

**River Forest Public Library
Finance Committee Meeting
MINUTES
Tuesday, August 29th, 2023, at 3:00 pm**

Present: Committee members Cathy Ruggeri, Deborah Hill, Jim Hopkinson, and Scott Delano. RFPL Director Emily Compton, and Operations Manager Shannon Duffy.

Call to Order: Trustee Ruggeri called the meeting to order at 3 pm.

Minutes: The April 20th, 2023 draft Minutes were approved.

New Business

FY22-23 Audit Draft- discussion with Monika Adamski of Lauterbach & Amen

Before calling Ms. Adamski, the Committee discussed several items from the audit draft-

- The audit reports that the amount of excess revenue over expenditures available to be transferred into the Library's Capital Fund is \$270,080 (p. 5). This amount seems to include a \$100,000 bequest that has already been transferred to the Capital Fund;
- The audit doesn't consistently treat a \$70,000 capital grant from the Foundation. The audit treats it as part of the Library's Operating revenue which was subsequently transferred to Capital and also as direct revenue to Capital (p. 19);
- The total Capital Fund expenses from the amended budget were not included in the audit (p. 50); and
- Items for discussion: property taxes received for year under audit were lower than the previous fiscal year, and expenses as reported on p. 8 of audit were substantially lower than previous fiscal year.

Director Compton called Ms. Adamski and Ann Scales from Lauterbach & Amen ("L&A"). The Committee discussed the following with Ms. Adamski and Ms. Scales-

- Substantial year-over-year drop in expenses for the net position computation. Ms. Scales explained that the number will change when L&A receives IMRF and OPEB information from the Village of River Forest.
- Recategorizing the \$100,000 bequest so it is not included in the excess revenues over expenditures amount that is still available to be transferred to the Capital Fund. Director Compton will ask the Library's accountant to add a journal entry to QuickBooks to allow the correction in the audit.
- Recategorizing the \$70,000 capital grant as direct revenue to the Capital Fund rather than as Operating revenue and subsequent transfer to Capital. Director Compton will ask the Library's accountant to add a journal entry for this as well.

- Why property tax revenue went down from the previous fiscal year while the levy increased. Ms. Adamski and Ms. Scales suspect the timing of tax disbursements may have caused this and will look into this further. Director Compton will ask the Village Finance Director if they know more about this.
- Why there is a substantial increase in the investment in library materials under capital assets. Ms. Scales was working from information provided by the Library. She will send the report to Director Compton to review.
- Why the audit states that the Library has no long-term debt but then references note 3 for additional information about its long-term debt. Ms. Adamski will reword this sentence.
- Should reference to Covid in the “Economic Factors and Next Year’s Budget and Rates” section be deleted. That section is highlighted for Director Compton to update.
- References to “Net Pension Liability-IMRF” have been added this year. Ms. Adamski explained that this is determined by the market and is nothing to be concerned about.
- The total expenses from the amended Capital budget are not shown in the audit. Ms. Adamski will look into it.
- Minor edits sent to Ms. Adamski ahead of the meeting. L&A will review the comments and edit accordingly.
- The Library has implemented a capital asset/capital expense policy as recommended by L&A in the previous year’s audit.

Collateralization option for CDs and accounts from Byline Bank

Currently, the Library’s accounts and CDARS are fully FDIC insured. Trustee Ruggeri explained that Byline Bank offers a collateralization option to protect public funds in lieu of fully insuring through the FDIC. Under this option, all of the Library’s assets would be held by Byline in CDs and public fund bank accounts that would pay a slightly higher interest rate than is paid by the Library’s current accounts and CDARS. Byline would segregate securities with a value equal to the amount by which the Library’s assets exceed the limit of FDIC insurance; these securities would serve as collateral in the event of a bank failure. The Committee discussed and opted to retain the Library’s FDIC-insured accounts and CDARS, concluding that the risks of the collateralization option outweigh the benefit.

Plan for funds from \$400,000 CIBC CDAR maturing on 8/31/23

The Committee discussed the \$400,000 maturing CDAR. Trustee Ruggeri presented several options for investing funds over the next 18 months, while keeping in mind that property tax bills are running late again in Cook County. Trustee Ruggeri suggested the Library invest \$50,000 in a 12-month CDAR through CIBC bank. The Library has enough operating reserves to lock up \$50,000 for one year. Trustee Hill suggested the Library invest \$100,000 each in a 3-month and 6-month CDAR. The Committee discussed this option, as well as

possibly opening 4 \$25,000 CDARS so the penalty would be lessened if the Library had to cash a CDAR out early.

The Committee decided at this time to open one \$50,000 CDAR through CIBC bank for one year. The remaining money from the maturing CDAR will be transferred to the Library's Operating Fund. The Committee will consider other CDAR investments in the future.

Balance sheet options for monthly financial reporting

Director Compton explained that the Library struggles with elements of the balance sheet because there is not an accountant on staff to update monthly some of the elements of the balance sheet. Director Compton asked the Library's accounting consultant if libraries typically present a full balance sheet in their monthly financials, and she said that many libraries do not. The Committee discussed which elements of the balance sheet are meaningful to report. Director Compton suggested reporting fund balances, then adding the credit card balance to the existing credit card report. The Committee agreed, and Director Compton will include an option for a revised balance sheet on the September Regular Board agenda for a final decision.

Pay schedule adjustment as of 8.31.23

Director Compton explained that the Library had to adjust its pay schedule to be compliant with the Illinois Wage Payment and Collection Act (820 ILCS 115/4) by paying out two pay periods with the August 31 paycheck. Additional expenses from that payroll included \$26,600 in wages, \$2,100 in Medicare/FICA, and an estimated \$4,200 in IMRF.

Old Business

None

Next Meeting: TBD

Adjournment

Trustee Ruggeri moved to adjourn the meeting at 4:33 pm, seconded by Trustee Delano.