

PONTIAC PUBLIC LIBRARY
SPECIAL BOARD MEETING
DECEMBER 27, 2016
5:30 p.m.

The meeting was called to order by chair, Rosie Richardson. Roll call: Allen, present; Duvall, present, Jones, (arrived late), Jenkins, present; Richardson, present; Waterman, absent. A quorum was present. The chair called for a motion to approve the agenda. *Trustee Jenkins, motioned for the agenda approval, and Trustee Duvall seconded. Roll calls, Allen, yes; Duvall, yes; Jenkins, yes; Richardson, yes. Motion to approve agenda passed.*

The chair called for the review of the audit presented by auditor Gregory Terrell and Associates. Mr. Terrell provided the board with a copy of the letters outlining to services for which they were contracted for the year ending June 30, 2016 which were accompanied by the audit, and indicated that there were no significant changes in this year's audit. There were no corrected adjustments in the financial statements. There were not difficulties with management in performing the audit, and there was no need for the library to seek outside auditing services. There were and no conditions placed upon Terrell and Associates to complete the June, 2016 audit. Within the audit, there are financial statements Terrell and Associates do not prepare but are used for supplement information that they review for consistency. There was some discussion of the second letter. There was a small operating deficit this year of approximately \$184,000 and Mr. Terrell reminded the board that we should keep our focus on to trying to make sure that we keep our revenues consistent with our expenditures each year. He further stated that each year that we erode our fund balance, we at some point we could find ourselves in a deficit position. This is a repeat finding.

An overview of the audit was given. Mr. Terrell went over each section of the audit including, required supplement information, and required reporting including the budget and underlying financials. The annual report includes the financial statements of the library including total assets. It also discusses the responsibility of the library board, the accountant, and the auditing firm to assure compliance. There was some discussion regarding Management Discussion and Analysis (pages 3-6) where management is required to show what the libraries revenues and expenses were compared to the final approved budget. (Pages 20-22) Management has the responsibility to assure that the financial statements are complete and that they have expenses were has the opportunity to discuss and provide financial information and financial statements. The assets exceeded liabilities for the year ending June 30, 2016 in the amount of \$1,590,000. Total net assets decreased by \$148,658 based on current year activity. General fund balance \$1,204,871.00. The library currently maintains \$1,000,000. The audit report demonstrates funding spent on books, computers and library upgrades. Total assets of \$1,702,044. There are two types of financial statements included in the audit. One is reviewed particularly by the state (pages 9 & 10). Mr. Terrell explained the necessity of reconciling the financial statements for state reporting. The chair asked Mr. Terrell about the TIFA funding, and he stated that it was included as part of our budget. Other discussions were long term debt and. Investments.

The library has come under budget on budget expenditures. There were no material weaknesses and met compliance requirements.

Trustee Duvall asked if there was any need for additional checks and balances. Mr. Terrell reiterated on our need to maintain control of our spending. Trustee Duvall asked if there would be a room for pay increases for the library staff. He stated that we should look at how competitive we are in the wage and benefits, and evaluate yearly to see if there are better ways to obtain better benefits. He suggested that management consider employees.

Motion was made by Trustee Duvall to approve the audit, seconded by Trustee Allen. Roll Call; Allen, yes; Duvall, yes, Jenkins, yes; Richardson yes. Motion carried. An introduction of the new addition to Terrell & Associates, Amy Lynn.

The chair stated that there was an additional action item. Approval for One Day Liquor License. Trustee Jenkins, read a resolution for the Liquor License. *Motion to approve made by Trustee Duvall, seconded by Trustee Jones. Roll call; Allen, yes, Duvall, yes, Jones, yes; Jenkins, yes, Richardson, yes. Motion carried.*

BOARD COMMENTS

NONE

Submitted, February 2, 2017

Juliene Jenkins

Juliene Jenkins, Secretary
Pontiac Public Library Board of Trustees