

Board Meeting 1/23/2025 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 12/31/2024. Expenditures should be at or under 100% (12/12) 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.

4030 Interest on Vested Funds

Interest income includes interest earned on the money market, Sweep and state pool accounts. Our interest rate is 4.61% and interest income has exceeded the budget by \$17,234.69 YTD.

4120/4130/4170/4180 Delivery Services

Other Member Delivery-Library (Link Express services) income finished under budget by \$6,365.00. Multi/Intersystem Delivery (Statewide, UW, and Multi-type libraries) income finished under budget by \$2,458.00. Special Request Delivery income is recorded as it occurs on a monthly basis, however this service has mostly been phased out. Income for the year was \$4,037.50 under budget due to scaling back this service. Total income under budget for Delivery Services is \$12,860.50.

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. They won't be sold until 2025. Therefore income in this account will be under budget by \$10,000 at year-end.

4242 Tech and/or ILS Member Payments

Technology and ILS fees to members were invoiced to all participants in January. However fees invoiced totaled 99.2% of the total budget, leaving this account under budget at year-end.

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 \$8,829.18. These are in addition to the interest income earned on the account in the amount of \$72,087.11, which is ahead of budget by \$8,993.11.

4405 Misc. Admin Income

SCLS received Covid Relief funds from the Dept. of Workforce Development in the amount of \$3,755.52.

Expenses

5530 ILS Contracted Support

The 2024 Annual maintenance and development support fees were paid to PTFs in May. Fees increased by \$8,188.40 this year over budget.

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 \$2,965.87 over budget for the year.

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. This year the account will be intentionally overspent by \$91,513.64; as Technology Carryover Account funds will be used.

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.

5585 Technology Contingency

Backup Collaboration funds that were received in a prior year, but not used in that year, were placed in the technology contingency account for future use. This year, \$43,925.47 of these funds were used to purchase maintenance extensions for the backup equipment.

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 by \$8,487.10. This budget has been increased in 2025.

7290 Contracted Service

This account includes fees to Waltco, Monarch Library System, Southwest WI Library System and Winding Rivers Library System. Fees charged by Waltco exceeded our budget by \$10,918. We will need to review that service in 2025.

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.

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. In December, however, we received an unexpected invoice from Arbon for the 3 steel dock extensions installed last January, leaving this account over 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.

9001 Other Expenses

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

Year End Summary

The total year-end budget vs. actual report shows that \$105,303 of contingency account funds were used in 2024. The summary below shows an approximate calculation of the departmental budgets at year-end. The net amount factors in both income accounts and expense accounts for each department.

The Technology team had a planned use of carryover funds in 2024 in the amount of approximately \$94,000. In order to use carryover funds in a fiscal year, the account expenditures must be more than the account budget. These funds will come from the Technology and ILS Carryover accounts. This is the majority of the \$105,303 spent in 2024.

The Administration, Consulting and Delivery departments share the General/Delivery Carryover account. A total of approximately \$11,000 in General/Delivery Carryover funds were used in 2024. This usage is due to the Delivery expenditures (primarily fleet expenses and contracted services) coming in over budget and revenues coming in slightly under budget due to a reduction in demand for certain services.

These figures are approximate. Final carryover account calculations will be tabulated for the annual audit and will be updated on the January 2025 financial statements.

Administration Department:

Net: \$21,000 under budget (approx.) – will add this amount to general carryover account

Consulting Department:

Net: \$14,000 under budget (approx.) – will add this amount to general carryover account

Delivery Department:

Net: \$46,000 over budget (approx.) – will use this amount of general carryover funds

Tech/ILS Departments:

Net: \$94,000 over budget (approx.) – will use this amount of Technology/ILS carryover funds

Portfolio Update:

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

Fixed Income Portfolio balance as of 12/31/2024: \$1,808,507.72

The total portfolio value has increased this month by \$463.40

Starting portfolio balance 10/11/2012 = \$1,597,442.00. Therefore our portfolio balance has increased overall by \$211,065.72 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.