

BARTLETT PUBLIC LIBRARY DISTRICT
COMMITTEE OF THE WHOLE
MONDAY OCTOBER 17, 2022
6:30 p.m.

Location: Meeting Room, Bartlett Public Library District
800 S. Bartlett Road, Bartlett, IL

CALL TO ORDER: President Hopkins called the Committee of the Whole meeting to order at 6:30 p.m.

ROLL CALL: President Heidi Hopkins; Vice President Peggy Deyne; Treasurer Joe Olsen; Secretary Peggy Bucaro; Dave Barry, Monica Boyer, and John Sias, Trustees.

STAFF PRESENT: Director Karolyn Nance, Human Resources Manager Dina Castelvechi, Adult Services Manager Mallory Untch, Circulation Manager Mary Prohaska, IT Manager Manny Garza, Facility Manager Larry Siegel, Business Office Specialist Marianne Kingsmill, Technical Services Manager-Sonya Skibicki.

PUBLIC PRESENT: Anthony Cervini, Sikich LLP.

TOWN HALL: None.

AGENDA: Report on Annual Audit. Anthony Cervini from Sikich provided a presentation on the Annual Audit. Director Nance provided the trustees two audit documents: the Annual Financial Report and the Independent Auditor's Report. The auditors will be issuing a clean unmodified opinion for the Library's financial statements as of fiscal year ended June 30, 2022. Management is ultimately responsible for the fair presentation of the financial statements.

The Statement of Net Position includes the Library's long-term full accrual components to the audit. The unrestricted net position as of June 30, 2022 was just under \$711,000. Statement of Activities includes the Library's expenses for activities, the program revenue, and charges for services. The change in net position is just under \$750,000 for FY '22.

The Balance Sheet for Governmental Funds reflects two major funds of the Library, the General Fund and the IMRF/FICA Fund. The unassigned fund balance as of June 30, 2022 was \$1,336,114.

Statement of Revenues, Expenditures, and Change in Fund Balance:

General Fund balance increased to just over \$535,000; IMRF increased approximately \$51,000. The overall fund balance increased just under \$534,000 for FY '22.

Notes to the Financial Statements: Under Section 2-A, the auditors test for compliance with the library's policies, including the investment policy which requires that all the Library's deposits and investments are covered by FDIC insurance or have collateral pledged for the value of the investments. The auditor's testing indicated about \$133,000 of deposits were not covered as of June 30, 2022 by insurance or collateral.

Director Nance will contact the bank and ask how they collateralized the coverage of the library's funds, whether by par value or market value. The bank may need to change their approach to how it collateralizes the funds.

As of December 31, 2021, the Library's net pension asset, IMRF, was about \$89,000, or approximately 11 percent funded. IMRF continues to be one of the best-funded plans in the state from the defined benefits standpoint.

Operating Budget: A few funds had expenditures that were in excess of the operating budget. The board can look at the actual expenditures and could make changes to the operating budget. Anthony stated the Library can have a planned draw-down of fund balance as well as can reappropriate a surplus.

Sikich is waiting on the actuary for the post employment benefit (OPEB) valuation. Once that information is received, an updated draft with those amounts reflected will be included in the final report.

The Communication to the Board Management document was reviewed. The Library's accrued payroll had not been posted in the trial balances that the auditor received. The auditors listed material adjustments including items 2, 4, 7, 8, and 9, as follows:

2, the proper recording of property taxes on the Library's financial statements; 3, correcting the prepaid amounts in the general fund for the July 2022 insurance payment; 4, updating the GASB 68 amounts for IMRF; 5, adjusting entries for the insurance expenditures in FY '21 and FY '22; 6, adjusting the compensated absence balance on the annual audit entry; 7, allocating the cash out of the general fund throughout the course of the year to

respective funds; 8, accounts payable for the parking lot project and the completion percentage as of June 30, 2022; 9 recording the capital assets.

Board Comments: The Library has a limited number of people involved in the management process; therefore there is limited opportunity to segregate duties, which can result in some risk. November is the go-live date with the electronic timekeeping.

Under Management Response, Deficiencies No. 2, rather than name a specific payroll company, the contractor will be identified as the "current payroll company."

TOWN HALL: None.

ADJOURNMENT: Trustee Sias moved to adjourn at 6:59 p.m.; seconded by Trustee Olsen. Roll Call Vote - Yes: Barry, Boyer, Bucaro, Deyne, Hopkins, Sias, Olsen.