

FRANKFORT PUBLIC LIBRARY DISTRICT
FINANCE COMMITTEE MEETING
FRANKFORT PUBLIC LIBRARY
October 7, 2025
9:15 AM

I. Call to Order

The meeting was called to order at 9:17 AM.

II. Roll Call

Present: Trustee Miner and Trustee Otway

Absent: None

Also Present: Director Kowalcze & Business Manager Wargowsky

III. Introduction of Visitors

None

IV. Minutes for Approval

Trustee Otway motioned and Trustee Miner seconded to approve the Minutes from the meeting on August 19, 2025. The Minutes were unanimously approved with no edits.

V. Old Business

None

VI. New Business

A. Draft Audit Review

1. The Committee reviewed the draft of the Fiscal Year 2024-2025 Audit sent over from auditors Illinois NFP. The Auditor Management Letter identified only one material weakness, which is related to tracking required by Government Standard Board (GASB) No. 34. These accounting standards require specific tracking of depreciations, compensated absences, and net pension liability. Rather than track these items monthly, due to limitations with the Library's accounting software, these accounting lines are handled annually with help from the Auditor. The auditors have acknowledged that this is very common for libraries. Trustee Miner suggested reaching out to Acorn Public Library District, which uses the same auditors and accounting software platform, to see if they received a similar noted material weakness. Director Kowalcze will reach out to the Director of the Acorn Library. The Audit Management Letter noted no other areas of concern.

2. The Committee reviewed the Auditor's Journal Entry recommendations.

These all appear routine in nature, mostly related to the aforementioned GASB34 tracking of depreciation, pension liability, and compensated absences. Additional journal entries are related to the loan change in February 2025 and the copier lease. The Auditors have stated that the matching donation the Library received must be recognized in the Fiscal Year received (FY2025), so there is also a journal entry for that adjustment. The Committee found nothing to be concerned with in the journal entries.

3. Director Kowalcze and Business Manager Wargowsky pointed out one typo in the draft edit that they have flagged for correction, where the new debt certificate interest rate is mistyped as the previous loan's interest rate. The auditor will correct this prior to the Board Meeting.

4. The Committee discussed the Library's Fixed Asset Capitalization Policy and how that governs the Library's capitalization of assets and depreciation of those assets. The Policy and Personnel Committee are discussing adding additional categories such as Land, Land Improvements, and Vehicles to this policy at their October meeting.

5. The Committee discussed the audit presentation at the October Board Meeting, and felt that at this time there were no additional areas of focus or questions that Director Kowalcze should flag for the auditors to address.

VII. Public Comment

None

VIII. Adjournment

Meeting adjourned at 9:48 AM.

Recorded By:

Amanda Kowalcze

Library Director