

Board Meeting 6/23/2022 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 5/31/2022. Expenditures should be at or under 41.7% (5/12) of budget YTD. Exceptions to that are explained below.

4010 State Aid Income

We received 75% of our 2022 state aid from the DPI in December 2021. The remaining 25% was received in April 2022. Therefore this account is at 100% of budget.

4030 Interest on Vested Funds

Interest income includes interest now earned on the Money Market Account holding the BCPL loan funds. Therefore interest income is higher than budgeted.

4120/4130/4170/4180 Delivery Services

Delivery services fees for 2022 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 March and September. Special Request Delivery income is recorded as it occurs on a monthly basis.

4150 Proceeds from Sale of Vehicle

Vehicles were sold at auction in January for a total of \$16,896.99, which exceeds the anticipated budget by nearly \$6,400.

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.

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 losses of \$97,173.00. This is just the current valuation of the bonds. They will be held to maturity, sold at their full purchase price and reinvested.

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. Fees for the 1st quarter 2022 are recorded now and are ahead of budget by nearly double.

Expenses

5130 Madison Public Library

YTD expenses include SCLS back up reference and ILL services and SCLS materials in demand for the 1st half 2022. Therefore this account is at 50% of budget.

5230 Lost/Damaged Material

Waltco lost several bins of library materials and we've had to replace those items for the libraries. We have invoiced Waltco back for the cost of the replaced materials and are awaiting payment.

5570 Tech Support Equip & Services

We purchased HelpDesk Ticketing and Inventory Software from SolarWinds and paid for the GoTo (LogMeIn) subscription. Any expenses that exceed budget will be paid for out of technology carryover funds.

7210 Fleet Expenses

In addition to regular repairs, equipment and fuel expenses, we purchased a warranty with the 2022 Ram 2500 Promaster van. Therefore this account is at 87% of budget. The \$75,000 Delivery LSTA grant will be applied to this account, and will bring 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 and received a dividend (rebate) in April. Therefore this account is at 96.3% of budget.

7280 Fleet Replacement

A \$1,000 down payment was made on a 2022 Ram 2500 Promaster van in January and the balance of \$48,340.50 was paid in February. Fleet replacement is not budgeted and will be paid for out of contingency funds.

7295 Delivery Facility

Facility costs are at 70.2% of budget already due to regular utilities, renewing the annual delivery building 2022 security and monitoring services in January and overhead garage door repairs in June.

7475 Experimental Services for Libs

7 Latitude 3420 laptops for a new wireless laptop lab were purchased in April, bringing this account to 50.9% of budget.

7630 New Building Expenses

We have created new accounts in which to record the various new building expenses. Any expenses will be funded with the BCPL Loan.

7654 Offsite Storage

We have paid for the first half of 2022 for offsite storage. Expenses are over budget due to adding boxes to storage in March and having a media box removed from storage and delivered to HQ. We will no longer be storing that with Access Information Management.

7655 Supplies

I placed a large order of checks and envelopes for the year, along with our regular supply orders for HQ. Therefore this account is at 106.6% of budget. We will be increasing this budget to \$3,000 on the 2022 mid-year budget.

7700 Employee Insurances

All insurances are paid a month in advance, therefore YTD we have paid through May. Insurances are at 48.4% of budget.

7730 Workers Comp, General Insurance

This account is at 137.4% of budget, as we have paid the insurance premiums for the entire year of 2022 for cyber, executive liability, property, general liability, worker's comp and business services bond insurance. The renewal came in higher than budgeted for worker's compensation and cyber liability insurances.

7740 Audit

The audit is complete and we have been invoiced for all of the fees. The audit expenses are higher than originally budgeted due to changing auditing firms.

7760 Equipment Repairs

2 office chairs were replaced in March and April, bringing this account to 79.8% of budget.

8015 Legal Fees

We've incurred additional legal fees for consult on the new building, in addition to regular consulting. Services include reviewing Keller contracts, Purchase and Sale Agreement with the City of Madison, title work, and easement work.

9170 Members Digital Buying Pool

The income represented on the financial statements (\$364,022.00) includes member fees for the digital media buying pool, the Advantage Program and OverDrive Magazines. It also includes an additional contribution made to the SCLS Advantage account by the Ruth Culver Community Library in Prairie du Sac and \$30,000 in SCIDs funds from Madison Public Library.

Portfolio Update:

Fixed Income Portfolio balance as of 5/31/2022: \$1,712,660.96

Fixed Income Portfolio balance as of 4/30/2022: \$1,704,751.69

The total portfolio value has increased this month by \$7,909.27

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$115,218.96 since inception.

First Business Bank Ratings as of 5/31/22:

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 1.52% and is listed as 11th 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 5 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.