

MADISON PUBLIC LIBRARY
Supplementary Notes to the December 2024 Financial Reports
As of April 22, 2025

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	98%	100%	69%
Total Operating Expense	98%	100%	75%
Total Wages & Benefits Expense	99%	100%	44%
Total Supplies Expense	87%	97%	78%
Total Services Expense	96%	99%	77%
Total Debt/Inter-Dept Charges	100%	100%	0%

Year to Date:

								12/31/2024
							Year remaining	0%
							Year lapsed	100%
MADISON PUBLIC LIBRARY NOVEMBER 30, 2024 YEAR TO DATE BUDGET REPORT AS OF DECEMBER 26, 2024								
	2024 Revised Budget	2024 YTD Actuals	Encumbrances	% Budget Used	2023 Under/ (Over) Budget	2023 YTD Actuals	CYTD - LYTD Variance \$	CYTD - LYTD Variance %
Revenue Totals	24,474,684	23,996,799	-	98%	478,005	22,830,166	1,166,633	5%
Expenses Totals:	(24,494,684)	(24,004,358)	(30,128)	98%	460,198	(22,922,253)	(1,082,105)	5%
Wages & Benefits Totals	(15,664,368)	(15,565,504)	-	99%	98,863	(14,371,380)	1,194,124	8%
Supplies Totals	(1,325,622)	(1,154,140)	(0)	87%	171,482	(1,237,409)	(83,269)	-7%
Purchased Services Totals	(4,812,081)	(4,594,466)	(30,128)	96%	187,487	(4,518,556)	75,910	2%
Debt and Inter-Dept Totals	(2,692,613)	(2,690,248)	-	100%	2,366	(2,794,908)	(104,660)	-4%
Net Gain/(Loss)	(20,000)	(7,559)	(30,128)		938,203	(92,087)		
	Levy/Earned Rev	Private Funds						
Fund Balance 1/1/2024	2,406,253	384,504						
Fund Balance 12/31/2024 - ESTIMATED	2,464,159	319,040						

Month to Date:

MADISON PUBLIC LIBRARY NOVEMBER 2024 MONTH TO DATE REPORT AS OF DECEMBER 26, 2024.												
	January 2024 Month to Date	February 2024 Month to Date	March 2024 Month to Date	April 2024 Month to Date	May 2024 Month to Date	June 2024 Month to Date	July 2024 Month to Date	August 2024 Month to Date	September 2024 Month to Date	October 2024 Month to Date	November 2024 Month to Date	December 2024 Month to Date
Revenue Totals	10,169,772	3,657,621	195,465	2,935,440	128,053	1,985,689	16,886	3,999,653	321,871	377,737	112,586	96,026
Expenses Totals:	(3,418,238)	(1,726,556)	(2,078,951)	(1,622,641)	(1,483,138)	(1,353,872)	(1,474,091)	(1,900,460)	(1,393,077)	(3,786,205)	(1,393,298)	(2,373,536)
Wages & Benefits Totals	(515,190)	(1,421,402)	(1,777,000)	(1,201,572)	(1,156,453)	(1,166,190)	(1,163,033)	(1,690,501)	(1,174,756)	(1,168,861)	(1,172,189)	(1,958,359)
Supplies Totals	(198,612)	(143,525)	(132,981)	(85,005)	(119,651)	(65,797)	(65,583)	(58,606)	(81,893)	(75,416)	(55,260)	(71,811)
Purchased Services Totals	(2,703,807)	(161,136)	(168,457)	(161,136)	(206,608)	(117,328)	(244,066)	(149,948)	(129,782)	(174,716)	(165,270)	(212,211)
Debt and Inter-Dept Totals	(629)	(493)	(514)	(174,928)	(425)	(4,557)	(1,410)	(1,404)	(6,647)	(2,367,211)	(580)	(131,155)
Net Gain/(Loss)	6,751,534	1,931,065	(1,883,486)	1,312,800	(1,355,085)	631,817	(1,457,205)	2,099,194	(1,071,207)	(3,408,468)	(1,280,712)	(2,277,511)

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 estimated fund balance changes as of the date the MPL Dec 2024 YTD Budget Report are expected. The levy and earned revenue funds increase reflects the total revenue for the year slightly exceeding the total expenses. The private funds decrease reflects the spending down of prior year carry forward funds and current year funds received.

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 the budget with actual spending for future budgets.

Budget Transfers report details the budget amendments and transfers. Budget amendments should be reviewed and approved by Madison Public Library Board by WI State Statute 43 section 58. Any changes to the current budget transfers report from the preliminary report are listed in bold font on the report.

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. These year-end financial reports include many changes for revenues and expenditures for transactions that were posted in 2025 but were accrued back to 2024 because they were related to 2024 activities. Wages and Benefits expenses were the only major account grouping that had no changes from the preliminary December 31, 2024, reports.

Revenue

Revenue budget used: 98%

- Real Estate Taxes City Finance has posted all 2024 installments. Real Estate Taxes is the main revenue for Library and installments post in January, February, April, June and August.
- Federal Revenues Operating **December amount increased \$2,972.** This represents MPL's E-Rate rebate.
- Other Unit of Government Revenues January amount represents the Dane County Library Service (DCLS) revenue from the walk-in contract, with offsetting expenses posting to Community Agency Contracts, net expense to MPL in 2024 is \$625,832. Also included in this account are the Adjacent County payments, expected in December.
 - **The December amount increased \$45,390 for adjacent county reimbursements accrued back to 2024.**
- Reproduction Services **December amount increased \$9,571 for in-house printing revenue accrued back to 2024.**
- Catering Concessions **December amount increased \$748 for revenue accrued back to 2024.**
- Facility Rental **December amount decreased \$3,048 for rental deposit reconciliations for 2019 – 2022. During the 2024 year-end reconciliations it was discovered that rental deposits were not being recorded properly and there was an adjustment needed for a 2019 event. The 2019 facility rental reported was \$41,854 and should have been \$38,954.**
- Reimbursement of Expense **December amount increased \$209 for the 2024 4th quarter billing to MSCR for the shared space expenses at Meadowridge.**
- Library Lost and Damaged Fees **December amount increased \$7,916 for revenue accrued back to 2024.**
- Contributions and Donations **December amount decreased \$6,963; a donation for another city agency was found to have posted to Library accounts in error during year-end reconciliation.**
- Miscellaneous Revenue **December amount increased \$2 for revenue accrued back to 2024.**
- Transfer in from Grants **December amount increased \$8,359 for the IMLS grant revenue accrued back to 2024.**
- Transfer in from Permanent represents the Library's annual draw from the trust fund. Library draws the previous year's earnings on the account, so we do not deplete these funds.

Wages and Benefits

Wages and Benefits budget used: 100%

- There were no changes from the preliminary report amounts.
- Wages and Benefits has 26.2 pay periods out of 26.2 pay periods. Last YTD had 26.0 pay periods out of 26.0.
 - January is low due to the City's accrual process posting a portion of the first 2023 payroll back to 2022.
 - February returns to normal due to the City's accrual process, which is only performed annually and not monthly.
 - March and August had three pay periods.
 - December is high due to the City's accrual process accruing 2024 payroll expenses paid in 2025 back to 2024. This is offset by the lower January payroll expenses.
- Salary Savings represents the amount of savings due to vacancies throughout the year. In the past this was around \$224k - \$273k; for 2024 Budget staff adjusted the amount to align with actual salary savings; Library's is now \$385k.
- 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 2024.

- This budget is included in the permanent salaries budget and is causing it to be over budget by \$131,465.65. Options are to use fund balance to make this whole, or to transfer the budget reductions to other services where Library has available budget cushion. This will require analysis of all Library budget and expenses for levy and earned revenue funds.
- Compensated Absence represents retiree payouts for unused vacation and comp time, in addition to current staff excess sick leave payouts at the end of the year. City staff are allowed to carry a maximum of 150 days, anything above that at year-end is paid out to the employee.
- Compensated Absence Escrow represents retiree sick leave payouts. These expenses are incurred throughout the year; budget is established by the City. If Library exceeds payroll and benefits budget this is an acceptable use of Fund Balance to make Library whole.
- Post Employment Health Plans expenses are processed in January.

Supplies

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

- Hardware Supplies **December amount increased \$962 for a 2025 transaction found to be related to 2024 activities.**
- Program Supplies December expense includes purchases for storytime at various branches; Thurber artist programs; Making Justice program; Parents as First Teachers program; We Read winter program; Lakeview and Meadowridge teen programs; Pinney's PlayLab, art and various programs; replenishment of babies and toddlers' toys and books at all branches. **December amount increased \$205 for a 2025 transaction found to be related to 2024 activities.**
- Work Supplies budget was adjusted at year-end to distribute the budget efficiencies from Wages and Benefits to Supplies, as MPL had excess Supplies budget and was over in Wages and Benefits, due to the placement of the budget efficiencies in the Wages and Benefits major account grouping. Since budget is held to the major category the shifting of the budget efficiency was done to a singular Supplies account, rather than distributing throughout all of the Supplies accounts. This budget transfer was reviewed and approved by the Library Board at the February 2025 meeting. **December amount increased \$125 for a 2025 transaction found to be related to 2024 activities.**
- Janitorial Supplies **December amount increased \$5,761 for multiple transactions found to be related to 2024 activities.**
- Library Collections Materials details of all purchases YTD.
 - Combined Capital and Operating budget totals \$1,383,808 with purchases to date of \$1,298,497, 94% of budget is used. There are additional encumbrances not reflected in Munis of \$65,482 bringing us to 99% of budget used.
 - Capital budget:
 - General Collections budget is \$840,483 with purchases to date of \$789,272, 94% of budget is used. Library's 2024 Capital collections budget was increased in anticipation of beginning purchasing for Reindahl.
 - Lakeview High Demand budget is \$32,715 with purchases to date of \$32,340, 99% of budget is used. There was a final order that was not received until January, 2025; which fully used the remaining funds.
 - Operating budget is \$510,610 with purchases to date of \$476,885, 93% of budget used.
 - Levy budget is \$247,143 with purchases to date of \$212,280, 86% of budget used.
 - Donations (MPLF and Friends) budget is \$263,467 with purchases to date of \$264,604, 100% of budget used.
 - December purchases are lower than typical because the ordering system is frozen for the last half of December in preparation of the year-end/new year rollover.
- Food and Beverage December purchases are for MPL's Pride Affinity Group social, funded by Madison Public Library Foundation.

- Machinery and Equipment December purchases include Central's Community Room AV equipment and scrubbing machine repair parts. **December amount increased \$1,336 for a 2025 transaction found to be related to 2024 activities.**
- Equipment Supplies December purchases include softener salt for all branches, purchased in bulk. **December amount increased \$16 for a 2025 transaction found to be related to 2024 activities.**
- Inventory purchases are for patron hygiene and clothing needs. **December amount decreased \$28 for a 2024 purchase that was returned in early 2025, accrued back to 2024.**

Purchased Services

Purchased Services budget used: Actuals: 94%; Actuals plus Encumbrances: 96%.

When factoring out the Dane County and SCLS Contract, budget used: Actuals: 94%; Actuals plus Encumbrances: 95%.

- Telephone expenses are over budget due to needing additional copper phone lines at Monroe Street and Pinney to enable faxing capabilities, for reasons unknown these two locations are unable to fax using the City's VOIP phone lines. **December amount increased \$30 for a 2025 transaction found to be related to 2024 activities.**
- Cellular Telephone **December amount increased \$718 for multiple 2025 transactions found to be related to 2024 activities.** January is historically lower due to the year-end accrual process.
- Systems Communication Internet has the main expense posting in January, with additional small purchases throughout the year. This represents MPL's payment to South Central Library System for technology, network services, PC support and Integrated Library System (ILS) services.
- Building Improvement/Repair/Maint:
 - Monthly common area maintenance charges of \$22,269 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - **December amount increased \$3,181 for multiple 2025 transactions found to be related to 2024: sewer backup repairs at Meadowridge (\$655) sign repair at Pinney (\$603), water heater repair at Sequoya (\$1,165), urinal repairs at Sequoya (\$634), retention pond maintenance at Library Support Center (\$250) and common area maintenance reconciliation credit for Goodman South Madison (-\$778).**
- Elevator Repairs **December amount increased \$576 for Central public elevator button repairs paid in 2025 for work done in 2024.**
- Equipment Improvement Repair Maint is over budget due to some unexpected and unplanned repairs during the year. **December amount increased \$680 for community room heat repair at Ashman (\$1,273) and credits for in-house printing jobs paid with donations (-\$1,625) and cooling tower preventative maintenance at Centra, Pinney, Sequoya, Goodman South Madison and Library Support Center (\$1,325).**
- Recruitment expense is high for the year due to the expenses for the Library Director vacant position. Without those expenses the total for the year would be \$931, well under budget. **December amount increased \$28 for background checks paid in 2025 but processed in 2024.**
- Conferences and Training **December amount increased \$300 for 2024 executive coaching paid in 2025 and accrued back to 2024.**
- Uniform Laundry **December amount increased \$748 for 2025 transactions related to 2024 and accrued back to 2024.**
- Consulting Services December expenses include reflective support at Hawthorne, Lakeview and Meadowridge branches, final payment for the operational assessment, payment for the City's PCI DSS compliance services (Library's portion).
- Advertising Services December expenses include Spanish language translation services, staff t-shirts, advertising of Library core services, staff years of service cards and gifts, Teejop and Care & Repair ads, and a portion of the Pop-Up Portrait studio photographer. **December amount increased \$5,294 for core services ads, program ads and marketing merchandise paid in 2025 for 2024 services.**

- Security Services is over budget due to some unanticipated equipment repairs and replacement at Central, Pinney and Goodman South.
- Transportation Services expenses are for the Youth Delivery program (formerly Home Delivery). **December amount increased \$450 for 2024 services paid in 2025 and accrued back.**
- Program Services December expenses include Go Big Read planning; Care and Repair programs at multiple locations; cooking classes at multiple locations; art programs; bilingual storytimes at Hawthorne; Lakeview teen programs and pop-up portrait studio; Pinney PlayLab, art, teen writing, creative movement/dance; Sequoya Jazz, yoga for kids, Dungeons and Dragons; Goodman South art club, community English classes and I am a Man art exhibit; and Making Justice programs. **November amount decreased \$450 because transportation services were reclassified to the correct account. December amount increased \$1,758 for in-house printing jobs paid with donations and program partner background checks.**
- Other Services and Expenses **December amount increased \$1,180 for collection item rebind/laminate services paid in 2025 for work done in 2024.**
- Community Agency Contracts represents MPL's payment to Dane County Library Service walk-in contract, with offsetting revenue, net expense to MPL is \$625,832.
- Taxes and Special Assessments **December amount increased \$12,349 for Lakeview's prorated share of 2024 real estate taxes paid in 2025 and accrued back to 2024.**
- Permits and Licenses **December amount increased \$625 for Central's 2024 elevator permits paid in 2025 and accrued back to 2024.**

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 100%

- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Inter-Dept Charge from Fleet Services is for vehicle maintenance and fuel. **November amount increased \$285 for fuel purchases and December amount increased \$193 for fuel purchases.**
- 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. The monthly amount for insurance is \$9,127.50 and the monthly amount for workers comp is \$1,451.75.
- 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.