

**River Forest Public Library  
Finance Committee Meeting  
MINUTES  
Thursday, June 2nd, at 1:00 PM**

**Present:** Committee members Cathy Ruggeri, Deborah Hill, and Tom Smedinghoff. RFPL Director Emily Compton, and Operations Manager Katie Cangelosi.

**Call to Order:** Trustee Ruggeri called the meeting to order at 1:00 pm.

**Minutes:** The March 3rd, 2022 minutes were approved with two grammatical edits.

**New Business:**

A. Audit progress and timeline

- a. Director Compton reported that Lauterbach and Amen (L&A) have begun preliminary audit work with the following timeline:
  - i. L&A will be onsite to complete preliminary work in late June.
  - ii. A representative from L&A will present the audit draft at the September Finance Committee meeting.
  - iii. A representative from L&A will present the final audit at the October Regular Board meeting.

B. Year-end revenue and expenditure reports draft

- a. Director Compton presented a draft of the year-end revenues and expenditures. The draft included property taxes that were received in May 2022 but are to be accounted for in FY 21-22. A few more changes are expected to the year-end report as the audit process continues, including recognizing in FY 21-22 the payroll amounts paid in May for expenses incurred in April.
- b. Director Compton explained that fiscal year-end reports are pulled on an accrual basis, whereas monthly financials are pulled on a cash basis. Accrual basis means the Library accounts for a transaction when the service or item is received. Cash basis means the Library accounts for a transaction when the service or item is paid for.

C. Budgeting for operations: 2<sup>nd</sup> installment property tax bill delay

- a. Director Compton reported that the next tax bill, typically due on August 1, may be delayed until the end of the calendar year. The Committee discussed the amount of available operating funds and the possibility of using maturing CDARS accounts to cover operating expenses in the interim. Director Compton will monitor the news and ask what other Library Directors in Cook County may be doing to mitigate risk.

D. Capital expenses vs. operating expenses

- a. Trustee Ruggeri presented a memo prepared by former Trustee Katie Bevan dated 4/10/17 that set forth the criteria for determining whether an expense should be considered operating or capital. If an asset has a useful life greater than 1 year and costs more than \$1,000 then it should be considered capital. If a repair costs more than \$1,000 and meets one of these three criteria, then it is also a capital expense:
  - i. Extends the efficiency/quality of the asset, or
  - ii. Replaces a major component of the asset, or
  - iii. Extends the useful life of the asset.

- b. The Committee agreed that Director Compton's spending cap without the Board's approval is \$5,000 for operating and capital expenses.
- E. Moving operating funds to CDARS accounts at times of peak funding
- a. Trustee Ruggeri stated that the Library's Byline operating account has a .4% interest rate, but when the balance in that account is over the sweep threshold of \$50,000, the excess amount is moved into accounts earning an interest rate of .07%.
  - b. The Committee discussed increasing the amount at which the Byline sweep occurs but decided that the interest earned is not worth the potential risk of an account balance exceeding the limit of FDIC insurance.

**Old Business:**

- A. Maturing CDARS plan – consider moving to Byline money market
- a. The Committee decided that as the CDARS accounts mature, they will be rolled into the Library's Byline operating account and join the sweep protocol already in place and discussed in New Business. The committee will revisit laddering the operating reserves between the operating account and CDARS accounts once the Library starts receiving its 2nd installment of property taxes.

**Next Meeting:** To be decided.

**Adjournment:** Trustee Hill moved to adjourn the meeting at 1:35 pm, seconded by Trustee Smedinghoff.