

Board Meeting 2/23/2023 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 1/31/2023. Expenditures should be at or under 8.3% (1/12) of budget YTD. Exceptions to that are explained below.

4010 State Aid Income

We received 75% of our 2023 state aid from the DPI in December 2022. The remaining 25% will be received in April 2023.

4030 Interest on Vested Funds

Interest income includes interest now earned on the Money Market Account holding the BCPL loan funds as well as our regular money market account, and our interest rate is 4.03%. Therefore interest income is significantly higher than budgeted.

4120/4130/4170/4180 Delivery Services

Delivery services fees for 2023 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 nearly 100% of this revenue is reported this month.

4020/4060 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 gain of \$14,085.68.

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 January we paid for WPLC 2023 member shares for the year, bringing this account to 14.6% of budget.

5760 Copier Lease/In-House Printing

The copier lease is paid a month in advance, therefore we've paid through February 2023 and are at 13.9% of budget.

7070 Member Library Professional Development

CE grants and WLA memberships for the year were issued this month.

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 117.2% of budget. We will also receive a dividend (rebate) in May, bringing this account back within budget.

7295 Delivery Facility

Facility costs are at 26.2% of budget already due to renewing the annual delivery building 2023 security and monitoring services this month.

7296 Delivery Facility Rent

This account is at 18.2% of budget, as rent is paid a month in advance. Therefore the YTD expenses include both January and February 2023 rent.

7630 New Building Expenses

We have budgeted for ongoing landscaping expenses, which includes common area maintenance and snow removal. YTD we have spent 15.7% of our annual budget with snow removal. The ground lease expense will be incurred once per year and is paid for 2023.

7650 Facility Headquarters

These accounts are at 31.3% of budget, as rent is paid a month in advance and utilities are higher in January. Offsite storage is paid quarterly as well, so 3 months of expenses are recorded in January.

7700 Employee Insurances

All insurances are paid a month in advance, therefore YTD we have paid for both January and February insurances and are at 16.8% of budget.

7730 Workers Comp. General Insurance

This account is at 114.1% of budget, as we have paid the insurance premiums for the entire year of 2023 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.

7750 Bookkeeping

January has additional fees with the processing of 1099 reports and year end W2 forms.

7751 FSA Fees

January has additional plan fees with the new year enrollment processing, along with regular monthly fees.

9170 Members Digital Buying Pool

The income represented on the financial statements (\$342,876.00) includes member fees for the digital media buying pool, the Advantage Program and OverDrive Magazines.

9001 Other Expenses

These accounts reflect grant expenditures that will be submitted to the DPI for reimbursement.

Portfolio Update:

Fixed Income Portfolio balance as of 1/31/2023: \$1,679,230.88
Fixed Income Portfolio balance as of 12/31/2022: \$1,662,156.64

The total portfolio value has increased this month by \$17,074.24

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$81,788.88 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.