

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. In 2025 MPL reached the assumed donation budget in March.

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

https://cityofmadisonwi-my.sharepoint.com/personal/luisuiter_madisonpubliclibrary_org/Documents/Board Reports/2026/06 June/Supp Notes to the Apr 2026 Financial Reports.docx

Revenue budget used: 60%

- 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: 30%

- Wages and Benefits have 7.2 pay periods out of 26.9 pay periods. Last YTD had 7.3 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: 58%; Actuals plus Encumbrances: 61%. Actuals without Library Materials is 35%.

- Copy Printing Supplies April included a bulk purchase of copy paper.
- Furniture April expenses include attic stock for the new chairs (casters, arms, etc., held for future repairs) for Central and stools for Pinney.
- Hardware Supplies April expenses include monitor replacements for Technical Services staff and patron laptops for Central.
- Software Licenses April expenses include events floorplan software for Central.
- Program Supplies April expenses include Making Justice: Parents as First Teachers; We Read; Coffee & Connections, youth play space at Central; book club and storytimes at Hawthorne; Agatha Christie program at Meadowridge; storytimes and comfort room supplies at Pinney; game night, Mary Mullen programs at Sequoia; D&D and south side history programs at Goodman South.
- Library Collections Materials:
 - Combined Capital and Operating budget totals \$2,352,067 with purchases to date of \$1,038,661, 44% of budget is used. There are additional encumbrances not reflected in Munis of \$242,670, bringing us to 54% of the budget used.
 - Capital budget:
 - General Collections budget is \$1,152,211 with purchases to date of \$253,518, 22% of budget is used.
 - Imagination Center at Reindahl Park budget is \$682,389 with purchases to date of \$309,303, 45% of budget is used.
 - Operating budget is \$517,467 with purchases to date of \$475,841, 92% of budget used.
 - Levy budget is \$325,067 with purchases to date of \$267,204, 82% of budget used.
 - Donations (MPLF and Friends) budget is \$192,400 with purchases to date of \$208,637, 108% of budget used.
- Machinery and Equipment April expenses include events freezer and portable ice bins for Central events, replacement amplifier for Centra AV, and a printer return for technical services.

Purchased Services

Purchased Services budget used: Actuals: 74%; Actuals plus Encumbrances: 86%.

- When factoring out SCLS and Dane County contract payments budget used: Actuals 44%, Actuals plus Encumbrances: 70%.

- Natural Gas budget is 60% used when we are only 33% 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 expenses include the annual Web Dewey fees, annual SurveyMonkey subscription, and some copy paper that accidentally entered in this account, which was reclassified in April. April's amount is a positive amount on the report because of the reclassification.
- Building Improvement/Repair/Maint April expenses include:
 - Monthly common area maintenance (CAM) charges \$21,976 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - Central loading dock drain clearing, toilet replacement and sink remount.
 - Hawthorne urinal blockage clearing.
- Fire Protection is over budget due to some unanticipated expenses for troubleshooting at Ashman, panel batteries at Sequoya and work to temporarily bypass the chiller room at Central while the chiller was being replaced.
- 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. The first quarter 2026 bill was paid in March, if an annual amount is projected based on Q1 the annual total will be \$13,400, under budget.
- Equipment Improv Repair Maint April expenses include AV room equipment repairs at Central and Goodman South; battery backup fixture replacement at Pinney; HVAC preventative maintenance at Central; HVAC repairs not included in maintenance contracts at Central, Monroe Street, Pinney, Sequoya and Library Support Center.
- Conferences and Training April expenses include PLA annual conference lodging and transportation, Cosugi conference registration, and miscellaneous webinars for staff.
- Membership April amount is a refund of the accidental CMT Amazon membership.
- Credit Card Services April expenses are higher due to the first quarter 2026 SCLS eCommerce fees.
- Advertising Services April expenses include an ad campaign for library card sign-up and library value calculator, and newsletter ads.
- Program Services April expenses include Making Justice; Parents as First Teachers; Anji playdate; cinesthesia and art programs at Central; cooking club at Hawthorne; cooking, poetry, afterschool art programs at Lakeview; art club and nature everywhere at Monroe Street; bilingual storytimes, yoga, afterschool art, chapters writing group and pen pals at Pinney; Chinese storytimes, D&D, Jazz at Sequoya; author talk, nature everywhere, art club and bilingual storytimes at Goodman South Madison.
- Security Services April expense is a panic button and power supply replacement at Meadowridge.
- Transportation services are for youth delivery.

Debt/Inter-Dept Charges

Debt/Inter-Dept Charges budget used: 6%

- Finance staff have not processed any 2026 inter-departmental charges yet, they are busy with year-end reconciliations and processes for the external audit of the 2025 financial records.
- Inter-Dept Charge from Engineering is for Hawthorne building maintenance. January through March charges posted in April.
- Inter-Dept Charge from Fleet Services.
- Inter-Dept Charge from Traffic Engineering is for radio system maintenance, typically charged in May or June. 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. April payment is interest only. October's payment will be principal and interest and use the remaining available budget.