

Board Meeting 4/27/2023 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 3/31/2023. Expenditures should be at or under 25% (3/12) 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 4.62%. 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 March 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.

4295 BCPL Building Loan Revenue

We drew the 2nd BCPL loan funds in February in the amount of \$1 million.

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 a realized loss of \$123.96 and unrealized gains of \$12,970.89.

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

We've paid the first half of the 2023 Cataloging, Back up reference and ILL, Materials in Demand contracts with MPL. Therefore this account is at 50% of budget YTD.

5570 Tech Support Equipment & Services

In February we renewed our annual subscription with SolarWinds, the HelpDesk ticketing and inventory software. Therefore this account is at 85.7% of budget YTD.

7050 Subscriptions

In February we paid for our annual EBSCO journal subscriptions. Therefore we're at 55.4% of our budget YTD.

7260 Bonding/Cargo/Fleet Insurance

We've paid the annual premium for the auto and liability insurance already for the year and we received a dividend (rebate) in February. Therefore this account is at 95.4% YTD.

7294/7659 Facility Loan Interest Expense

We paid our annual loan payment to BCPL in February. This year (2023) is an interest only payment.

7295 Delivery Facility

Facility costs are at 61.5% of budget already due to renewing the annual delivery building 2023 security and monitoring services in January, in addition to regular monthly utility and maintenance costs.

7630 New Building Expenses

We have budgeted for ongoing landscaping expenses, which includes common area maintenance and snow removal. We've also budgeted for furniture, equipment and ground lease expenses. YTD we have spent 29.2% of our annual budget for snow removal. The ground lease expense will be incurred once per year and is paid for 2023.

7650 Facility Headquarters

These accounts are at 66.9% of budget, as rent is paid a month in advance and utilities are higher in the winter months. Rent is only budgeted through May 2023, as we're moving to the Pankratz building. So we've paid 4/5 of the rent YTD. Offsite storage is paid quarterly as well, so 3 months of expenses were recorded in January.

7700 Employee Insurances

All insurances are paid a month in advance, therefore YTD we have paid for January-April insurances and are at 32.6% of budget.

7730 Workers Comp, General Insurance

This account is at 84.8% 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. We received a rebate for worker's compensation insurance premiums post-audit as our payroll was lower than budgeted.

7740 Audit

We're in the middle of our audit cycle and have started to receive progress billing for the year.

7745 Contracted Services HQ

In February we paid for Contegix for the managed cloud web server, database, and Blackmesh. This gets billed twice per year. We also had job posting expenses for the open Field Technician and Cataloging positions. Therefore we're at 41.8% of our budget YTD.

8015 Legal Services

We received legal consult on Technology Contract revisions to accommodate new cyber security language and also consulted on FMLA Personnel issues, employee handbook updates, a MOU with MUFN and bylaws review.

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 3/31/2023: \$1,689,737.54

Fixed Income Portfolio balance as of 2/28/2023: \$1,664,599.12

The total portfolio value has increased this month by \$25,138.42!

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$92,295.54 since inception.

First Business Bank Ratings as of 2/28/23:

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 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.