



**Library Board of Trustees**

**Library Board of Trustees Meeting**

**ImaginOn: The Joe and Joan Martin Center,**

**300 East Seventh Street, Charlotte**

**Monday, November 20, 2023, 4:00pm – 5:30pm**

**Trustees Present**

Peggy Brookhouse  
Dr. Stacey Brown  
Jon Buchan  
Joe Helweg  
Dr. Kimmerly Martin  
Tracy Montross  
Dr. Amy Hawn Nelson  
Preethi Srinivasan  
Charles Thomas, Chair  
Dr. Ricky Woods

**Trustees Absent**

Ailen Arreaza

**Staff Present**

Karen Beach  
Michael Boger  
Rachel Bradley  
Jean Brookshire  
David Dillard  
Michael Engelbrecht  
Jenni Gaisbauer  
Krystal Green  
Eric Hartman  
Mario Lopez  
John O'Connor  
Caitlin Moen  
Angie Myers  
Emery Ortiz  
Garrette Smith  
Marcellus Turner  
Martha Yesowitch

**Others Present**

Mark Kutny  
Gene Cochrane, Foundation Board Chair  
Daniel T. Gougherty (Auditor)

Mr. Charles Thomas opened and welcomed everyone to the Board meeting at 4:00pm. Mr. Thomas recognized Ms. Caitlin Moen and Dr. Kimmerly Martin who introduced the new ImaginOn Manager, Ms. Garrette Smith. Ms. Smith thanked the Board, gave a brief overview of her time with Charlotte Mecklenburg Library, and spoke about her excitement to continue her work in this new position and lead the ImaginOn team to the next level of greatness.

**Absence with Cause**

Mr. Thomas requested a motion to approve absence with cause for Ailen Arreaza. On a motion by Mr. Jon Buchan and seconded by Ms. Preethi Srinivasan, the Trustees unanimously approved the absence with cause.

**Approval of Minutes**

Mr. Thomas requested a motion to approve the Minutes from October 23<sup>rd</sup>. On a motion by Dr. Martin and seconded by Mr. Joe Helweg, the Trustees unanimously approved the minutes.

**Chair Update**

Mr. Thomas provided the following updates:

- Mr. Thomas gave a recap of the November 8<sup>th</sup> Board of County Commissioners meeting where Mr. Thomas represented the Charlotte Mecklenburg Library and gave a presentation on the Library’s FY2023 accomplishments. Mr. Thomas informed the Board that Commissioner Altman and members of the public addressed their concerns regarding this year’s Library Foundation Verse & Vino event. Mr. Thomas also relayed that Commissioner Griffin shared a wonderful story and his connection to Ms. Allegra Westbrook.
- Mr. Thomas thanked the Foundation staff for working hard to put on another successful Verse & Vino event.
- Mr. Thomas provided an update regarding the Strategic Direction consultant. Mr. Thomas informed the Board that the Executive Committee interviewed two firms during the November 13<sup>th</sup> Executive Committee meeting and then voted to approve Karen Dash, who has extensive library knowledge, as the Strategic Direction consultant for the Library. Mr. Thomas thanked Mr. Marcellus Turner and Ms. Emery Ortiz for their hard work on gathering, reviewing, and narrowing down the applicants to two finalists. Ms. Ortiz announced that the chosen consultant would meet with the full Board during the December Board of Trustees meeting.

## **Committee Reports**

### **Finance Committee**

Ms. Preethi Srinivasan introduced Mr. Daniel Gougherty, Director with our external audit firm Cherry Bekaert, who presented the following audit report.

### **Results of the Audit**

- We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Public Library of Charlotte and Mecklenburg County (the “Library”), a component unit of Mecklenburg County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Library’s basic financial statements, and have issued our report thereon dated October 23, 2023.
- We have also audited the Library’s compliance with the compliance requirements described in the Audit Requirements for Federal Awards (Uniform Guidance) and *Audit Manual for Governmental Auditors in North Carolina* that could have a direct and material effect on the Library’s major federal and state program for the year ended June 30, 2023.
- We have issued unmodified opinions on the financial statements and on compliance with the federal and state single audits.
- During our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.
- Internal Control Communication Recommendation: To formalize the review process to ensure revenue received after the Library’s recognition criteria are properly deferred at the fund level. This recommendation does not rise to the level of significant deficiency or material weakness. Under governmental reporting, at the fund level for your general fund and other funds of that nature, if you don't receive your receivable within 90 days, then that should not be shown as revenue because it's not considered available. And then it gets basically put as a liability or a deferred inflow of resources.
- **Corrected Misstatement**
  - The following material misstatement detected as a result of audit procedures was corrected by management:

- To record a deferred inflow of resources for unavailable revenue outside the Library's revenue recognition criteria in the General Fund of \$1,197,579 that was recognized at fund level.
- Uncorrected Misstatements
  - The following summarizes uncorrected misstatements of the financial statements. Management has determined their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements under audit.
    - Understatement of deferred outflows of approximately \$134,000 and total liability of \$335,000 and overstatement of deferred inflows of \$498,000 and expense of \$297,000 related to the correction of the total OPEB liability and associated accounts to adjust for the number of vested term employees.
    - Understatement of payable and expenditures of approximately \$88,000 in the special revenue fund and governmental activities.
- Qualitative Aspects of Accounting Practices
  - Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Library are described in Note 1 to the financial statements.
  - As of July 1, 2022, the Library adopted the provisions of GASB 96, Subscription-Based Information Technology Arrangements (SBITA), which amended the existing accounting standards for SBITA reporting. The application of existing policies was not changed during the year. We noted no inappropriate accounting policies or practices.
  - As part of our audit, we evaluated the Library's identification of, accounting for, and disclosure of the Library's relationships and transactions with related parties as required by professional standards. We noted none of the following:
    - Related parties or related party relationships or transactions that were previously undisclosed to us;
    - Significant related party transactions that have not been approved in accordance with the Library's policies or procedures or for which exceptions to the Library's policies or procedures were granted;
    - Significant related party transactions that appeared to lack a business purpose;
    - Noncompliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions;
    - Difficulties in identifying the party that ultimately controls the entity.
  - We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
  - Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:
    - Management's estimate of the allowance for doubtful accounts is based on historical trends and management's evaluation of outstanding receivables.
    - Management's estimate of depreciation expense is based on the useful lives of capital assets.
    - Management's assessment of the fair value of investments held by a third party as of year-end.
    - Management's estimates of the total other postemployment benefit liability and related deferred inflows and outflows are based on an actuarial analysis performed by a third party.

- Management's estimates of the net pension liability and related deferred inflows and outflows are based on an actuarial analysis performed by a third party and the fair value of the net pension liability.
    - Management's estimates of right-of-use asset and lease liability based on the terms of the lease agreement and the interest rate.
    - Management's estimates of right-of-use SBITA asset and liability based on the terms of the lease agreement and the interest rate.
    - We evaluated the key factors and assumptions used to develop these estimates in determining it is reasonable in relation to the financial statements.
  - The financial statement disclosures are neutral, consistent, and clear.
- Independence Considerations
  - Nonattest Services
    - Preparation of Data Collection Form.
    - For all nonattest services we perform, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.
  - Independence Conclusion
    - We are not aware of any other circumstances or relationships that create threats to auditor independence.
    - We are independent of the Public Library of the Charlotte and Mecklenburg County and have met our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.
- Other Required Communications
  - Difficulties Encountered
    - We encountered no significant difficulties in dealing with management in performing and completing our audit.
  - Disagreements with Management
    - Includes disagreements on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.
    - We are pleased to report that no such disagreements arose during the course of our audit.
  - Auditor Consultations
    - We noted no matters that are difficult or contentious for which the auditor consulted outside the engagement team.
  - Management Representations
    - We have requested certain representations from management that are included in the management representation letter to be dated October 23, 2023.
  - Management Consultations
    - In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations.
    - To our knowledge, there were no such consultations with other accountants.
  - Other Findings or Issues
    - We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year.

- These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
  - Fraud and Illegal Acts
    - As of the date of this presentation no fraud, illegal acts, or violations of laws and regulations noted.
  - Going Concern
    - No events or conditions were noted that indicate substantial doubt about the entity’s ability to continue as a going concern.
- Other Matters
  - Required Supplementary Information
    - We applied certain limited procedures to management’s discussion and analysis and required supplemental information (“RSI”), as listed in the table of contents, which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.
  - Supplementary Information
    - We were engaged to report on the supplementary information the schedule of expenditures – governmental funds and schedule of expenditures of federal and State awards which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.
- LGC Performance Indicators
  - Audit Report
    - Submission expected within five (5) months from fiscal year end
    - No statutory violations within audit report
    - No material or significant deficiencies to address
- Upcoming Financial Reporting Changes-These standards will be effective for the Library in the upcoming years and may have a significant impact on the Library’s financial reporting. We would be happy to discuss with management the potential impacts on the Library’s financial statements and how we may be able to assist in the implementation efforts.
  - GASB 101- Compensated Absences

Mr. Gougherty recognized the finance team, the foundation team, and in particular Michael Boger, Jean Brookshire, Teleia White, and Angie Myers for their diligent work on this audit.

**After some discussion and on a motion by the Finance Committee the Trustees unanimously approved the FY 2023 Annual Fiscal Audit Report.**

Ms. Srinivasan thanked Cherry Bekaert and Mr. Gougherty, the finance team, and the foundation team for their hard work on the report.

**Finance Committee cont.**

Ms. Srinivasan reviewed the FY2024 Budget Adjustments

- The first adjustment to the FY2024 budget brings in money from the Foundation to support Community Read book purchases. The \$45,563 is split between re-appropriating a small amount that was unspent last year \$5,563 and also bringing in 40k in new money. The Library’s programming and community read teams greatly appreciate the Foundation’s support of Community Read each year.
- The second is a \$3,000 gift to the Cornelius branch gift fund that will be added to their multi-year gift fund for critical branch needs including furniture, programming, supplies, outreach, and branch marketing needs. This gift is directly from the Cornelius Library Endowment Committee – a group that supports the Cornelius branch. In addition, this gift flows through FFTC but not the Library Foundation so is classified as Library revenue vs. a Foundation Contribution.
- The third is a budget transfer to properly reflect the Living Archives project revenue as Library vs. Foundation revenue. These funds come directly to the Library and do not flow through the Foundation.

| FY2024 Budget Adjustments           |                      |                                |                                      |                                  |                                      |
|-------------------------------------|----------------------|--------------------------------|--------------------------------------|----------------------------------|--------------------------------------|
| Budget Adjustment Number            | FY2024 or Multi-Year | Short Description              | Budget Category                      | Revenue Budget Adjustment Amount | Expenditure Budget Adjustment Amount |
| 241101                              | FY2024               | Community Read                 | Revenue: Foundation Contributions    | 40,000                           |                                      |
| 241101                              | FY2024               | Community Read                 | Expenditure: Collections             |                                  | 40,000                               |
| 241102                              | FY2024               | Community Read (FY23 Reserves) | Revenue: Reserves                    | 5,563                            |                                      |
| 241102                              | FY2024               | Community Read (FY23 Reserves) | Expenditure: Collections             |                                  | 5,563                                |
| Total FY2024 Budget Adjustments     |                      |                                |                                      | 45,563                           | 45,563                               |
| Multi-Year Budget Adjustments       |                      |                                |                                      |                                  |                                      |
| Budget Adjustment Number            | FY2024 or Multi-Year | Short Description              | Budget Category                      | Revenue Budget Adjustment Amount | Expenditure Budget Adjustment Amount |
| 241103                              | Multi-Year           | Cornelius Endowment Gift       | Revenue: Other Contributions         | 3,000                            |                                      |
| 241103                              | Multi-Year           | Cornelius Endowment Gift       | Expenditure: Misc. General Operating |                                  | 3,000                                |
| Total Multi-Year Budget Adjustments |                      |                                |                                      | 3,000                            | 3,000                                |
| Budget Transfers                    |                      |                                |                                      |                                  |                                      |
| Budget Transfer Number              | FY2024 or Multi-Year | Short Description              | Budget Category                      | Budget Transfer Impact - Revenue | Budget Transfer Impact: Expenditure  |
| 241104                              | Multi-Year           | Living Archives                | Revenue: Foundation Contributions    | (290,000)                        |                                      |
| 241104                              | Multi-Year           | Living Archives                | Revenue: Other Contributions         | 290,000                          |                                      |
| Total FY2024 Budget Transfers       |                      |                                |                                      | -                                | -                                    |
| Grand Total Budget Adjustments      |                      |                                |                                      | 48,563                           | 48,563                               |

**After some discussion, and on a motion from the Finance Committee, the board unanimously approved the budget adjustments.**

**Foundation Update**

Ms. Jenni Gaisbauer provided the following updates:

- Ms. Gaisbauer informed the Board that November 28<sup>th</sup> is Giving Tuesday, and all gifts will be matched dollar-for-dollar up to \$10,000.
- Ms. Gaisbauer provided the Board with an overview of the 10<sup>th</sup> Annual Verse & Vino event held on November 2<sup>nd</sup> at the Charlotte Convention Center.

- Ms. Gaisbauer discussed the concerns that arose from one featured author’s social media comments regarding the Israel-Palestine conflict. Ms. Gaisbauer thanked MT, Mr. Thomas, Mr. Gene Cochrane, Ms. Peggy Brookhouse, and everyone who worked on determining how to move forward after the concerns were presented.
- Ms. Gaisbauer confirmed that the 2024 Verse and Vino event will be held on November 7<sup>th</sup>.
- Ms. Karen Beach reminded the Board of the criteria for choosing featured authors for Verse & Vino. The authors must be New York Times Bestsellers, a great speaker, have a new book coming out in the fall, and play well with others.

### **CEO Update**

Marcellus Turner provided the following updates:

- MT provided the Board with hiring updates. MT congratulated Ms. Smith on her new position as ImaginOn Manager and informed the Board that the EDI Officer interview panel had selected an applicant for the position and County HR has reached out to begin offer negotiations.
- MT updated the Board about his recent trip to visit the Wake County Library system and the UNC Chapel Hill iSchool. Wake County Library is the largest system in North Carolina based on their circulation and they only circulate books. The UNC Chapel Hill iSchool has faculty that are teaching about Makerspaces, which Charlotte Mecklenburg Library has within our system. MT also spoke about the possibility of creating training in partnership with the UNC Chapel Hill iSchool for non-librarian degree library leadership staff.

### **Library Director Update**

Ms. Moen provided the following updates:

- Ms. Moen informed the Board that the Data Analyst position is now posted and accepting applications. Ms. Moen thanked Dr. Amy Hawn Nelson for her help with creating the job description. The HR Assistant position is in the final stages of the offer phase with County HR.
- Ms. Moen shared two Stories of Impact with the Board. Last spring, Amrita Patel, a Library Outreach Specialist, shared that while working with a group from Carolina Family Alliance which is focused on mental health, the group began discussing local current events, including the string of shootings that had just occurred. This led to a discussion on Black Lives Matter. The group talked about what the movement is, and that people are no longer talking about it. Ms. Patel was able to share information on how to access their local, state, and national representatives to write letters and shared voter registration cards to encourage everyone to exercise their right to vote.
- Ms. Patel also shared a story about Mama Cass, an adult learner, that she is serving through weekly reading support sessions. Mama Cass’s confidence has increased in letter recognition and letter sounds. Mama Cass explained to Ms. Patel during their most recent session that she appreciated her willingness to work with her unlike other educators who always gave up on her. Ms. Patel emphasized that Mama Cass was deserving of respect. Ms. Patel also mentioned that she realized the impact of her presence wasn't just related to Mama Cass’s desire to read, but also to be seen as a person.
- Ms. Moen informed the Board that Ms. Patel has been an employee of the Library for 20 years and was recently selected to be a part of class 13 of CBI's Leaders Under 40 (LU40) Program.

**After some Board discussion, Charles Thomas adjourned the board meeting at 5:30pm.**

Respectfully submitted,

Marcellus Turner  
CEO