



West Georgia Regional Library System

Finance Committee

MINUTES

May 25, 2021 at 9:00 a.m.

[This meeting was held via teleconference per O.C.G.A. 50-14-1(g).]

The meeting was called to order at 9:09 a.m. by Beth Hammond, Chairman.

Committee Members in Attendance:

- Beth Hammond, Chair
- Jenna Barton
- Keri Perkins
- Shannon Bentley

Staff in Attendance:

- Stephen Houser, WGRLS Director
- Stephanie Irvin, WGRLS Deputy Director
- Justin Nobles, WGRLS Assistant Director of Technology

Guests in Attendance:

- Amanda Wilkson, Bates Carter

APPROVAL OF AGENDA

Ms. Hammond asked to amend the agenda to include under Old Business an “Update on Obtaining a Purchase Card” and under New Business - “Budget FY2022 Status Report.

Motion to approve amended agenda – Perkins; Second - Bentley; No Discussion; MOTION APPROVED: Vote 4-0.

| Hammond | Barton | Perkins | Bentley |
|---------|--------|---------|---------|
| YES | YES | YES | YES |

APPROVAL OF MINUTES

Motion to Approve the Minutes from the March 23, 2021, Regular Meeting - Bentley; Second - Perkins; No Discussion; MOTION APPROVED: Vote 4-0.

| | | | |
|----------------|---------------|----------------|----------------|
| Hammond | Barton | Perkins | Bentley |
| YES | YES | YES | YES |

OLD BUSINESS

- **Purchase Card**

Mr. Houser gave an update on the system’s attempt to get a purchase card through United Community Bank, a local bank. The application went smoothly with the bank, but the credit card company used by the bank is requiring documentation not applicable to the library. Mr. Houser stated they will consider other options if they are unable to get the card soon.

NEW BUSINESS

- **Audit Report**

Amanda Wilkson of Bates Carter gave a review of the FY2020 library system audit. It was an unmodified opinion. The financial statements are in accordance with standards and are the highest level of audited opinion. There were no findings noted for FY2020.

The investment in capital assets in 2020 doubled. The restricted portion is the amount still on hand for capital construction projects. The unrestricted amount in the deficit is due to the new accounting standards. This deficit is normal for libraries.

The unassigned fund balance is \$1.1 million, which is healthy. There was \$392,000 more in revenue brought in for FY2020, which led to the increase of this fund balance. Funds brought in for state grants were properly expended. Compared to FY2020 the revenues and expenditures are consistent with FY2019. This is the second year the library has been able to build a reserve of more than \$300,000 in the fiscal year in the general fund.

The largest asset the library holds is the collection, which is to be expected. The worth of this asset was \$10.6 million at the beginning of FY2020 and \$6.3 million at the end of FY2020. The value of the books was about \$4 million. Books are expected to depreciate about every 10 years, so a reasonable depreciation shows the library continues to add to the collection. Periodicals and electronic items are not included in the asset costs.

The budget was followed. The budget allowed for about \$16-\$17,000 more than was spent. Expenses are being moderated and controlled. She advised watching categories throughout the year which are under budget and those that are over budget and making budget amendments if necessary to reflect the change in function(s).

In FY2020 there were no audit findings. It is the first in around 7 years that the library has not had to make a response to an audit finding. Ms. Wilkson commended the system's attentiveness to controls. Ms. Hammond thanked Ms. Wilkson and her staff for their work.

Mr. Houser asked about any expected year to year AUP expectations. Ms. Wilkson stated the requirements for the AUP will require the auditors to check on state grants and funding requirements. She added audits are more intensive and in-depth; thus meeting AUP requirements.

Ms. Hammond asked about the problems encountered with MIP software issues, including entering appropriate information in MIP, obtaining accurate accounting reports, and various other glitches. Ms. Hammond is concerned about how this will be addressed in an audit for FY2021. Ms. Wilkson confirmed that despite transitory issues, what the system was doing was adequate. She also stated in their audits they would be looking for procedural processes being performed correctly and timely in some manner.

Ms. Bentley asked what the cost of the audit was and where it was on the budget. Mr. Houser said it cost \$13,500. It is budgeted for \$15,000 and it's under fund 100 for purchased professional services. Mr. Houser said an audit costs more than an AUP but the depth of the service makes it worth the cost.

Motion to approve the financial audit as presented - Bentley; Second - Perkins; No Discussion; MOTION APPROVED: Vote 4-0.

| Hammond | Barton | Perkins | Bentley |
|---------|--------|---------|---------|
| YES | YES | YES | YES |

• First 9 Months FY2021 Reconciled Financial Statements

Mr. Houser stated that the majority of the funds and libraries are doing well. He noted the statements are not accurately showing interfund transfers due to the new software. The state salaries grant is doing well. There will be around \$70,000 left due to vacancies. It will be converted to system services grant, and the distribution options discussed at the called meeting. Ms. Hammond asked if extra funds were available, since obtaining tablets for the Regional Board had been discussed as a cost-saving measure for reducing the cost of copying documents for Board meetings. However, this would have to be something the current Board would need to finalize. Mr. Nobles said he could look into this option.

Motion to approve reconciled 9-month FY2021 financial statements – Perkins, Second - Bentley; No Discussion; MOTION APPROVED: Vote 4-0.

| Hammond | Barton | Perkins | Bentley |
|----------------|---------------|----------------|----------------|
| YES | YES | YES | YES |

● **Review of First Draft of WGRLS Finance Policy**

Ms. Hammond asked if there was any input on the Finance Policy Mr. Houser emailed to the committee and the board. Ms. Hammond recommended “regional board” be used in the policy in the cases where the “library board” is mentioned. She also asked what the library’s rules are for cash on hand, which is mentioned in the policy. Ms. Irvin said cash on hand is advisable and she used standard language in the policy for best practices. She said it may not be necessary to dictate how much should be on hand. She suggested striking the line about a minimal balance. It was decided to strike the line regarding a specified minimum balance of cash on hand for libraries, as well as the stipulation that the director determine the amount. Ms. Hammond was also concerned about ways to expedite approval for large purchases if the Chairman was required to initial the invoice prior to payment, due to the distance involved. Mr. Houser stated there were very few purchases at the level, and he did not anticipate a problem. She also asked if it’s typical for the board to approve salaries. Mr. Houser said it was included as an attempt to continue being open with the board.

Motion to Approve the draft of the Finance Policy with the changes discussed - Perkins Second - Bentley; No Discussion; MOTION APPROVED: Vote 4-0.

| Hammond | Barton | Perkins | Bentley |
|----------------|---------------|----------------|----------------|
| YES | YES | YES | YES |

● **FY2022 Budget Update**

Due to time constraints, Ms. Hammond deferred this item to the full board meeting since no action was required by the committee.

● **Purchase Card Policy - Final Draft**

Mr. Houser shared the policy had a change in credit limits based on the suggestions at the previous meeting. This increase allows up to a \$5,000 credit limit, an increase from \$2,500. The policy is otherwise unchanged from the previous draft.

Ms. Bentley asked how much is typically spent, and Mr. Houser clarified WGRLS doesn’t currently have a purchase card. When the policy was presented at the last meeting, there was concern by committee members the system might hit the spending limit, and with a lag in payment processing, there could be a problem. The balance on the card will be paid in full each billing cycle.

Motion to approve purchase card policy as the final version and be presented to the board – Perkins, Second - Bentley; No Discussion; MOTION APPROVED: Vote 4-0.

| Hammond | Barton | Perkins | Bentley |
|----------------|---------------|----------------|----------------|
| YES | YES | YES | YES |

ADJOURNMENT

Motion to Adjourn – Perkins, Second - Bentley; No Discussion; MOTION APPROVED: Vote 4-0.

| Hammond | Barton | Perkins | Bentley |
|----------------|---------------|----------------|----------------|
| YES | YES | YES | YES |

The meeting was adjourned at 10:08 a.m.

Minutes taken by Stephanie Irvin, Deputy Director