

MADISON PUBLIC LIBRARY
Supplementary Notes to the September 2025 Financial Reports
As of October 27, 2025

Financial Snapshots

<u>Key Indicators</u>			
Budget Year Remaining	25%		
Budget Year Lapsed	75%		
<u>Percent of Budget Used</u>	<u>Grand Total</u>	<u>Levy/Earned Revenue</u>	<u>Private Funds</u>
Total Operating Revenue	98%	98%	80%
Total Operating Expense	69%	68%	74%
Total Wages & Benefits Expense	72%	72%	98%
Total Supplies Expense	69%	67%	74%
Total Services Expense	89%	86%	72%
Total Debt/Inter-Dept Charges	9%	9%	0%

Year to Date:

								9/30/2025
							Year remaining	25%
							Year lapsed	75%
MADISON PUBLIC LIBRARY SEPTEMBER 30, 2025 YEAR TO DATE BUDGET REPORT AS OF OCTOBER 27, 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	25,309,363	24,690,673	-	98%	618,690	23,410,463	1,280,210	5%
Expenses Totals:	(25,097,898)	(17,002,566)	(253,466)	69%	8,061,805	(16,451,319)	(551,247)	3%
Wages & Benefits Totals	(16,042,119)	(11,511,993)	-	72%	4,750,065	(11,266,096)	245,897	2%
Supplies Totals	(1,576,916)	(1,058,599)	(37,250)	69%	481,066	(951,653)	106,946	11%
Purchased Services Totals	(4,983,569)	(4,197,764)	(216,216)	89%	569,589	(4,042,268)	155,496	4%
Debt and Inter-Dept Totals	(2,495,294)	(234,209)	-	9%	2,261,085	(191,302)	42,907	22%
Net Gain/(Loss)	211,465	7,688,107	(253,466)		8,680,495	6,959,144		
	Levy/Earned Rev	Private Funds						
Fund Balance 1/1/2025	2,464,159	319,040						
Fund Balance 12/31/2025 - ESTIMATED	2,964,159	219,040						

Month to Date:

MADISON PUBLIC LIBRARY SEPTEMBER 2025 MONTH TO DATE REPORT AS OF OCTOBER 27, 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	1,942,225	23,257	4,733,807	9,443	-	-	-
Expenses Totals:	(3,674,170)	(2,238,944)	(1,646,158)	(1,586,275)	(1,454,850)	(1,538,144)	(1,431,686)	(2,017,159)	(1,414,855)	-	-	-
Wages & Benefits Totals	(959,768)	(1,384,784)	(1,219,576)	(1,218,455)	(1,224,013)	(1,256,517)	(1,227,468)	(1,805,129)	(1,216,285)	-	-	-
Supplies Totals	(325,418)	(96,405)	(254,161)	(86,227)	(75,580)	(55,869)	(45,422)	(47,313)	(72,203)	-	-	-
Purchased Services Totals	(2,388,196)	(757,215)	(171,750)	(127,606)	(154,623)	(149,143)	(158,471)	(164,393)	(126,367)	-	-	-
Debt and Inter-Dept Totals	(788)	(541)	(671)	(153,987)	(635)	(76,614)	(324)	(324)	-	-	-	-
Net Gain/(Loss)	6,648,978	2,021,016	(1,622,976)	1,624,684	(1,290,159)	404,081	(1,408,429)	2,716,648	(1,405,412)	-	-	-

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.

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: 98%

- 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: 72%

- Wages and Benefits has 18.3 pay periods out of 26.1 pay periods. Last YTD had 17.5 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: 67%; Actuals plus Encumbrances: 69%

- Furniture Supplies has 208% 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 the budget how the funds would be spent. Additionally, MPL is purchasing sit-stand ADA desks for each branch for patron use; this was not planned when the 2025 budget request was made.
- Program Supplies June purchases include Making Justice supplies; art programs at various locations; babies and toddler programs at various locations; junk journaling programs at various branches; science club programs at various branches; Meadowridge cooking and Great Gatsby 100th anniversary celebration programs; Parents as First Teachers.
- Library Collections Materials:
 - Combined Capital and Operating budget totals \$1,832,897 with purchases to date of \$1,072,825, 59% of budget is used. There are additional encumbrances not reflected in Munis of \$142,925, bringing us to 66% of the budget used.
 - Capital budget:
 - General Collections budget is \$911,211 with purchases to date of \$552,967, 61% of budget is used.
 - Lakeview High Demand budget is \$375 with purchases to date of \$375, 100% of budget is used.
 - Imagination Center at Reindahl Park budget is \$300,000 with purchases to date of \$5,939, 2% of budget is used.
 - Operating budget is \$621,312 with purchases to date of \$513,544, 83% of budget used.
 - Levy budget is \$252,929 with purchases to date of \$230,509, 91% of budget used.
 - Donations (MPLF and Friends) budget is \$368,383 with purchases to date of \$283,035, 77% 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.
- Building Supplies July amount is high, upon investigation a transaction for janitorial supplies was found to have posted to the wrong account. \$4,664 was reclassified in August.

- 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: 84%; Actuals plus Encumbrances: 89%.

When factoring out the Dane County and SCLS Contract, budget used: Actuals: 63%; Actuals plus Encumbrances: 74%.

- Water Expense is beginning to reduce, this is expected. Central's air conditioning system uses water for cooling, so that it increases during the summer months.
- Telephone Expense will exceed the budget for the year. It was unknown when processing the 2025 operating budget request that MPL would need to add copper lines to three locations to enable long-distance faxing. MPL is projecting \$2,666 over budget for Telephone Expenses in 2025.
- Systems Communication Internet budget is almost fully used; this is where we record the SCLS contract payment of \$608,792 in February. There will be very few additional expenses for the remainder of the year. July expense is for OCLC Online Computer Library Center annual license and hosted server fees.
- Building Improvement/Repair/Maint September expenses include:
 - Monthly common area maintenance (CAM) charges \$20,062 for Hawthorne, Ashman, Lakeview, Meadowridge, Pinney, Sequoya and Goodman South.
 - Remaining September expenses include: Sequoya floor drain backup call and Library Support Center garage door repairs.
- Office Equipment Repair is a newly used expense category to capture the cost of the multi-function device maintenance contracts and charges. These had previously been reported in Equipment Improv/Repair/Maint. They have been moved to this account to clearly call out the expenses. These are now billed quarterly on a combined invoice, in the past they were billed monthly with an invoice for each location. This will streamline the process for MPL staff.
- Lease Rental of Equipment is over budget due to unanticipated rental of floor buffer equipment at Central.
- Conferences and Training September expenses are for the YWCA Racial Justice Summit, bilingual certification for a page at Goodman South Madison, and marketing website training.
- Credit Card Services will now have monthly fees in addition to the quarterly SCLS eCommerce fees. This is due to the credit card readers now attached to public printers in all locations and public copiers at Hawthorne and Meadowridge.
- Advertising Services is over budget due to grant and donation funded marketing with budget added fully to programming, not knowing some would be spent on marketing. September expenses include marketing for Meadowridge's Great Gatsby celebration, special edition library card and newsletter 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. In October MPL received a breakdown from the monitoring company for fire monitoring versus security (burglar, panic button) monitoring. You will see the reclassification entries post in October.
- Transportation Services is for the youth delivery program.
- Program Services August expenses include cooking classes and storytimes 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; and Making Justice programs.
- Other Services and Expenses September amount is for book bindery repairs.

- 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 Q3.
- Taxes and Special Assessments are only at 72% of the 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: 9%

- Inter-Dept Charge from Engineering is for Hawthorne building maintenance.
- Inter-Dept Charge from Fleet Services journal entries for July and August have not been processed by Finance staff.
- 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 semi-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.