

Board Meeting 3/25/2021 Financial Review
Budget vs. Actual Income and Expense Report
Prepared by Kerrie Goeden, HR & Finance Coordinator

Income

These financial statements include year-to-date information through 2/28/2021. Expenditures should be at or under 16.7% (2/12) of budget YTD. Exceptions to that are explained below.

4010 State Aid Income

We received 75% of our 2021 state aid from the DPI in November 2020. The remaining 25% will be received in April 2021.

4120/4130/4170/4180 Delivery Services

Delivery services fees for 2021 for our members (4120) were invoiced in January and therefore are reporting at 100% of budget. The other delivery fees will be invoiced in the upcoming months, to include Other Member Delivery-Library (Link Express services) and Multi/Intersystem Delivery (Statewide, UW, Multi-type libraries), invoiced in February and September. Special Request Delivery income is recorded as it occurs on a monthly basis.

4220 WLA Rent

WLA is invoiced for their annual rent in January; therefore 100% of the funds in this account are reported this month.

4242 Tech and/or ILS Member Payments

Technology and ILS fees to members were invoiced to all participants in January; therefore 100% of this revenue is reported this month.

4020/4060 Portfolio (Un)Realized Gains/Change in Market Appreciation

(Un)Realized gains and changes in market appreciation are not budgeted, as they are not within our control. YTD the portfolio has had (un)realized loss of \$18,028.75.

4290 SCLS Foundation Admin Fees

These are the fees SCLS receives from the Foundation to manage the receipts and record keeping, etc. for the fund. These fees are based on a % of portfolio balance. These fees are invoiced and recorded on a quarterly basis, at the end of each quarter.

Expenses

5575 Tech Broadband Lines & Services

Wiscnet & MUFN fees 7/2020-6/2021 were paid in January for the year. That amount was \$44,180.00, therefore this account is at 42.8% year to date.

6040 Continuing Education Expense

In February, we paid for 2 all staff trainings; one held in March on the quality standard, Helpfulness, with Darcy Luoma Coaching and Consulting. This will be followed up by another training in April. These will fulfill our annual all staff training sessions for the year and cost \$5,000. Therefore we are at 30.4% of budget year to date.

7050 Subscriptions

The professional collection subscription renewal with Ebsco for 2021 happened this month. This is a one-time annual payment, bringing this account to 55.1% of budget.

7210 Fleet Expenses

Fleet expenses are a little over budget so far due to the purchase of a transmission (\$3,200) and an engine oil and drum deposit in January, in addition to the regular expenses of fuel and repairs.

7260 Bonding/Cargo/Fleet Insurance

We've paid the annual premium for the auto and liability insurance already for the year. Therefore this account is at 94.7% of budget. We will also receive a dividend (rebate) in May.

7270 Delivery Supplies and Equipment

Delivery stocked up on supplies in January. Therefore this account is at 22.5% of budget.

7470 Child/YA/Special Needs Materials

A new batch of accu-cut dies and die kits were ordered in January. This is a one-time order for the year. Therefore this account is at 28.3% of budget.

7650 Facility Headquarters

Rent is paid a month in advance therefore we have paid through March 2021 and are within budget at 23%.

7700 Employee Insurances

All insurances are paid a month in advance, therefore YTD we have paid January through March insurances and are at 28.8% of budget.

7730 Workers Comp, General Insurance

This account is at 108% of budget, as we have paid the insurance premiums for the entire year of 2021 for cyber, executive liability, property, general liability, worker's comp and business services bond insurance.

7740 Audit

The audit is complete and we have been invoiced for the entire sum.

7745 Contracted Services HQ

In February we paid for the Managed cloud web server 4vCPU, Mgd Cloud database, Mgd Cloud Wed/Database Serve through Contegix, which is a one-time annual payment. Therefore this account is at 33.9% year to date.

9170 Members Digital Buying Pool

The income represented on the financial statements (\$309,873.97) includes member fees for the digital media buying pool and the Advantage Program, as well as the SCIDS portion of MPL contract for the Advantage Program through Overdrive for eBooks and digital content and a Madison Public Library Foundation donation to the Advantage Program through Overdrive for eBooks and digital content.

Portfolio Update:

Fixed Income Portfolio balance as of 2/28/2021: \$1,810,209.60

Fixed Income Portfolio balance as of 1/31/2021: \$1,820,293.50

The total portfolio value has decreased this month by \$10,083.90

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$212,767.60 since inception.

First Business Bank Ratings as of 2/28/21:

Sited and quoted directly from the following sources:

<http://www.depositaccounts.com/banks/health.aspx?gclid=CMaGrfvuhr8CFQMNaQodwQwAgA#texas>

Texas Ratio: "Anything over 100% is considered at risk. Texas Ratio is an industry standard for calculating the health of a bank, but is not the only factor to consider. Data is based on the latest published financial data from FDIC and NCUA."

First Business Bank has a Texas Ratio of 6.65% and is listed as 25th healthiest bank in WI with assets of \$1 billion +.

<https://www.bauerfinancial.com/star-ratings?ref=#2-loadhere>

Ratings for selected banks operating in south-central Wisconsin

Star ratings are based on current financial data.

Source: Bauer Financial

WHAT THE RATINGS MEAN

Bauer Financial:

- 5 — Superior
- 4 — Excellent
- 3 1/2 — Good
- 3 — Adequate
- 2 — Problematic
- 1 — Troubled
- 0 — Lowest

First Business Bank has a rating of 4 for Bauer Financial rating scales.

<https://www.bauerfinancial.com/star-ratings/tell-me-more/?cert=15229&type=B>

<http://www.firstbusiness.com/investor-relations/>

This is the First Business Bank website that offers links to their Financial Statements, Stock Information, Dividends, Governance Documents and information of the Officers and Directors.