

Board Meeting 5/27/2021 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 4/30/2021. Expenditures should be at or under 33.3% (4/12) 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% was received in April 2021. Therefore this account is at 100% of budget.

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 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 \$22,512.26.

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

5320 Online Content and Memberships

In March we paid the MyWiLS membership fees for 7/1/21-6/30/22 for 54 member libraries as well as the 2021 Outreach membership. These are annual one time fees. Therefore this account is at 39.1% of budget.

5575 Tech Broadband Lines & Services

Wisnet & MUFN fees 7/2020-6/2021 were paid in January for the year. That amount was \$44,180.00, therefore this account is at 44.4% 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. Which was 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 39.4% of budget year to date.

7050 Subscriptions

The professional collection subscription renewal with Ebsco for 2021 happened in February. 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. This account will be offset by the Delivery LSTA grant later in the year, bringing it back within budget.

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, replaced a computer in March and purchased 50 wheels and brakes and 5 casters for the carts. In April Delivery purchased 20 new aluminum carts which cost \$5,680.00. Therefore this account is at 141.9% of budget. Any amount over budget at year-end will be taken from the General/Delivery Carryover Account.

7470 Child/YA/Special Needs Materials

In April, SCLS coordinated a group movie license purchase for 49 library sites which cost \$13,338. This amount will be invoiced back to libraries in May, balancing out this account.

7650 Facility Headquarters

Rent is paid a month in advance therefore we have paid through May 2021. We were, however, billed for the CAM (common area maintenance) and year-end taxes reconciliation in April for both 2019 and 2020, since they did not send the 2019 bill last year. This additional set of charges totals \$27,335. Therefore this account is now at 51.6% of budget.

7700 Employee Insurances

All insurances are paid a month in advance, therefore YTD we have paid January through May insurances and are at 47.2% of budget. Insurance rates are slightly ahead of budget and will be adjusted on the mid-year budget.

7730 Workers Comp. General Insurance

This account is at 115.4% 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, business services bond and crime insurance.

7740 Audit

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

7752 Computer Hardware & Supplies

This account is for the annual replacement of staff PCs and peripherals, Slack and Zoom subscriptions. YTD we have expended 52% of this account.

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 4/30/2021: \$1,810,410.11

Fixed Income Portfolio balance as of 3/31/2021: \$1,806,028.65

The total portfolio value has increased this month by \$4,381.46

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$212,968.11 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.