

MADISON PUBLIC LIBRARY
Supplementary Notes to the May 2025 Financial Reports
As of July 3, 2025

Financial Snapshots

<u>Key Indicators</u>			
Budget Year Remaining	58%		
Budget Year Lapsed	42%		
<u>Percent of Budget Used</u>	<u>Grand Total</u>	<u>Levy/Earned Revenue</u>	<u>Private Funds</u>
Total Operating Revenue	72%	72%	78%
Total Operating Expense	44%	44%	62%
Total Wages & Benefits Expense	37%	37%	42%
Total Supplies Expense	60%	56%	69%
Total Services Expense	80%	81%	53%
Total Debt/Inter-Dept Charges	6%	6%	0%

Year to Date:

								5/31/2025
								Year remaining 58%
								Year lapsed 42%
MADISON PUBLIC LIBRARY MAY 31, 2025 YEAR TO DATE BUDGET REPORT AS OF JULY 2, 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	25,054,283	17,981,941	-	72%	7,072,342	17,086,351	895,590	5%
Expenses Totals:	(24,872,946)	(10,596,621)	(505,037)	45%	13,991,226	(10,329,525)	(267,096)	3%
Wages & Benefits Totals	(16,036,119)	(6,006,594)	-	37%	10,249,464	(6,071,617)	(65,023)	-1%
Supplies Totals	(1,404,797)	(837,792)	(4,980)	60%	562,026	(679,774)	158,018	23%
Purchased Services Totals	(4,936,735)	(3,599,363)	(500,057)	83%	837,315	(3,401,145)	198,218	6%
Debt and Inter-Dept Totals	(2,495,294)	(152,873)	-	6%	2,342,421	(176,989)	(24,116)	-14%
Net Gain/(Loss)	181,337	7,385,320	(505,037)		21,063,568	6,756,826		
	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 MAY 2025 MONTH TO DATE REPORT AS OF JULY 3, 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	10,323,149	4,259,960	23,182	3,210,959	164,692	-	-	-	-	-	-	-
Expenses Totals:	(3,673,846)	(2,238,620)	(1,645,459)	(1,584,480)	(1,454,215)	-	-	-	-	-	-	-
Wages & Benefits Totals	(959,768)	(1,384,784)	(1,219,576)	(1,218,455)	(1,224,013)	-	-	-	-	-	-	-
Supplies Totals	(325,418)	(96,405)	(254,161)	(86,227)	(75,580)	-	-	-	-	-	-	-
Purchased Services Totals	(2,388,196)	(757,215)	(171,722)	(127,606)	(154,623)	-	-	-	-	-	-	-
Debt and Inter-Dept Totals	(464)	(216)	-	(152,192)	-	-	-	-	-	-	-	-
Net Gain/(Loss)	6,649,303	2,021,340	(1,622,278)	1,626,479	(1,289,524)	-	-	-	-	-	-	-

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.

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 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. (April's reports had no prior period changes.)

Revenue

Revenue budget used: 72%

- Real Estate Taxes payments are the main revenue for Library and installments post in January, February, April, June and August.
- Contributions and Donations **January amount increased \$8,000. During the year-end process a payment had to be reversed and was not reapplied until June.**

Wages and Benefits

Wages and Benefits budget used: 37%

- Wages and Benefits has 9.3 pay periods out of 26.1 pay periods. Last YTD had 8.5 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, 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: 60%; Actuals plus Encumbrances: 60%

- Furniture Supplies has 112% 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 budget how the funds would be spent.
- Program Supplies May purchases include 150th anniversary parties supplies; give-away books for Parents as First Teachers; activities at Henderson 4K; Making Justice supplies; art programs at various locations; babies and toddler programs at various locations; Bubbler Artist in residence branch artist onboarding.
- Janitorial Supplies May includes bulk purchase items to be distributed to branches as needed.
- Library Collections Materials:
 - Combined Capital and Operating budget totals \$1,478,310 with purchases to date of \$756,610, 51% of budget is used. There are additional encumbrances not reflected in Munis of \$59,542, bringing us to 55% of the budget used.
 - Capital budget:
 - General Collections budget is \$911,211 with purchases to date of \$298,680, 33% of budget is used.
 - Lakeview High Demand budget is \$375 with purchases to date of \$375, 100% of budget is used.
 - Operating budget is \$566,725 with purchases to date of \$457,555, 81% of budget used.
 - Levy budget is \$368,383 with purchases to date of \$280,839, 76% of budget used.
 - Donations (MPLF and Friends) budget is \$198,342 with purchases to date of \$176,716, 89% 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.
- Food and Beverage May expense is for staff day, funded by MPL Foundation.
- Machinery and Equipment is over budget, but MPL is within overall supplies budget.

- 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: 73%; Actuals plus Encumbrances: 83%.

When factoring out the Dane County and SCLS Contract, budget used: Actuals: 36%; Actuals plus Encumbrances: 60%.

- 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 May expenses include:
 - Monthly common area maintenance (CAM) charges of \$20,062 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - Central (\$450), Hawthorne (\$1,000), Ashman (\$180) and Lakeview (\$934) plumbing issues; Hawthorne sink replacement (\$864), and credit for Sequoya's 2024 CAM reconciliation (\$1,765).
- Facility Rental May expense total increased \$255, Lakeview's lease was written so the annual increase begins May 1 each year for the first 7 years of the lease; at which point the annual increase shifts to January 1 beginning 1/1/2031.
- Equipment Improvement Repair Maint May expenses include:
 - Monthly MFD maintenance for all locations totaling \$337 and the in-house printer maintenance for \$1,381.
 - HVAC repairs not included in the maintenance contracts at Sequoya (\$1,380) and Central chiller repair (197).
- Conferences and Training April expenses are for Drupal conference (\$1,259) and Staff Day expenses (2,171).
- Membership May expense is the Costco membership renewal.
- Uniform Laundry Services is a credit in January due to the 2024 expense accrual reversal and May expense is the final balance due for 2025 services.
- Credit card services May expense are charges for the new ability to pay public print/copy with credit card via machines installed on the printer/copier (some locations are print/copy, some locations are only print). Going forward there will be monthly charges for the public print/copy and quarterly charges for SCLS Ecommerce online payments.
- Advertising Services May expenses include outreach iPads, 150th anniversary party ads, Naturalist in Residence and We Read ads, We Read posters and Discover MPL campaign west Madison ads.
- Security Services is over budget in part due to an unanticipated panic button replacement at Central for \$803 and in part due to our service provider no longer able to send itemized bills that detail the fire monitoring separate from the burglar monitoring. In the past we were able to split these between Fire Protection and Security Services, now we are recording them fully in Security Services. The percentage over budget may be high, but the dollar amount is low. May expenses are for security line assessment at Meadowridge.
- Transportation Services is for the youth delivery program.
- Program Services May expenses include MPL's 150th anniversary party performers; cooking classes 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; Naturalist in Residence planning; We Read Bubbler Artist in residence onboarding; 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.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 6%

- City Finance staff have begun posting some 2025 inter-departmental charges.
- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Inter-Dept Charge from Fleet Services **January amount increased \$464 for preventative maintenance on MPL's trailer and fuel; and February amount increased \$216 for fuel, Finance staff are beginning to post 2025 inter-d entries..**
- 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. Finance staff are now posting the expenses annually, rather than monthly. The total expense allocated to Library will fully use the budget. The monthly amounts for the charges are:
 - Insurance \$10,436.50.
 - Workers Compensation \$1,327.25.
- 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.