

Board Meeting 12/20/2024 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 11/30/2024. Expenditures should be at or under 91.7% (11/12) of budget YTD. Exceptions to that are explained below. The mid-year budget adjustments are reflected on the financial statements as of 7/1/2024.

4010 State Aid Income

We received 75% of our 2024 state aid from the DPI in December 2023 and the remaining 25% was received in April 2024. Therefore this account is at 100% of budget for the year.

4030 Interest on Vested Funds

Interest income includes interest earned on the money market, Sweep and state pool accounts. Our interest rate is 4.72% and interest income has exceeded the budget by \$10,121.61 YTD.

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 are invoiced later in the year, to include Other Member Delivery-Library (Link Express services) and Multi/Intersystem Delivery (Statewide, UW, and Multi-type libraries), invoiced in February and July. Special Request Delivery income is recorded as it occurs on a monthly basis, however this service has mostly been phased out.

4150 Proceeds from Sale of Vehicles

One vehicle was sold earlier this year and Jesse has sent 2 more vehicles to auction in December 2024. The auction house doesn't anticipate selling them until January 2025, though, so that income will likely be reported in 2025.

4241 3rd Party Annual Support and Maintenance

This income is from fees charged to the member libraries for MyPC Time Management and for Envisionware maintenance fees for self-check units. All fees have been charged for 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 gains of \$12,839.81. These are in addition to the interest income earned on the account in the amount of \$66,773.22, which is ahead of budget by \$3,679.22.

4405 Misc. Admin Income

SCLS received Covid Relief funds from the Dept. of Workforce Development.

Expenses

5130 Madison Public Library

In September, the MPL contracts for cataloging, back up reference, and materials in demand were paid for the 2nd half of the year 2024. Therefore this account is fully expended.

5310 Out of System Interloan

The WorldShare ILL subscription was renewed with OCLC for the year. Therefore this account is at 93% of budget.

5320 Online Content and Memberships

The First Search subscription was renewed with OCLC for the year. Therefore this account is at 99.6% of budget.

5530 ILS Contracted Support

The 2024 Annual maintenance and development support fees were paid to PTFS in May, therefore this account is fully expended for the year.

5545 ILS Telenotice Phone Charges

The annual maintenance contract for the Talking Tech service has increased and the fees per line for the 8 lines of Talking Tech we have installed in our data lab have also increased. Therefore this account is over budget for the year.

5551 ILS Cataloging Software/Contracted

In September, the MPL contracts for cataloging, back up reference, and materials in demand were paid for the 2nd half of the year 2024. Therefore this account is now fully expended.

5565 Tech Software Licenses

The tech team ordered 1450 Microsoft Office 2024 Professional Plus LTSC licenses in November. These licenses are for every computer that SCLS maintains. These licenses cost a total of \$98,701.50, which exceeds this budget for the year. However, these licenses will be utilized, as needed, over the next few years. This account is cyclical; we underspend the account for a couple years, which builds up the carryover fund. Then we overspend the account in the years we need to purchase the licenses, which uses the carryover funds.

5570 Tech Support Equipment & Services

Solar Winds (HelpDesk Ticketing and Inventory Software), LogMeIn and 250 additional InfoSec IQ seats for Cyber Security training have been purchased for the year. Therefore this account is fully expended.

5591 3rd Party annual support and Maintenance

The MyPC and Papercut annual fees 7/22/24 - 7/21/25 were paid in June. Therefore this account is fully expended.

7210 Fleet Expenses

This account budget was increased by \$75,000 on the 2024 mid-year budget due to the elimination of the Delivery LSTA grant. This account is now back within budget for the year.

7280 Fleet Replacement

We purchased 2 Delivery vehicles in June 2024. The cost of vehicles has increased significantly. Therefore this account is over budget for the year. This budget has been increased in 2025.

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/7652 HQ Utilities

Facility costs for delivery include half of the utilities. This account was 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. We did have an additional landscaping expense in September and October, however, to have a weed barrier and additional mulch installed around the building. Therefore we have over-expended this budget 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. It also includes the Focus on Energy rebate that we received for participating in this program. Therefore this account is at 99.6% of budget.

7635 New Building Equipment

This account includes regular quarter maintenance inspections for the HVAC, fire suppression and alarms, sprinklers, etc. In addition to these anticipated costs, we had unplanned expenses including having Alois Roofing out 3 times to address roof leaks, we installed a dock doorbell, and needed AV system repairs and maintenance and added an annual service plan. Therefore we are over budget for the year. This account has been adjusted for 2025.

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 did increase this supply budget at mid-year, however we are still exceeding it. We've noticed that items like hand towel rolls, toilet paper and GoJo hand soap for the bathroom dispensers are REALLY expensive now. So we are investigating whether other suppliers can offer better prices on these items. We will continue to monitor this account and adjust it as needed on the next budget cycle.

7700 Employee Insurances

All insurances are paid a month in advance, therefore YTD we have paid through December and are at 100.4% of budget, which is right on target.

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.

9170 Members Digital Buying Pool

The income represented on the financial statements (\$367,164.00) includes member fees for the digital media buying pool, the Advantage Program and OverDrive Magazines.

9001 Other Expenses

These accounts reflect tech sparsity, ILS migration, professional learning, trustee training and IDEA Project grant income and expenditures that have been or will be submitted to the DPI for reimbursement.

Total Expenses through November 2024 are at 74.6% 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 10/31/2024: \$1,802,519.33

Fixed Income Portfolio balance as of 11/30/2024: \$1,808,044.32

The total portfolio value has increased this month by \$5,524.99

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$210,602.32 since inception.

First Business Bank Ratings as of 11/30/24:

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 3.75% and is listed as 16th 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.