Munis of \$202,402, bringing us to 33% of the budget used.
 - Capital budget:
 - General Collections budget is \$1,152,211 with purchases to date of \$95,833, 8% of budget is used.
 - Imagination Center at Reindahl Park budget is \$850,000 with purchases to date of \$183,377, 22% of budget is used.
 - Operating budget is \$523,067 with purchases to date of \$346,275, 66% of budget used.
 - Levy budget is \$198,000 with purchases to date of \$118,064, 60% of budget used. It is not unusual to have used this much budget in January, that is when database and OverDrive payments are made.
 - Donations (MPLF and Friends) budget is \$325,067 with purchases to date of \$228,211, 70% of budget used.

- Machinery and Equipment February expenses include a cordless vacuum for Central RUS office, self-check replacements at Goodman South Madison.

Purchased Services

Purchased Services budget used: Actuals: 18%; Actuals plus Encumbrances: 32%.

- Natural Gas budget is 41% used when we are only 16% into the year. This is expected as the winter months are high usage. Early 2026 included extreme cold temperatures, MPL expenses are slightly higher than early 2025.
- Systems Communication Internet budget is almost fully used. MPL make the annual payment to SCLS for ILS and Tech fees. February expense is for additional Tech/ILS fees for new circulating laptops at Hawthorne.
- Building Improvement/Repair/Maint January expenses include:
 - Monthly common area maintenance (CAM) charges \$21,321.98 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - Sequoya restroom sinks and drains cleanout, \$1,267.84.
- Office Equipment Repair is over budget. The encumbrance amount is an estimated amount based on a full year of 2025 expenses, budget was based on 2024 expenses. There are no 2026 expenses yet, this maintenance is billed quarterly.
- Equipment Improv Repair Maint **January amount decreased \$81 because of a 2025 accrual reversal, the expense posted in February, the reversal posted in January.** February expenses are for equipment not included in HVAC contracts, gas odor troubleshooting, gas stove regulator at Meadowridge. Encumbrances are the HVAC maintenance contracts and Central's UPS maintenance.
- Conferences and Training February expenses are for PLA annual conference registrations, Data Teams training, generative AI webinars.
- Credit Card Services **January amount decreased \$47 because of a 2025 accrual reversal, the expense posted in February, the reversal posted in January.**
- Advertising Services **January amount increased \$330 because of a 2025 accrual reversal, MPL received a 2025 credit in 2026, the credit posted in February, and the reversal posted in January.** February expense is for Facebook We Read and Storytimes.
- Program Services January expenses include Making Justice; art programs at several locations; cinesthesia and art programs at Central; bilingual storytimes, yoga, We Make, chapters writing group and pen pals at Pinney; Chinese storytimes, Jazz and simply stitched at Sequoya.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 0%

- Finance staff have not processed any 2026 inter-departmental charges yet, they are busy with year-end reconciliations and processes and preparing for the external audit of the 2025 financial records.
- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Inter-Dept Charge from Fleet Services.
- 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.