

Board Meeting 12/16/2022 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 11/30/2022. Expenditures should be at or under 91.7% (11/12) 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 significantly 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 were invoiced in March and September, to include Other Member Delivery-Library (Link Express services) and Multi/Intersystem Delivery (Statewide, UW, Multi-type libraries). 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 all of this revenue is reported.

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 \$101,061.65 and realized losses of \$63,056.45. 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

5130 Madison Public Library

All contracts with MPL have been paid for the year. Therefore this account is at 100% of budget.

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, however Waltco has only paid us \$500.00 of the total loss.

5320 Online Content and Memberships

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

5535 ILS Contracted Development

No expenses have been recorded yet YTD. However, an OCLC credit in the amount of \$1,500.00 to be put toward future development costs has been recorded.

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.

5551 ILS Cataloging Software/Contract

Both the Madison Public Library and the OCLC cataloging contracts have been paid in full for the year. Therefore this account is at 100% of budget.

5570 Tech Support Equip & Services

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

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.

7090 Meeting Supplies

We have returned to an in-person option for our All Directors meetings. The last 3 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

This account is over budget due to the price of gas and regular maintenance costs being elevated this year.

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 125.5% of budget due to increasing prices of utilities, renewing the annual delivery building 2022 security and monitoring services in January and overhead garage door repairs in June.

7450 SLP Printing/Supplies

All applicable printing expenses have been charged to this account for the Summer Library Programs, therefore this account is at 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.

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 all 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 also removed several older boxes of files that were ready for record destruction and were charged for that service. We will no longer be storing anything new with Access Information Management and will move toward removing all of our files from their facility due to the increasing prices of storage and retrieval.

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 regular annual subscriptions to Carbonite, Slack, FormAssembly, Adobe, SurveyMonkey and Salesforce as well as new subscriptions that were once free, such as Google. We've added new subscriptions as well, including Deepnet Security.

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, parking agreements, emails and closing documents for 1650 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.

9100-9200 Accounts - Other Expenses

These accounts represent our grant accounts for the fiscal year. The delivery grant, tech sparsity grant, ARPA Hybrid grant, ARPA IT grant and Professional Learning grants have been spent and have been submitted for reimbursement to the DPI.

Portfolio Update:

Fixed Income Portfolio balance as of 11/30/2022: \$1,661,098.61

Fixed Income Portfolio balance as of 10/31/2022: \$1,639,587.19

Happy to report, the total portfolio value has increased this month by \$21,511.42!

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$63,656.61 since inception.

First Business Bank Ratings as of 11/30/22:

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.