

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.

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: 37%

- 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.

Wages and Benefits

Wages and Benefits budget used: 6%

- Wages and Benefits have 1.2 pay periods out of 26.9 pay periods. Last YTD had 1.3 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.
- 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: 20%; Actuals plus Encumbrances: 20%

- Hardware Supplies January purchases include a large computer replacement order for SCLS network computers at most locations.
- Software Licenses & Supplies includes a few annual subscriptions paid in January.
- Program Supplies January purchases include Making Justice: Parents as First Teachers; winter prom; Junk Journaling at Central, Hawthorne, Meadowridge, and Pinney; D&D programs at Meadowridge and Goodman South; art spaces at all locations; anime club at Meadowridge; Science programs at Goodman South.
- Library Collections Materials:
 - Combined Capital and Operating budget totals \$2,525,278 with purchases to date of \$353,873, 14% of budget is used. There are additional encumbrances not reflected in Munis of \$162,579, bringing us to 20% of the budget used.
 - Capital budget:
 - General Collections budget is \$1,152,211 with purchases to date of \$21,681, 2% of budget is used.
 - Imagination Center at Reindahl Park budget is \$850,000 with purchases to date of \$172,498, 20% of budget is used.
 - Operating budget is \$523,067 with purchases to date of \$159,694, 31% of budget used.
 - Levy budget is \$198,000 with purchases to date of \$75,069, 38% 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 \$84,625, 26% of budget used.
- Machinery and Equipment January expenses include a micro floor scrubber and vacuum for Central.

Purchased Services

Purchased Services budget used: Actuals: 15%; Actuals plus Encumbrances: 29%.

- Natural Gas budget is 18% used when we are only 8% into the year. This is expected as the winter months are high usage.
- Systems Communication Internet budget is almost fully used. MPL make the annual payment to SCLS for ILS and Tech fees. January expenses also include annual data hosting fees.
- Building Improvement/Repair/Maint January expenses include:
 - Monthly common area maintenance (CAM) charges \$18,152.98 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - Central urinal maintenance, \$734.
 - Sequoya urinal drain blockage, \$83.
- Pest Control January amount is zero, the January services total \$220 and were paid in January, but the charges were in the February p-card cycle. The City's p-card cycle runs from the 25th of the month through the 24th of the following month.
- 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.
- Conferences and Training January expenses include Naren Conference where a Librarian is presenting; US Power Up conference; Legislative Day; Niche Academy; Navigating AI Landscape; Drupalcon Conference.
- Membership January expense is for Urban Libraries Council.
- Advertising Services January expenses include MPL branded mousepads and labels.
- Security Services January expense is for the annual monitoring fees.
- Program Services January expenses include Making Justice; art programs at several locations; Puzzlepalooza, poetry, cinesthesia and art programs at Central; bilingual storytimes, yoga, chapters writing group and pen pals at Pinney; Chinese storytimes, Jazz and simply stitched at Sequoya.
- Taxes and Special Assessments are at 68% of the budget used, Lakeview taxes are paid annually at the end of the year; Meadowridge and Hawthorne tax estimates are paid monthly.

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.