

Board Meeting 3/28/2024 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 2/29/2024. Expenditures should be at or under 16.7% (2/12) of budget YTD. Exceptions to that are explained below.

4010 State Aid Income

We received 75% of our 2024 state aid from the DPI in December 2023. The remaining 25% will be received in April 2024.

4030 Interest on Vested Funds

Interest income includes interest earned on the money market, Sweep and state pool accounts. Our interest rate is 5.39%. Therefore interest income is starting out the year higher than budgeted.

4120/4130/4170/4180 Delivery Services

Delivery services fees for 2024 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.

4241 3<sup>rd</sup> Party Annual Support and Maintenance

The annual fee for MyPC Time Management has been invoiced for the year, therefore 30.2% of the annual revenue is reflected this month. The remainder of this account is for Envisionware maintenance fees and that will be invoiced later in the year.

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.

4041/4060 Portfolio Interest/Dividends and (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 \$4,535.01. These are offset by the interest income earned on the account in the amount of \$13,111.21.

4290 SCLS Foundation Admin Fees

These are the fees SCLS receives from the Foundation to manage the receipts and record keeping 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**

5560 Tech Central Server Hardware

Server hardware was replaced in the data center. Thus this account is at 77.6% of budget YTD.

7050 Subscriptions

The EBSCO Journal subscription was renewed for 2024. Therefore this account is at 82.5% of budget.

#### 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 101.9% of budget.

#### 7293/7294 Facility Loan Principal and Interest Payment

The annual loan payment has been made for the year 2024. Therefore these accounts are reporting at 100%.

#### 7295 Delivery Facility

Facility costs for delivery include half of the utilities and will therefore need to be adjusted with the mid-year budget to reflect the utility costs at the new Pankratz building. The January electric bill was significantly higher than usual due to the additional fees associated with the electrical switchover, as well as construction electricity use in January. We have now received training on the new HVAC system settings and have adjusted temperatures throughout the building to a more efficient level. We will continue to monitor these costs.

#### 7296 Delivery Facility Rent

We budgeted for one month of rent at the Gilson facility, which was paid in January 2024. Therefore this account is fully expended.

#### 7632 New Building Landscaping

This account covers costs such as mowing, weeding and plowing, pest control and trash/recycling. To date, most of the expenses have been for plowing, which constitutes 2/3 of this budget. To date we've spent 63% of the budget, which is in line with expected plowing expenditures remaining for the year.

#### 7633 New Building Construction Work

This budget reflects final billing for the new building construction and costs to install the delivery telephone system, blinds and connect the doors to the security system. These are all complete. Therefore this account is at 99.8% of budget.

#### 7636 Ground Lease Expense

This was paid in full for the year in January. Therefore this account is at 100% for the year.

#### 7655 Supplies

With the completion of the building project and Delivery moving into the new facility, we've had some larger orders of supplies this year, some of which is being shared between HQ and Delivery. We will evaluate all supply budgets at mid-year and will look at possibly combining them together.

#### 7700 Employee Insurances

All insurances are paid a month in advance, therefore YTD we have paid through March and are at 25.1% of budget.

#### 7730 Workers Comp, General Insurance

This account is at 109.2% of budget, as we have paid the insurance premiums for the entire year of 2024 for cyber, executive liability, property, general liability, worker's comp, business services bond and crime insurance. The renewal came in higher than budgeted for cyber liability insurances.

#### 7740 Audit

The field work portion of the annual audit is complete and to date we have paid the progress billing through February 2024. Therefore this account is at 71.4% of budget.

### 7745 Contracted Services HQ

Expenses YTD include web hosting for half of the year and background checks through February. Therefore this account is at 38.3% of budget.

### 9170 Members Digital Buying Pool

The income represented on the financial statements (\$368,948.00) includes member fees for the digital media buying pool, the Advantage Program and OverDrive Magazines.

### 9001 Other Expenses

These accounts reflect professional learning and IDEA Project grant expenditures that will be submitted to the DPI for reimbursement.

Total Expenses through February 2024 are at 18.9% of the total budget. This includes expenses that have been paid a month in advance (employee insurances), and expenses that have been paid for the year (subscriptions, fleet/general insurances, the mortgage and ground lease). Therefore weighing in these factors, we are operating well within budget YTD.

### **Portfolio Update:**

Fixed Income Portfolio balance as of 01/31/2024: \$1,744,659.59

Fixed Income Portfolio balance as of 2/29/2024: \$1,744,378.45

The total portfolio value has decreased this month by \$281.14

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$146,936.45 since inception.

### **First Business Bank Ratings as of 2/29/24:**

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 4.66% and is listed as 21<sup>st</sup> 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.