

Board Meeting 9/22/2022 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 8/31/2022. Expenditures should be at or under 66.7% (8/12) 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.

4241 3rd Party Annual Support and Maintenance

We will be invoicing Bibliotheca \$20,000 they pay us to provide front line tech support on self-check and RFID units. This will bring this account up to budget.

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 Fixed Income Portfolio Realized and Unrealized Gains/Change in Market Appreciation

Realized and unrealized 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 \$68,978.58 and realized losses of \$63,621.50. The unrealized losses are just the current valuation of the bonds. They will be held to maturity, sold at their full purchase price and reinvested. The realized losses are from bonds sold prior to maturity, at a lesser value, but then reinvested into bonds with a higher yield overall.

4243 Back Up Collab. System Contribution

This income is from a LSTA grant and will be used to maintain the back-up collaboration equipment.

Expenses

5230 Lost/Damaged Material

Waltco lost several bins (about \$5,800) 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.

5310 Out of System Interloan

We paid for the annual WorldShare ILL fees to OCLC for the year in July. Therefore this account is at 93.1% of budget.

5320 Online Content and Memberships

We paid for the annual First Search fees to OCLC for the year. Therefore this account is at budget.

5540 ILS Third Party Maintenance and Start Up

This month we renewed Syndetics Unbound through 5/31/23 and the annual Solus UK subscription fees. Therefore this account is fully expended.

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.

5575 Tech Broadband Lines and Service

We have paid the annual fees for the WiscNet and MUFN fees, in addition to regular monthly VPN fees. Therefore this account is at 74.9%.

5591 3rd Party Annual Support and Maintenance

We have paid the annual fees for MyPC and Papercut. Therefore this account is at 100% of the budget.

5740 Contracted Printing Services

We have paid the first half of 2022 to MPL for printing and paper services. A portion of this will be charged back to the libraries or to the Summer Library Programs, bringing this account back within budget.

7090 Meeting Supplies

We have returned to an in-person option for our All Directors meetings. The last 2 locations required the food to be catered by the meeting facility, causing expenditures to be higher. The cost of the lunches, however, will be invoiced back to the attendees, which will reduce our overall expenses.

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 154.1% 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 98.1% 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.

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.

7652 Utilities

The cost of gas and electricity has been higher than budgeted so far this year. We will monitor this account and adjust the rates on the 2023 budget if needed.

7654 Offsite Storage

We have paid for quarters 1, 2 and 3 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.

7730 Workers Comp, General Insurance

This account is at 98.7% 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.

7740 Audit

The audit is complete and we have been invoiced for all of the fees.

7752 Computer Hardware & Supplies

We paid for the annual subscriptions to Carbonite and Slack in August. Therefore this account is fully expended.

7760 Equipment Repairs

2 office chairs were replaced in March and April, and the refrigerator was repaired, bringing this account to 100.3% 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, easement work, offer and review of the ground leases, estoppel letters and parking agreements on Pankratz St.

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 8/31/2022: \$1,683,389.14

Fixed Income Portfolio balance as of 7/31/2022: \$1,714,272.36

The total portfolio value has decreased this month by \$30,883.22

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$85,947.14 since inception.

First Business Bank Ratings as of 8/31/22:

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 1.55% and is listed as 12th 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.