

Board Meeting 10/28/2021 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 9/30/2021. The mid-year budget has been updated effective 7/1/2021. Expenditures should be at or under 75% (9/12) 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 again in the fall. 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 losses of \$35,008.63.

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

5130 Madison Public Library

The Resource and Supplementary Services contracts with MPL have been paid in full for the year.

5530 ILS Contracted Support

We paid the annual 2021 maintenance contracted support fee in May, therefore this account is fully expended.

5540 ILS Third Party Maintenance and Start Up

In June we paid for Syndetics Unbound through 5/31/22. We also purchased a new mobile app through Solus out of the UK, which put this account over budget. Any overage will be paid for out of the ILS Carryover account.

5551 ILS Cataloging Software/Contract

The Cataloging contract with Madison Public Library has now been paid in full for the year. Therefore this account is at 94.6% of budget.

5575 Tech Broadband Lines and Services

In June we paid for the TEACH lines for the first half of the year. We also paid for the annual WiscNet and MUFN fiber fees, WiscNet annual fees for network access and membership fees. Therefore this account is at 115.2% of budget.

5591 3rd Party Annual Support and Maintenance

The MyPC and Papercut annual fees were paid in June, fully expending this account.

5740 Contracted Printing Services

This account includes all printing sent to Madison Public Library for our member libraries. These print jobs will be invoiced back to the libraries, bringing this account back within budget.

6070 Digitization Expenses

We are using the remainder of this fund to pay Tracie Miller's wages to assist in several digitization projects through the end of the year.

7210 Fleet Expenses

Fleet expenses comprise regular expenses of fuel and repairs for our delivery vehicles. This account will be offset by the \$75,000 Delivery LSTA grant later in the year, bringing it back within budget.

7270 Delivery Supplies and Equipment

In addition to regular ordering of supplies, Delivery 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 and in May and June, purchased casters for the carts which cost \$784.38 and \$829.01 respectively. Therefore this account is at 121.5% of budget. Any amount over budget at year-end will be taken from the General/Delivery Carryover Account.

7280 Fleet Replacement

Vehicle replacement is not budgeted. All fleet replacement costs will be taken from the General/Delivery Carryover Account.

7475 Experimental Services for Libraries

In addition to regular monthly charges for mobile hotspots, in June, 7 Latitude 3520 laptops were purchased for the mobile laptop lab. This is an annual replacement. Therefore this account is at 107.4%.

7650 Facility Headquarters

Rent is paid a month in advance therefore we have paid through October 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 92.0% of budget.

7700 Employee Insurances

All insurances are paid a month in advance, therefore YTD we have paid January through October insurances and are at 86.7% of budget. Insurance rates were adjusted on the mid-year budget in July.

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, Adobe, Slack and Zoom subscriptions. We have also renewed our Carbonite subscription and Jody H's Tableau subscription. YTD we have expended 104.8% 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.

9153/9196/9206/9211 CARES and LSTA Grant Accounts

The 2nd Tech Sparsity LSTA grant, the Infrastructure Backup Digitization LSTA grant and the ILS Migration LSTA grant were completed in September. Fiscal reports will be submitted for reimbursement in October and November. The Professional Learning Funds LSTA grant has just begun and will provide \$32,276 in grant funds for CE opportunities.

Portfolio Update:

Fixed Income Portfolio balance as of 9/30/2021: \$1,811,941.76

Fixed Income Portfolio balance as of 8/31/2021: \$1,819,262.14

The total portfolio value has decreased this month by \$7,320.38.

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$214,499.76 since inception.

First Business Bank Ratings as of 8/31/21:

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 2.91% and is listed as 13th 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.