

SWAN BOARD MEETING AGENDA

SWAN

800 Quail Ridge, Westmont, IL 60559

November 15, 2019 - Time 9:30 a.m.

Conference Room

1. Call to Order, Roll Call

2. Introduction of Visitors/Public Comment

Public comment is allowed at SWAN meetings

3. Action Item – Acceptance of the November 15, 2019 SWAN Board Meeting Agenda

RESOLVED, THAT THE SWAN BOARD ACCEPTS THE NOVEMBER 15, 2019 SWAN BOARD MEETING AGENDA AS PRESENTED

4. Action Item – Approval of SWAN Financials, October

- a. Balance sheet and detail of expenditures for October 2019 (Exhibit pgs. 3-11)
- b. Approval of the payment of bills for October 1, 2019 through October 31, 2019 in the amount of \$259,142.89

RESOLVED, THAT THE SWAN BOARD APPROVES THE PAYMENT OF BILLS FOR OCTOBER 1 THROUGH OCTOBER 31, 2019 AND ACCEPTS THE BALANCE SHEET AND DETAIL OF EXPENDITURES FOR OCTOBER 2019

5. Action Item – Acceptance of the October 18, 2019 SWAN Board Meeting Minutes(Exhibit pgs. 12-15)

RESOLVED, THAT THE SWAN BOARD ACCEPTS THE OCTOBER 18, 2019 SWAN BOARD MEETING MINUTES AS PRESENTED

6. Reports

- a. Board President Report
- b. Executive Director Report(Exhibit pgs. 16-18)
- c. Operations Report (Exhibit pgs. 19-25)
- d. Treasurer Report
- e. Board Calendar (Exhibit pg.s 26-28)

7. Action Item – Acceptance of the FY19 Audit (Exhibit pgs. 29-60)
8. Action Item— Set Board and Membership Meetings for 2020 (Exhibit p. 61)
9. Discussion Item – Clarity Task Force Report: Research & Recommendations
10. Discussion Item—New Chart of Accounts for SWAN (Exhibit pgs. 62-65)
11. Discussion Item – FY21 Budget Goals (Exhibit p. 66)
12. Discussion Item – SWAN December 5, 2019 Quarterly Meeting Agenda (Exhibit p. 67-68)
13. Next Board Meeting

The next SWAN Board Meeting will be held on December 20, 2019 at SWAN Quail Ridge at 9:30 a.m.

The SWAN Finance Committee Meeting will be held on November 15, 2019 at SWAN Quail Ridge immediately after the SWAN Board Meeting.

14. Adjournment

*All agenda items may be acted upon by the SWAN Board

SWAN Board Member	Library	Office	Term Expires
Ted Bodewes	Thomas Ford Memorial Library	President	July 1, 2020
Jamie Bukovac	Indian Prairie Public Library	Treasurer	July 1, 2020
Stacy Wittmann	Eisenhower Public Library District	Vice President	July 1, 2021
Julie Milavec	Downers Grove Public Library		July 1, 2021
Dawn Bussey	Glen Ellyn Public Library	Secretary	July 1, 2022
Robin Wagner	South Holland Public Library		July 1, 2022
Jane Jenkins	Green Hills Public Library District		July 1, 2022

October 2019	YTD Actual	FY20 Revised Budget	33%
Revenues	1,112,654.42	3,301,526.00	34%
Expenses	1,052,187.09	3,385,086.00	31%
Excess of Revenues over (under) Expenses	60,467.33	(83,560.00)	

SWAN
Balance Sheet
As of 10/31/2019

	Balance End Of Month	
Assets		Average Interest Rates & Interest Earned during October
Cash & cash equivalents		
Cash- MaxSafe	1,398,863.77	2.12% \$ 2,495.10
Cash- Hinsdale Bank Checking	737,720.85	0.00% \$ -
Total Cash & cash equivalents	2,136,584.62	Investment Income \$ 2,495.10
ProPay Funds		
ProPay Funds	1,533.89	
Total ProPay Funds	1,533.89	
Accounts receivables		
Accounts Receivable	121,650.00	
Total Accounts receivables	121,650.00	
Prepaid expenses		
Deposits	23,467.08	
Vendor Credits	856.94	
Prepaid Expenses	593,424.19	
Total Prepaid expenses	617,748.21	
Capital assets, net		
Building And Improvements	6,895.00	
Equipment	36,500.50	
Computers	324,383.36	
Accumulated Depreciation	(322,719.31)	
Total Capital assets, net	45,059.55	
Other Assets		
Deferred Outflows - OPEB	8,157.00	
Total Other Assets	8,157.00	
Total Assets	2,930,733.27	
Liabilities		
Accrued Liabilities		
Accrued Liabilities	13,888.63	
Total Accrued Liabilities	13,888.63	
Other Postemployment Benefits		
Postemployment Benefits	39,101.00	
Total Other Postemployment Benefits	39,101.00	
Deferred revenue		
Deferred Revenue	590,148.13	
Deferred Revenue - MAGIC Fee Supplement Grant	175,366.00	
Total Deferred revenue	765,514.13	
Compensated absences		
Compensated Absences	99,559.16	
Total Compensated absences	99,559.16	
Facilities		
Rent Payable	49,020.42	
Total Facilities	49,020.42	
Other liabilities		
Deferred Inflows - OPEB	14,016.00	
Total Other liabilities	14,016.00	
Total Liabilities	981,099.34	
Net Assets		
Beginning Net Assets		
Unrestricted	1,889,166.60	
Total Beginning Net Assets	1,889,166.60	
Current YTD Net Income	60,467.33	
Total Net Assets	1,949,633.93	
Total Liabilities and Net Assets	2,930,733.27	

SWAN
Statement of Revenues and Expenses
From 10/1/2019 Through 10/31/2019
(33.33% through FY2020)

		Current Month Actual	Current Month Revised Budget	YTD Actual	YTD Revised Budget	Total Revised Budget	Percent of Annual Budget	General Ledger Line Item Detail
Revenue								
4050	Other Grants	0.00	417.00	0.00	1,667.00	5,000.00	0.00%	RAILS Grants
4060	Fees For Services And Materials	228,385.33	228,385.00	913,541.32	913,541.00	2,740,626.00	33.33%	SWAN Quarterly, Annual, and Semi-Annual Fees
4061	Internet & Enhanced Access Fees	303.25	0.00	1,213.00	0.00	0.00	0.00%	SWAN Annual Internet Access Fees
4070	Reimbursements	261.12	633.00	8,384.77	2,533.00	7,600.00	110.32%	Member Reimbursements and SWANx Sponsor Table Registrations
4071	Reimbursements - Lost Materials	959.37	0.00	3,372.10	0.00	0.00	0.00%	Reciprocal Borrowing and ILL Losses
4072	Reimbursements - Collection Agency Fees	0.00	75.00	30.00	300.00	900.00	3.33%	Reciprocal Borrowing and ILL Loss Collection Agency Fees
4075	Group Purchase Receipts	0.00	60.00	360.00	240.00	721.00	49.93%	Group Purchases for Members
4080	Investment Income	2,495.10	1,833.00	10,860.31	7,333.00	22,000.00	49.36%	Interest
4090	Other Revenue	<u>43,723.23</u>	<u>43,723.25</u>	<u>174,892.92</u>	<u>174,893.00</u>	<u>524,679.00</u>	<u>33.33%</u>	RAILS Support to SWAN
Total Revenue		<u>276,127.40</u>	<u>275,126.25</u>	<u>1,112,654.42</u>	<u>1,100,507.00</u>	<u>3,301,526.00</u>	<u>33.70%</u>	
Expenses								
5000	Library Professionals	26,466.86	24,915.00	112,051.71	112,120.00	323,900.00	34.59%	Staff Salaries
5010	Other Professionals	56,230.02	74,208.00	238,308.10	333,934.00	964,700.00	24.70%	Staff Salaries
5020	Support Services	25,124.57	19,862.00	106,439.67	89,376.00	258,200.00	41.22%	Staff Salaries
5030	Social Security Taxes	7,808.81	9,108.00	33,143.35	40,984.00	118,400.00	27.99%	Social Security Taxes
5050	Worker's Compensation	240.92	183.00	976.39	733.00	2,200.00	44.38%	Worker's Compensation Insurance
5060	Retirement Benefits	10,558.80	10,838.00	44,185.05	48,774.00	140,900.00	31.35%	Retirement Benefits and Retirement Plan Fees
5070	Health, Dental, Life And Disability Insurance	39,535.80	19,550.00	68,888.21	78,200.00	234,600.00	29.36%	Health, Dental, Life & Disability Insurance
5080	Other Fringe Benefits	0.00	208.00	0.00	833.00	2,500.00	0.00%	Tuition Reimbursements
5085	Wellness Benefits	0.00	425.00	99.00	1,700.00	5,100.00	1.94%	Staff Wellness
5100	Recruiting	0.00	75.00	0.00	300.00	900.00	0.00%	Background Checks and Job Postings
5110	Print Materials	0.00	667.00	1,892.52	2,667.00	8,000.00	23.65%	Printed Items (Branded)
5130	E-Resources	0.00	42.00	0.00	167.00	500.00	0.00%	ALA TechSource Subscription
5140	Rent/Lease	8,465.77	8,825.00	42,688.39	35,301.00	105,904.00	40.30%	Facility Lease (Including Tenant's Share of Real Estate Taxes, Operating Expenses, and Insurance)
5150	Utilities	438.76	533.00	2,138.54	2,133.00	6,400.00	33.41%	Gas and Electric
5160	Property Insurance	130.42	125.00	499.42	500.00	1,500.00	33.29%	Flood Insurance
5170	Repairs And Maintenance	0.00	98.00	182.96	393.00	1,180.00	15.50%	Key Fob Maintenance and Other Facility Maintenance
5180	Custodial/Janitorial Service And Supplies	733.57	708.00	2,851.51	2,833.00	8,500.00	33.54%	Cleaning Services and Supplies
5190	Other Buildings and Grounds	0.00	8.00	177.00	33.00	100.00	177.00%	Security Camera Surveillance Subscription

SWAN
Statement of Revenues and Expenses
From 10/1/2019 Through 10/31/2019
(33.33% through FY2020)

		Current Month Revised Budget	YTD Actual	YTD Revised Budget	Total Revised Budget	Percent of Annual Budget	General Ledger Line Item Detail	
		Current Month Actual						
5250	In-State Travel	50.08	183.00	228.16	733.00	2,200.00	10.37%	In-State Travel
5260	Out-Of-State Travel	362.81	917.00	362.81	3,667.00	11,000.00	3.29%	Out-of-State Travel
5270	Registrations And Meeting, Other Fees	249.93	242.00	444.00	967.00	2,900.00	15.31%	Snacks, Supplies, and Lunches for Meetings and Staff Events
5280	Conferences And Continuing Education Meetings	3,892.50	1,167.00	16,086.28	4,667.00	14,000.00	114.90%	Sirsi Dynix Training and Staff Conference and Class and Test Registrations as well as SWANx Expenses
5300	Liability Insurance	765.41	742.00	3,013.91	2,967.00	8,900.00	33.86%	General Liability, Crime, Cyber Crime, and D&O Insurance
5310	Computers, Software And Supplies	4,091.32	5,202.00	17,238.46	20,808.00	62,426.00	27.61%	Computer, Software, and Supplies under \$5,000 Individual Cost as well as Subscriptions for Adobe Creative Cloud, Adobe Acrobat Pro, Sonicwall Licenses, Microsoft Office 365, Panda Security, SendGrid Email Delivery System, Asana Project Management, Go To Assist Software, Go To Meeting Software, Microsoft pfSense Usage, and Microsoft Azure
5320	General Office Supplies And Equipment	3,071.06	333.00	3,674.40	1,333.00	4,000.00	91.86%	Office Supplies and Equipment under \$5,000 Individual Cost Including Coffee
5330	Postage	6.85	75.00	359.67	300.00	900.00	39.96%	Postage
5380	Telephone And Telecommunications	1,587.28	1,617.00	6,016.84	6,467.00	19,400.00	31.01%	Phone, Chat, and Internet
5390	Equipment Rental	219.20	308.00	1,199.82	1,233.00	3,700.00	32.42%	Copier Lease and Usage
5400	Equipment Repair And Maintenance Agreements	54,999.60	54,475.00	218,754.03	217,900.00	653,700.00	33.46%	Sirsi Dynix Annual Maintenance, Sirsi Dynix eRC Connectors, Sirsi Dynix Blue Cloud Mobile Subscription, EBSCO Open Athens Subscription, EBSCO Discovery Subscription, Lenovo Warranty, Smartnet Maintenance, NetGate Support, Global Sonicwall Licenses, and Linux Software Maintenance
5410	Legal	0.00	417.00	0.00	1,667.00	5,000.00	0.00%	Legal Fees
5420	Accounting	0.00	1,797.00	3,350.00	7,185.00	21,555.00	15.54%	Audit and Actuary Expenses
5430	Consulting	86.67	167.00	346.68	667.00	2,000.00	17.33%	HR Source Costs
5435	Payroll Service Fees	264.50	325.00	1,058.00	1,300.00	3,900.00	27.12%	Paylocity Payroll Service Fees
5440	Contractual Staff	0.00	200.00	0.00	800.00	2,400.00	0.00%	Answering Service Costs

SWAN
Statement of Revenues and Expenses
From 10/1/2019 Through 10/31/2019
(33.33% through FY2020)

		Current Month Actual	Current Month Revised Budget	YTD Actual	YTD Revised Budget	Total Revised Budget	Percent of Annual Budget	General Ledger Line Item Detail
5450	Information Service Costs	25,160.56	28,017.00	108,553.90	112,067.00	336,200.00	32.28%	Formsite Membership Costs, OCLC Fees, Authority Processing, Syndetic Reviews, SSL Certificate Costs, Survey Monkey Subscription, MailChimp Subscription, ALA RDA Toolkit, WebDewey, and EBSCO Novelist Subscription
5480	Other Contractual Services	3,350.55	3,775.00	5,150.60	15,100.00	45,300.00	11.36%	Unique Management Placements and Monthly Notice Printing
5485	Group Purchases	0.00	60.00	361.75	240.00	721.00	50.17%	Group Purchases for Members including Credit Card Swipes
5490	Depreciation	2,847.29	0.00	11,389.16	0.00	0.00	0.00%	Monthly Depreciation Expense
5500	Professional Association Membership Dues	200.00	33.00	200.00	133.00	400.00	50.00%	Professional Memberships for SWAN and Staff
5510	Miscellaneous	0.00	83.00	(183.18)	333.00	1,000.00	(18.31)%	Member Overpayments and Double Payments to be Reimbursed, Allowance for Doubtful Accounts Additions, Credit Card Overage Charges, as well as Reciprocal Borrowing and Vendor Adjustments from Prior Years
5515	Miscellaneous - E-Commerce Fees	<u>13.16</u>	<u>0.00</u>	<u>59.98</u>	<u>0.00</u>	<u>0.00</u>	0.00%	Fees for SWAN ProPay Account Used for Testing
Total Expenses		<u>276,953.07</u>	<u>270,513.00</u>	<u>1,052,187.09</u>	<u>1,151,515.00</u>	<u>3,385,086.00</u>	<u>31.08%</u>	
Excess of Revenues over (under) Expenses		<u>(825.67)</u>	<u>4,613.25</u>	<u>60,467.33</u>	<u>(51,008.00)</u>	<u>(83,560.00)</u>		

SWAN

Check/Voucher Register - Check and Disbursement Register

1003 - Cash- Hinsdale Bank Checking

From 10/1/2019 Through 10/31/2019

Effective D...	Vendor Name	Transaction Description	Check Amount
10/3/2019	Paylocity Corporation	Net Wages: Sept. 28, 2019	37,307.99
10/3/2019	Paylocity Corporation	Payroll Taxes: Sept. 28, 2019	15,845.21
10/4/2019	Paylocity Corporation	Payroll Service Fees: Sept. 28, 2019	92.65
10/14/2019	ICMA Retirement Corporation	Retirement Deduction and Contribution: Oct. 12, 2019	5,154.40
10/14/2019	ICMA Retirement Corporation	Retirement Deduction and Contribution: Oct. 12, 2019	1,729.90
10/15/2019	Acorn Public Library	Reciprocal Borrowing -October 2019 Billing	101.98
10/15/2019	Alsip-Merrionette Park Public Library	Reciprocal Borrowing -October 2019 Billing	385.06
10/15/2019	Beecher Community Library District	Reciprocal Borrowing -October 2019 Billing	33.00
10/15/2019	Bloomington Public Library	Reciprocal Borrowing -October 2019 Billing	401.05
10/15/2019	Bensenville School District #2	Reciprocal Borrowing -October 2019 Billing	67.00
10/15/2019	Berkeley Public Library	Reciprocal Borrowing -October 2019 Billing	153.00
10/15/2019	Blue Island Public Library	Reciprocal Borrowing -October 2019 Billing	125.30
10/15/2019	Bedford Park PLD	Reciprocal Borrowing -October 2019 Billing	6.01
10/15/2019	Broadview Public Library District	Reciprocal Borrowing -October 2019 Billing	222.00
10/15/2019	Bridgeview Public Library	Reciprocal Borrowing -October 2019 Billing	556.85
10/15/2019	Calumet City Public Library	Reciprocal Borrowing -October 2019 Billing	188.00
10/15/2019	Chicago Ridge Public Library	Reciprocal Borrowing -October 2019 Billing	17.47
10/15/2019	Dolton Public Library District	Reciprocal Borrowing -October 2019 Billing	210.80
10/15/2019	Eisenhower Public Library District	Reciprocal Borrowing -October 2019 Billing	510.57
10/15/2019	Evergreen Park Public Library	Reciprocal Borrowing -October 2019 Billing	2.57
10/15/2019	Flossmoor Public Library	Reciprocal Borrowing -October 2019 Billing	243.06
10/15/2019	Forest Park Public Library	Reciprocal Borrowing -October 2019 Billing	635.47
10/15/2019	Franklin Park PLD	Reciprocal Borrowing -October 2019 Billing	82.14
10/15/2019	Frankfort Public Library District	Reciprocal Borrowing -October 2019 Billing	65.55
10/15/2019	Glenwood-Lynwood Public Library	Reciprocal Borrowing -October 2019 Billing	318.03
10/15/2019	Hillside Public Library	Reciprocal Borrowing -October 2019 Billing	21.22
10/15/2019	Hinsdale Public Library	Reciprocal Borrowing -October 2019 Billing	43.62

SWAN

Check/Voucher Register - Check and Disbursement Register

1003 - Cash- Hinsdale Bank Checking

From 10/1/2019 Through 10/31/2019

<u>Effective D...</u>	<u>Vendor Name</u>	<u>Transaction Description</u>	<u>Check Amount</u>
10/15/2019	Hodgkins PLD	Reciprocal Borrowing -October 2019 Billing	63.00
10/15/2019	Indian Prairie Public Library District	Reciprocal Borrowing -October 2019 Billing	323.66
10/15/2019	Itasca Community Library	Reciprocal Borrowing -October 2019 Billing	67.73
10/15/2019	Kaneville PLD	Reciprocal Borrowing -October 2019 Billing	48.99
10/15/2019	LaGrange Park Public Library District	Reciprocal Borrowing -October 2019 Billing	208.03
10/15/2019	Lansing Public Library	Reciprocal Borrowing -October 2019 Billing	41.79
10/15/2019	Lyons Public Library	Reciprocal Borrowing -October 2019 Billing	9.56
10/15/2019	Markham Public Library	Reciprocal Borrowing -October 2019 Billing	125.64
10/15/2019	Morton Arboretum	Reciprocal Borrowing -October 2019 Billing	320.00
10/15/2019	Matteson Public Library	Reciprocal Borrowing -October 2019 Billing	260.36
10/15/2019	McCook Public Library District	Reciprocal Borrowing -October 2019 Billing	17.99
10/15/2019	Midlothian Public Library	Reciprocal Borrowing -October 2019 Billing	96.00
10/15/2019	Messenger Public Library	Reciprocal Borrowing -October 2019 Billing	500.41
10/15/2019	National University of Health Sciences	Reciprocal Borrowing -October 2019 Billing	34.92
10/15/2019	Oak Brook Public Library	Reciprocal Borrowing -October 2019 Billing	122.15
10/15/2019	Oak Lawn Public Library	Reciprocal Borrowing -October 2019 Billing	801.70
10/15/2019	Oak Park Public Library	Reciprocal Borrowing -October 2019 Billing	102.87
10/15/2019	Palos Park Public Library	Reciprocal Borrowing -October 2019 Billing	39.00
10/15/2019	Prairie State College	Reciprocal Borrowing -October 2019 Billing	201.00
10/15/2019	Prairie Trails Public Library District	Reciprocal Borrowing -October 2019 Billing	39.89
10/15/2019	Richton Park Public Library District	Reciprocal Borrowing -October 2019 Billing	232.00
10/15/2019	Schiller Park Public Library	Reciprocal Borrowing -October 2019 Billing	60.40
10/15/2019	Steger-South Chicago Heights Public Library District	Reciprocal Borrowing -October 2019 Billing	9.44
10/15/2019	Stickney-Forest View Public Library District	Reciprocal Borrowing -October 2019 Billing	38.10
10/15/2019	Summit Public Library District	Reciprocal Borrowing -October 2019 Billing	58.05
10/15/2019	Theosophical Society	Reciprocal Borrowing -October 2019 Billing	25.00
10/15/2019	Thomas Ford Memorial Library	Reciprocal Borrowing -October 2019 Billing	70.76

SWAN

Check/Voucher Register - Check and Disbursement Register

1003 - Cash- Hinsdale Bank Checking

From 10/1/2019 Through 10/31/2019

Effective D...	Vendor Name	Transaction Description	Check Amount
10/15/2019	Town & Country Public Library District	Reciprocal Borrowing -October 2019 Billing	78.28
10/15/2019	University Park Public Library District	Reciprocal Borrowing -October 2019 Billing	85.00
10/15/2019	Villa Park Public Library	Reciprocal Borrowing -October 2019 Billing	219.56
10/15/2019	Wood Dale PLD	Reciprocal Borrowing -October 2019 Billing	268.88
10/15/2019	Woodridge Public Library	Reciprocal Borrowing -October 2019 Billing	376.89
10/15/2019	Worth Public Library District	Reciprocal Borrowing -October 2019 Billing	285.00
10/17/2019	Aaron Skog	Travel Reimbursement	362.81
10/17/2019	Comcast	Internet Service 10/15-11/14/19	1,255.00
10/17/2019	Crystal Vela	Travel Reimbursement	50.08
10/17/2019	HiTouch Business Services	Collaboration Tables & Chairs	2,977.06
10/17/2019	ICMA Retirement Corporation	ICMA Fees 101-12/31/19	250.00
10/17/2019	Limricc-Phip	Health Insurance for October 2019	22,555.58
10/17/2019	Limricc-Phip	Health Insurance for September 2019	21,769.58
10/17/2019	Wellness Insurance Network-WIN	Life Insurance for October 2019	186.20
10/17/2019	Marcive Inc	Authority Processing	352.92
10/17/2019	Nicor Gas	Gas Use 6/14-9/12/19	20.85
10/17/2019	Reliance Standard Life Insurance Co	LTD/STD Insurance for November 2019	928.58
10/17/2019	SirsiDynix, Inc.	eResource Central	284.00
10/17/2019	T.A. Systems Inc.	Cleaning Services-September 2019	560.00
10/17/2019	Unique Management Services, Inc.	Placements for August 2019	8.95
10/17/2019	Unique Management Services, Inc.	Notifications Printing for August 2019	1,616.06
10/17/2019	Unique Management Services, Inc.	Placements for September 2019	26.85
10/17/2019	Unique Management Services, Inc.	Notifications Printing for September 2019	1,698.69
10/17/2019	Wells Fargo Vendor Fin Serv	Copier Lease	219.20
10/17/2019	ComEd	Comed Ed	417.91
10/17/2019	Paylocity Corporation	Net Wages: Oct. 12, 2019	37,391.52
10/17/2019	Paylocity Corporation	Payroll Taxes: Oct. 12, 2019	15,879.08
10/18/2019	Paylocity Corporation	Payroll Service Fee: Oct. 12, 2019	171.85
10/21/2019	First Bankcard	Oct. 2019 Credit Card Payment of Sept./Oct. Balances	11,771.45
10/25/2019	Quail Ridge Drive Investors, LLC	November 2019 Rent Payment	8,756.70

SWAN

Check/Voucher Register - Check and Disbursement Register

1003 - Cash- Hinsdale Bank Checking

From 10/1/2019 Through 10/31/2019

Effective D...	Vendor Name	Transaction Description	Check Amount
10/28/2019	ICMA Retirement Corporation	Retirement Deduction and Contribution: Oct. 26, 2019	5,154.40
10/28/2019	ICMA Retirement Corporation	Retirement Deduction and Contribution: Oct. 26, 2019	1,729.90
10/31/2019	Paylocity Corporation	Net Wages: Oct. 26, 2019	37,195.88
10/31/2019	Paylocity Corporation	Payroll Taxes: Oct. 26, 2019	15,799.84
		Total 1003 - Cash- Hinsdale Bank Checking	259,142.89
Report Total			259,142.89

SWAN BOARD MEETING MINUTES

SWAN
800 Quail Ridge Drive, Westmont, IL 60559

October 18, 2019

Call to Order, Roll Call

President Bodewes called the meeting to order at 9:31 a.m. The following members were present to establish a quorum:

Jamie Bukovac

Julie Milavec

Dawn Bussey

Jane Jenkins

Robin Wagner

Introduction of Visitors/Public Comment

Edith Craig, St. Charles Public Library
Aaron Skog, SWAN Executive Director
Dawne Tortorella, SWAN Assistant Director
Ginny Blake, SWAN Office Manager

No public comment.

Action Item – Acceptance of the October 18, 2019 SWAN Board Meeting Agenda

Bukovac moved, seconded by Bussey that it be

RESOLVED, THAT THE SWAN BOARD ACCEPTS THE OCTOBER 18, 2019 SWAN BOARD MEETING AGENDA AS PRESENTED.

Motion carried by unanimous voice vote.

Action Item – Approval of SWAN Financials, September 2019

Bukovac moved, seconded by Milavec that it be

RESOLVED, THAT THE SWAN BOARD APPROVES THE PAYMENT OF BILLS FOR SEPTEMBER 1 THROUGH SEPTEMBER 30, 2019 AND ACCEPTS THE BALANCE SHEET AND DETAIL OF EXPENDITURES FOR SEPTEMBER 2019 AS PRESENTED

Motion carried by roll call vote with the following results:

Ayes: Bukovac, Bodewes, Jenkins, Bussey, Wagner, Milavec

Action Item – Acceptance of the September 20, 2019 SWAN Board Meeting Minutes

Wagner moved, seconded by Milavec that it be

RESOLVED, THAT THE SWAN BOARD ACCEPTS THE SEPTEMBER 20, 2019 SWAN BOARD MEETING MINUTES AS PRESENTED

Two corrections were noted and incorporated.

Motion carried by unanimous voice vote.

Reports

a. Board President Report

Bodewes – ILA is next week in Tinley Park

Executive Director Report

Skog mentioned the first meeting with Lauterbach & Amen along with the Chart of Accounts they put together for us. He also mentioned the email he received from Jim Kregor at RAILS and Skog will get back to him as well as talk with Wes Levy at Lauterbach & Amen when he returns from vacation.

Skog discussed the Satisfaction Chart with SirsiDynix. He also discussed the overall satisfaction of libraries with their software platforms. Bussey asked why Evergreen is going down. Skog said he is not totally sure but that they have had to sync a lot of time in it more recently, going from a client base system to a web base system.

Brief discussion continued about the Enterprise release 5.0.1, the 5.0.3 and the 5.1. feature roadmap.

Skog discussed the Harvey & Dolton visits. Both visits were great. Long story short, Harvey is asking for 2 years (8 invoicing cycles) to catch up on their past due payments. The Board agreed with the payment schedule that Skog presented but want to be sure if Harvey falls behind SWAN puts the late payment process in force.

Board continued to discuss the Library Tax Distribution Analysis. The Board suggested this would be a good quarterly meeting topic.

b. Operations Report

Bukovac asked if SWAN can put together a unit of leader meetings or a tool for best practices.

The board discussed workshops, best practices, training. Have the staff reach out to libraries. Recordings are being put online for easy access.

The Simply E Pilot for overdrive audio book support is being worked on along with Hoopla.

Skog discussed RAILS LLSAP Support Grant and the reason it went up.

c. Treasurer Report

No report

d. Board Calendar

Skog mentioned removing August & December from the Calendar for Regular Board Meetings. The Board is open to that idea but asked the meeting dates be scheduled just in case they are needed.

Action Item – Approve RAILS LLSAP Support Grant for FY21

Milavec moved, seconded by Bussey that the FY21 RAILS LLSAP Support Grant to SWAN be approved as presented.

Motion carried by roll call vote with the following results:

Ayes: Bukovac, Bodewes, Jenkins, Bussey, Wagner, Milavec

Action Item – Recommendation from SWAN Secretary on Closed Meeting Minutes

Milavec moved, seconded by Jenkins that it be

RESOLVED, THAT THE SWAN BOARD APPROVES KEEPING EXECUTIVE SESSION MINUTES FROM

FRIDAY, NOVEMBER 15, 2013, FRIDAY, MARCH 21, 2014, MONDAY, NOVEMBER 17, 2014, FRIDAY, JUNE 19, 2015, FRIDAY, JUNE 17, 2016, FRIDAY, JUNE 16, 2017, FRIDAY, DECEMBER 15, 2017, FRIDAY, FEBRUARY 16, 2018, FRIDAY, JUNE 15, 2018, FRIDAY, MAY 17, 2019, AND FRIDAY, JUNE 28, 2019 CLOSED BASED ON REVIEW AND RECOMMENDATION OF SWAN BOARD SECRETARY PER ILCS/5 120.2.06 (D) (1) AND THE CONTINUED NEED FOR CONFIDENTIALITY OF THESE MINUTES;

AND BET IT RESOLVED THAT THE SWAN BOARD APPROVES OPENING THE MINUTES FROM FRIDAY, SEPTEMBER 16, 2011, FRIDAY, OCTOBER 21, 2011, FRIDAY, DECEMBER 16, 2011, AND FRIDAY, MARCH 16, 2018 BASED ON REVIEW AND RECOMMENDATION OF SWAN BOARD SECRETARY PER ILCS/5 120.2.06 (D) (1);

AND BET IT RESOLVED THAT THE SWAN BOARD APPROVES THE DESTRUCTION OF RECORDINGS OLDER THAN 18 MONTHS FROM THE DATE OF THIS RESOLUTION, OCTOBER 18, 2019, BASED ON THE REVIEW AND RECOMMENDATION OF SWAN BOARD SECRETARY, PENDING APPROVAL FROM THE STATE OF ILLINOIS.

Motion carried by unanimous voice vote.

Discussion on Chart of Accounts presented by Lauterbach & Amen.

Overall Skog did not think we needed to do much on the Revenue side. Discussion on descriptions, condensing and removing some of the accounts. Trying to simplify the current Chart of Accounts beginning with FY21. Board would like to see consistency with the accounts. Skog will bring a second version to Lauterbach & Amen.

Next Board Meeting

The next SWAN Board Meeting will be held on November 15, 2019 at SWAN Quail Ridge at 9:30 a.m.

The meeting was adjourned by President Bodewes at 10:41 a.m.

Minutes Prepared by Ginny Blake
Respectfully Submitted,

Dawn Bussey, Board Secretary

SWAN Executive Director Report

November 15, 2019

SWAN Strategic Plan 2019-2023

Objective 1: Develop a Shared and Accurate Diagnosis of Member Dissatisfaction Around the Existing ILS and OPAC (Staff Interface and Online Catalog)

Clarity Task Force

The Task Force has completed its research and analysis. They have issued a written report for the SWAN Board to review and discuss for its November 15th meeting. Clarity will meet on Wednesday, November 13th which is after the completion of this Executive Director report. I will update the SWAN Board on the Clarity discussion at the Friday board meeting.

Report Overview

Part 1: this is the Task Force analysis of the research completed over the 6 months prior. Clarity organized the membership dissatisfaction under six categories. This written report has contributions by Clarity representatives and SWAN staff. The document was collaborated online and discussed at the Wednesday, November 13th meeting.

Part 2: the research work completed under Clarity's supervision and direction. This portion of the report is the longest as it describes the methodology used and the information gathered through the membership staff. This portion of the report was written by SWAN staff and discussed at Clarity's October meeting.

Suggested Timeline for Next Steps

Meeting	Activity	Date
Clarity Meeting	Review 4 research findings	September 11, 2019
Clarity Meeting	Draft Clarity Report & Shared Diagnosis	October 9, 2019
Clarity Meeting	Finalize Clarity Report & Shared Diagnosis	November 13, 2019
SWAN Board Meeting	Clarity presentation to SWAN Board	November 15, 2019
SWAN Quarterly Meeting	Clarity presentation to SWAN membership	December 5, 2019

SWAN Objective 3: Reconstitute as a Mission Driven 501c3 with Clear Representative Governance Practices

Evaluate Organization Legal Entity

The SWAN Board decided to update the membership at the December 5th Quarterly meeting on the legal issues surrounding the 501c3, SWAN Bylaws, the Illinois Open Meetings Act, and Freedom of Information Act.

Summary of Issues to Cover at Quarterly:

- Open Meetings Act requires all membership voting specified in SWAN Bylaws to adhere to OMA or have in writing what is permitted for acts of approval, voting, etc. The legal opinion obtained by SWAN noted that membership voting on financial matters be conducted in person (see the September 4, 2018 written opinion).
- RAILS as a library system is provided some allowance for remote attendance of its board due to the geographic size of the system (see footnote on page 1 of the September 4, 2018 opinion)
- Remote participation as defined by OMA within the legal opinion must include language that remote attendance due to “personal illness or disability, (ii) employment purposes or the business of the public body, or (iii) a family or other emergency, per 5 ILCS 120/7(a)” define the reason for remote meeting attendance (see page 2 of the September 4, 2018 opinion).
- SWAN Bylaws currently set membership approval in areas of budget and admitting new member libraries. It is worth noting SWAN could revise its Bylaws, as it has done in the past, to change board and membership roles in approval.
- The 501(c)3 conversion was evaluated by the SWAN Board and two legal opinions on this conversion were obtained (see April 8 and May 3, 2019 legal opinions).
- The legal opinion covered SWAN governance representation, and the independence of organization from other government entities as key towards moving away from OMA and FOIA requirements.
- Converting to a 501(c)3 would have an immediate impact on SWAN’s participation in LIMRiCC for health benefits and the retirement program through ICMA-RC. Neither of those programs accept a 501(c)3 entity, so these employee benefits would need to be changed.
- Fundraising within the 501(c)3 entity is something the SWAN Board is still exploring.

Accounting Service

I have a meeting scheduled with RAILS Finance and Lauterbach to discuss the transition issues. Assistant Director Dawne Tortorella, Office Manager Ginny Blake, and IT & System Support Manager Steven Schlewitt have all contributed to a second version of the new chart of accounts for the FY21 budget.

Fiscal Year 2021 Budget

The budget process is underway for the July 1, 2020 – June 30, 2021 fiscal year. The budget has received input from Assistant Director Dawne Tortorella and IT & System Support Manager Steven Schlewitt. Please refer to the memo within the November 15, 2019 SWAN Board meeting packet regarding goals for this budget.

Monthly Financial Report

Accounts Receivable Update

SWAN has received \$582,931.75 of the total invoiced second quarter SWAN fees of \$657,888 within less than one month of billing, which is 89% of the invoiced fees.

As of October 31, the libraries with outstanding prior and current period SWAN fees, include:

- Harvey – Owing \$24,249.97 in total, which includes the first and fourth quarters of fiscal year 2019, fees for the last three quarters of fiscal year 2018, and one reciprocal borrowing billing. SWAN received its last payment from Harvey on October 25, 2019 for a partial reciprocal borrowing invoice in the amount of \$.25 and second quarter fiscal year 2020 SWAN fees in the amount of \$4,933.50.
- Calumet Park – Owing \$3,810.55 in total, which includes the second (current) quarter of fiscal year 2020, and nine reciprocal borrowing billings. Please note that SWAN received identical payments from Calumet Park on July 15, August 12, September 23, and October 11 in the amounts of \$3,755.00 that completely paid off all prior period SWAN fees.
- University Park – Owing \$4,236.25 for first quarter fiscal year 2020 SWAN fees. Please note that University Park made payment for the second quarter SWAN fees as of October 28th.

SWAN Operations Report: November 15, 2019

Member Engagement – All Staff

The following abbreviations are used to show departments: UX – User Experience, Bib Srvs – Bibliographic Services, IT – Information Technology and Systems Support, Admin – Administration.

Site Visits, Training, and Networking

During the past reporting period (October 12th – November 11th):

Date	Event Name	Attendees	Teams Represented	Topic
10/14/2019	Training: BLUEcloud Analytics Overview	Dawne	Admin	Training
10/14/2019	Site Visit (Prairie State College) - Circulation Policy, Reserves, Analytics	Dawne	Admin	Site Visit
10/15/2019	Site Visit (Dolton) - ILL, Analytics	Aaron, Dawne	Admin	Site Visit
10/15/2019	Site Visit (Harvey)	Aaron, Dawne	Admin	Site Visit
10/15/2019	Training: Acquisitions Overview	Sam	Bib Srvs	Training
10/16/2019	SWAN Circulation Users Group Site Visit (Glenwood-Lynwood)	Crystal, Sam, Dawne, Vickie, Steven	Admin, Bib Srvs, IT, UX	Member meeting
10/17/2019	- Outreach	Crystal, Dawne	UX, Admin	Site Visit
10/18/2019	Training: Using WorkFlows and Enterprise Search to Assist Patrons	Scott, Tara	Bib Srvs, UX	Training
10/18/2019	SWAN Board Meeting	Aaron, Ginny, Dawne	Admin	Governance
10/18/2019	Consultation (National University of Health Sciences) - Analytics	Dawne	Admin	Site Visit
10/21/2019	R&D: BLUEcloud Cataloging Member Feedback	Claudia, Scott, Dawne	Bib Srvs, Admin	Member Feedback/Research
10/24/2019	Site Visit (Woodridge Public Library) – Firewall replacement	Ian, Michael	IT	Site Visit
10/29/2019	Site Visit (Green Hills Public Library) - Support review	Vickie	IT	Site Visit
10/31/2019	SWAN RFID Users	Ian, Steven	IT	Member meeting
10/31/2019	Site Visit (Tinley Park) - Outreach	Crystal, Dawne	UX, Admin	Site Visit
11/5/2019	Training: Creating Pre-Cats	Claudia	Bib Srvs	Training
11/6/2019	Book Club Users Meeting	Helen, Crystal	Admin, UX	Member meeting
11/11/2019	Training: OCLC WorldShare ILL Setting Up Groups & Deflection	Dawne	Admin	Training

11/11/2019	R&D: Usability Testing (Elmwood Park)	Tara	UX	Member Feedback/Research
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SirsiDynix & Vendor Partner Support & Consulting

- 10/21 – BLUEcloud Visibility with Zepheira, BIBFRAME discussion (Scott, Dawne)
- 10/23, 11/8 – OHM (OCLC Holdings Manager) meetings with Illinois consortia partners (Scott, Rudy, Dave, Steven, Dawne)
- 10/23, 11/6 – Symphony Data Control Pilot Standup Meeting (Steven, Rudy, Michael, Dave)
- 10/28 – BLUEcloud Central User Security Improvements (staff from all functional units)
- 11/8- Sure Sailing Call (SWAN staff from all departments participate)
 - Review test finding of custom Book Invoice X12 report
 - Review Baker & Taylor report errors, may be due to tax amount in EDI file
 - Enterprise sorting by Call number

SWAN Assistant Director (Dawne Tortorella)

Book Club Users

The inaugural meeting of the SWAN Book Club Users was held on November 6th at Westmont Public Library. Lizzie Matkowski, Downers Grove Public Library and Lauren Maxwell, Geneva Public Library will serve as co-chairs of this newly formed users group. Lizzie led the first meeting with SWAN assistance from Helen and Crystal. This group has volunteered to use our community forums to continue ongoing discussion and networking. Invites to all participants have been extended. Over 20 people participated in this initial meeting.

Discussion included an open floor for libraries to share successful book discussion groups in their libraries and how they are managed and supported. Members also shared what they want to get out of this networking opportunity with colleagues.

Records Retention Policy

Work has begun on formalizing SWAN’s Record Retention Policy for submission to the State Archivist. This work will be reviewed and incorporated into our project plan for migration of accounting services.

SWAN Bibliographic Services (Scott Brandwein)

Cataloging Standards Task Force

The recommendations of the Cataloging Standards Task Force have been finalized and will be published in coordination with the upcoming Cataloging Advisory and Serial User Group meeting on Thursday, November 14th. This will be accompanied by new documentation detailing the use of standard numbers and book club/binge box kits to better fit with the working of the Symphony database.

Upcoming Cataloging Advisory Group/Serial User Group Meeting

The last Cataloging Advisory Group meeting of this year is November 14th. Topics include the new standards, ongoing cataloging and serial control cleanup initiatives, and the outlook of the SWAN

cataloging and serials groups into 2020. This will also be the last meeting of the Advisory Group in this format. Because of the success of the Cataloging Standards Task Force, we will be changing the layout of Bibliographic Services member meetings next year.

The small-group, task-oriented format worked well and leveraged the expertise of our member cataloging staff in ways I would like to continue. We will change the Cataloging Advisory Group to a similar type of group: 8 to 10 member catalogers, primarily (but not exclusively) from our Cataloging Libraries that will meet bi-monthly to accomplish specific tasks including further refinement of SWAN cataloging standards, establishing a method to evaluate and provide feedback on member cataloging, and making decisions regarding emerging formats and cataloging trends.

Along with this change, we will be retaining the existing Cataloging Advisory Group under the name Cataloging Users. This will be co-chaired by our consultant, Claudia Nickson, and a technical services staff member from the membership. This group will remain a source for cataloging staff to learn, surface issues, network, and otherwise engage with the cataloging landscape at SWAN. And outstanding issues raised at the Cataloging Users meeting will be brought to Cataloging Advisory for resolution.

Because the topic of serial control and serials cataloging are so closely linked, we will be dissolving the Serial Users Group. Instead, serials topics will be folded into the Cataloging Advisory and Cataloging Users meetings.

Villa Park Public Library Opening Day Collections

This project has spilled into November due to some delays on the part of one of Villa Park's vendors, but the bibliographic upload process has gone well. Item generation is clean, and about 95% of the incoming items matched to existing bibliographic records, leaving the number of new pre-cats at a minimum. Delays aside, we are very happy with how this project went and look forward to adding this to the list of services with which SWAN can assist our members.

OHM Update (OSMOSIS Replacement)

We have made headway in developing the OCLC Holdings Manager. Rudy Host has created tools to parse an entire MARC extract in very little time and convert our bibliographic data into a format that allows for comparison of a previous extract or snapshot of our holdings. He has also worked with OCLC to get their API toolset working, allowing us to update holdings in batch.

The process requires further refinement, but the elements are there, and we are confident this tool will work once it is stitched into a cohesive whole. We are working now with the other Illinois LLSAPs to gather MARC extracts for testing and their configuration data. It is possible SWAN will be able to send live holdings updates of our own holdings in a couple of months.

Cataloging Counts: SWAN Bibliographic Services

Counts do not include nineteen cataloging libraries. Original cataloging counts are new records created for SWAN and added to the OCLC WorldCat database. Copy cataloging counts are records downloaded from OCLC and added to SWAN's bibliographic database.

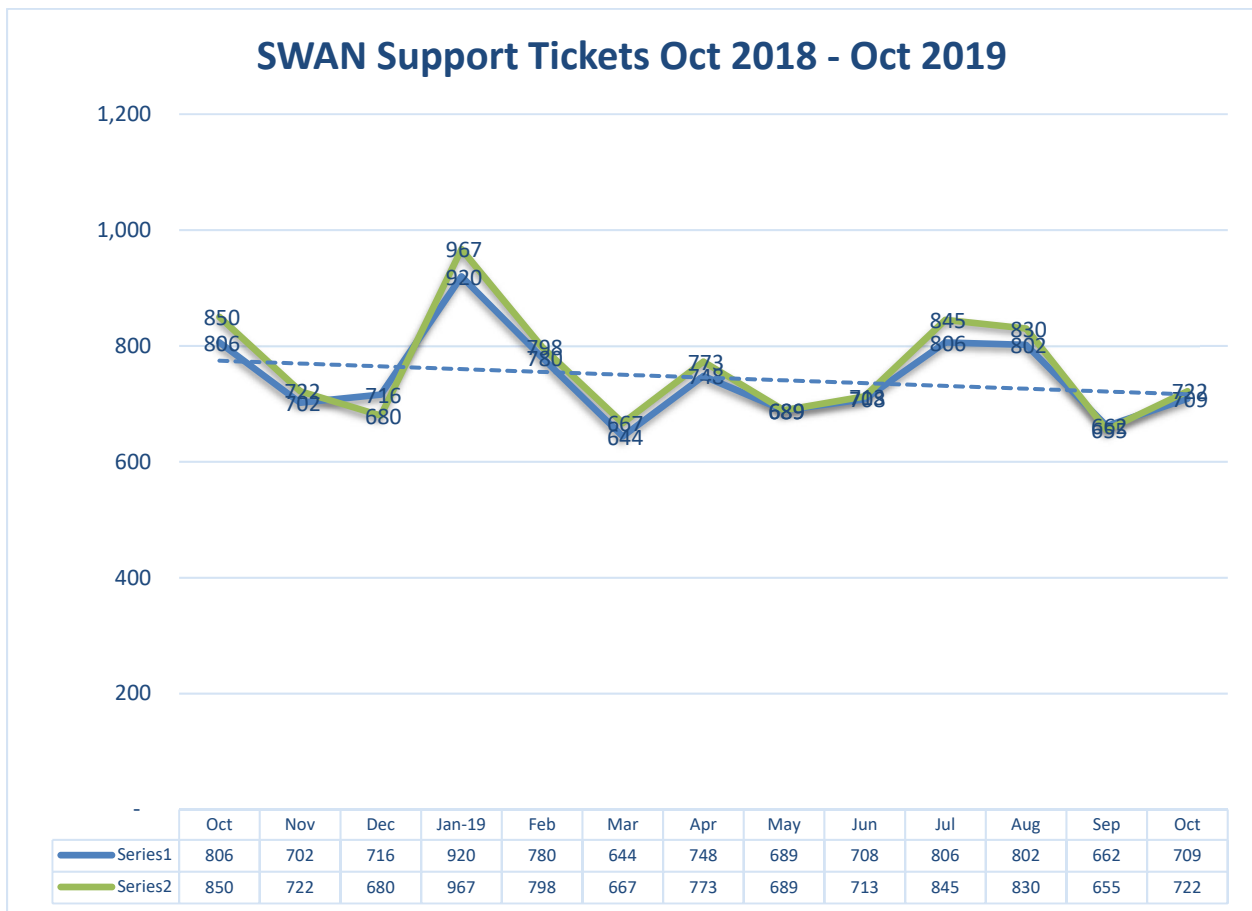
For October, there were 185 upgrades of minimal level records in OCLC to full records.

	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Orig 2017	96	132	169	131	133	209	266	184	96	195	93	112	1,816
Copy 2017	3,133	3,616	3,203	3,576	3,456	2,954	3,848	4,856	3,031	3,135	3,392	4,054	42,254
Orig 2018	122	89	147	70	119	148	118	167	116	209	194	92	1,591
Copy 2018	3,896	3,348	5,157	4,614	2,851	1,493	2,138	2,459	2,010	1,866	1,376	2,056	33,264
Orig 2019	126	82	106	211	92	163	127	175	171	102			
Copy 2019	2,565	1,952	1,939	2,352	2,032	2,070	1,672	1,872	2,362	2,605			

SWAN IT & System Support Services (Steven Schlewitt)

Support Tickets

As of November 8th, 72 tickets are currently open. Support inquiries varied over the previous month without a notable consistency.



Tickets Submitted to SWAN: New, Updated Chart

General Projects

- Project OHM development – Rudy
- Microsoft Azure/O365 training for Dave and Michael – Steven, Ian, Dave, Michael
- Quail Ridge copier contract audit – Steven with Ginny (Admin)
- Continued SharePoint and shared file storage cleanup – Steven with Operations Team
- BLUEcloud Central Securities SPP – Steven, Dave, Michael
- BLUEcloud Data Control Pilot – Steven, Dave, Michael, Rudy, Scott
- Woodridge Public Library SonicWall replacement – Ian, Michael
- Koios integration for Glen Ellyn Public Library – Steven

SWAN RFID Users Group Meeting

Ian and Steven hosted the RFID Users Group meeting on October 31st at the Elmwood Park Public Library. Most notable on the agenda was the addition of a new group chair, Ahren Sievers, Technology Librarian for the Elmwood Park Public Library. Six libraries were represented at the meeting, where future initiatives for the group were discussed, including the standardization of a SWAN RFP template, a SWAN RFID data model, and the general sharing of information for the SWAN community. The group was also invited to the expanding pilot of the SWAN Community Forums.

Annual Patron Purge / Database Record Maintenance

On November 11th, Steven kicked off the team discussion for the annual patron purge with Michael, Vickie, Dave, Ian, and Dawne. Together, they've begun brainstorming options for automating the annual patron cleanup as a more regular process, possibly occurring as frequently as monthly. This brainstorming is also hoped to uncover and combine other necessary patron/item record cleanups with the ultimate intention of creating an iterative process to maintain a clean and healthy Symphony database. The annual patron purge will be scheduled as usual, occurring in January 2020. The details of this cleanup and any associated processes will be shared with the membership in an upcoming news post, expected by early December.

Symphony 3.6.2 Testing and Upgrade

Combining efforts across SWAN departments, Steven, Vickie, Michael, and Ian have been coordinating the review and release of Symphony 3.6.2, a long-anticipated upgrade from the current Symphony and WorkFlows version, 3.5.3. Watch for the announcement of an upcoming webinar that will cover notable features, significant bugfixes, and a brief overview of the installation process. The webinar will be recorded and shared on SWAN's YouTube channel for later viewing. Additionally, when a firm date has been confirmed with SirsiDynix to perform the overnight upgrade, Steven will announce the date and WorkFlows update procedure. Pending the availability of SirsiDynix installation engineers, we're aiming for a go-live in the second week of December. Otherwise, the upgrade will be pushed into January 2020.

Project Management Institute (PMI) Coursework

Tying with coursework completed in March, after a rigorous application process, extensive study, and a four-hour exam, Steven has completed the Project Management Professional (PMP) certification with

the Project Management Institute (PMI) on behalf of SWAN. Steven has already begun incorporating many standard practices into the operations of his team, focusing largely on more structured oversight of projects.

Email Notice Tracking

As of November 8th, SWAN sent 431,129 emails from the Symphony server over the previous 30-day period and observed a delivery success rate of 99.02% (426,924), with 0.13% (565) of those emails bouncing due to a patron email issue and 0.02% (72) of those emails reported as SPAM by the patron.

Outage Tracking

Date	Time	Elapsed (Min)	Service	Planned?	Lib Hours?	Reason
10/20/2019	18:50	4	Symphony	Yes	No	Reboot after quarterly patches applied
10/21/2019	13:40	10	Enterprise	No	Yes	Web services outage and restart due to search load spike
10/23/2019	10:45	15	Enterprise	No	Yes	SirsiDynix DNS issues, globally impacted customers

SWAN User Experience (Tara Wood)

Outreach

Tinley Park Public Library is now live with the Outreach module. Crystal worked with library staff to set up, train, and implement Outreach.

SimplyE Pilot

St. Charles Public Library and Eisenhower Public Library are set up with a test instance of SimplyE. SimplyE is an app developed by the New York Public Library to simplify the eBook borrowing process. It works with several vendors to bring their e-content into one app, with one login.

Robin has been working with the New York Public Library on this pilot. NYPL set up our first test with Green Hills Public Library and trained Robin to handle set up for all additional libraries going forward. This has been a great learning experience for Robin, allowing them to get hands on learning about digital rights management.

Enterprise 5.0.1 Release

We have secured an upgrade date of December 18th for Enterprise 5.0.1, and we will be going live with a custom responsive theme, currently in development on our Enterprise test instance. As we're making some major changes with this upgrade that will impact both mobile and desktop user experience, the UX team is taking a few extra steps to prepare for this major upgrade.

Tara is conducting some on-the-fly usability testing at Elmwood Park Public Library the week of November 11th. They are a great candidate for this test, as they use iPads as their OPAC computers. I'd like to thank Ahren Sievers for his help coordinating this visit. Based on patron responses, we may schedule an additional testing session before the release. You can view the link we will be testing here:

https://swanlbstst.ent.sirsi.net/client/en_US/eps/

Lauren resized and optimized the library logos and format icons in Enterprise. Responsive design has the potential to negatively impact performance, so we're looking at all of the ways available to us to optimize page load times. We found that our logo images especially could be significantly reduced in size, so Lauren's work has been a big help in improving performance.

After completing usability testing at Elmwood Park, we will make a test link available for library staff to view. In addition, we will release a short training video for staff highlighting the changes and new features.

We're very excited to get this release out to our members!

Mobile App Patron Facing Videos Added

Lauren produced two additional videos for SWAN patrons in use of the mobile app. Member libraries are encouraged to link or embed these online videos within their own websites to share with patrons. For access to these videos and additional information on the SWAN Mobile App, see <https://www.swanlibraries.net/mobile-app/>.

New Patron Help Site

Lauren is leading the effort to redesign our patron help site, set to launch by the end of the year. The UX team is doing a complete overhaul of the public-facing site (currently at swanlibraries.net) to focus more on help content for patrons around using the catalog, Article Search, BLUEcloud Mobile app, and eBooks and downloadable materials. Robin and Crystal will be busy creating much of this new content. Expanded eBook help especially has been a topic in our DUX meetings over the past several months, and we hope this will be a valuable resource for library staff, either to share directly with patrons or to use as a template to create your own help materials.

When the site is complete, it will be linked from the Enterprise catalog, replacing and expanding upon the current generic SirsiDynix help.

eResource Usability Testing

Robin and Tara will conduct usability testing at Glen Ellyn Public Library on November 14th to learn more about how patrons use eBooks and eAudiobooks. We will share our findings with DUX and on the SWAN support site. Thanks to Susan DeRonne for volunteering and helping us to coordinate the tests!

Coursera UX Certification Courses

The team finished the 3rd course in the Coursera UX Certification. Just 3 more courses to go! This course focused on conducting usability tests and results analysis.

SWAN
Calendar-Timetable of Deadlines and Board Action Requirements

DATE	MEETING TYPE	ACTION ITEMS
Monday, July 1, 2019		SWAN FY20 Budget goes into effect.
Friday, July 19, 2019	Regular SWAN Board Meeting	Elect Officers: President, VP, Treasurer, Secretary & Complete Signature Card Changes for Bank Accounts. OMA Officers must complete training. Nominate for committees. Board self-evaluation.
Thursday, August 1, 2019		LLSAP Grant application package due to RAILS
Friday, August 9, 2019	Regular SWAN Board Meeting	CANCELLED
Friday, August 16, 2019	SWAN Expo	Annual conference at Moraine Valley Community College
Friday, August 23, 2019	Regular SWAN Board Meeting	Discussion with Secretary on Closed Session Review
Thursday, September 5, 2019	Quarterly	Introduce new SWAN Board members
Friday, September 20, 2019	Regular SWAN Board Meeting	Closed session minutes 6 month review Identify SWAN policies to review. Review budget process timetable with SWAN Board.
August–September 2019		RAILS reviews LLSAP grant applications and determines awards
Tuesday, October 1, 2019		RAILS responds with award letter and grant agreement
Friday, October 18, 2019	Regular SWAN Board Meeting	Aaron begins work on FY21 budget, brings questions to SWAN Board if needed.
November [TDB]	Finance Committee	Aaron Skog and Treasurer review Budget; SWAN potential policies are reviewed.
Friday, November 15, 2019	Regular SWAN Board Meeting	Board accepts FY19 audit.
		Aaron to bring FY20 Budget draft; Board discuss Fees and determines next steps.
		Set Board approves meeting dates for 2020 calendar.
Thursday, December 5, 2019	Quarterly	Announce FY21 Budget Process
Friday, December 20, 2019	Regular SWAN Board Meeting	Review of FY21 Budget Draft.

SWAN
Calendar-Timetable of Deadlines and Board Action Requirements

DATE	MEETING TYPE	ACTION ITEMS
		Approve FY21 LLSAP grant agreement
Wednesday, January 1, 2020		Signed LLSAP grant agreements due to RAILS
Friday, January 17, 2020	Regular SWAN Board Meeting	Review and recommend draft of SWAN Budget for Membership presentation. Set COW date for February for membership review.
		Recommend Draft of SWAN Budget for Membership Presentation. Set Budget Meeting date for February for membership review? Review Succession Plan for ED.
		SWAN Board reviews and adopts strategic plan.
January 2020 [TBD]	SWANcom	Board present draft budget to membership.
	SWANcom	Aaron Skog/Board announcement of draft budget to membership. Set February COW date and possible location of meeting.
February 2020 [TBD]	Membership Meeting	Meeting to discuss FY21 budget, fees, and reserves worksheet.
Friday, February 21, 2020	Regular	Incorporate changes, suggestions to SWAN budget. Create recommendation to membership. SWAN Board Election Process Review.
		Review Board Election Timetable.
		Yearly review of SWAN Bylaws; establish committee if needed.
		Closed session minutes 6 month review.
Thursday, March 5, 2020	Quarterly	Roll call vote to approve SWAN budget. Announce Board election process.
Friday, March 20, 2020	Regular SWAN Board Meeting	Determine if Finance/Personnel Committee meeint is needed.
March 2020 [TBD]	Finance Committee/ Personnel Committee Joint [if needed]	SWAN potential policies are reviewed. Yearly Employee Handbook review based on employment law requirements/recommendations.
Friday, April 17, 2020	Regular SWAN Board Meeting	Review and approve Board Self Evaluation Form; assign date for completion.
		Review proposed Bylaws changes (if any). Vote on recommendation to membership; send out SWANcom notification of amendment.

SWAN
Calendar-Timetable of Deadlines and Board Action Requirements

DATE	MEETING TYPE	ACTION ITEMS
May 2020 [TBD]	SWANcom	Announce election info.
Friday, May 15, 2020	Regular SWAN Board Meeting	Review Board Self-Evaluation Results.
		Director Evaluation - Review document in preparation to complete for June. Assign deadline for completion.
Thursday, June 4, 2020	Quarterly	Board Election Results. Vote on Bylaw amendments (if any).
Friday, June 19, 2020	Regular SWAN Board Meeting	Review/Write Off Allowance for Doubtful Accounts
		RAILS provides FY22 consortial support grant applications to consortia.
		Director Evaluation - Provide results and discuss (Executive Session).
Tuesday, June 30, 2020		OCLC State-wide Group Services Agreement Ends
Wednesday, July 1, 2020		SWAN FY21 Budget goes into effect
		FY21 RAILS LLSAP grant payments and in-kind services begin
Friday, July 17, 2020	Regular SWAN Board Meeting	Elect Officers: President, VP, Treasurer, Secretary & Complete Signature Card Changes for Bank Accounts. OMA Officers must complete training. Nominate for committees. Board self-
Sunday, January 31, 2021		FY21 LLSAP Grant semiannual reports due to RAILS

SYSTEM WIDE AUTOMATED
NETWORK
WESTMONT, ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

October 22, 2019

Members of the Administrators' Board
System Wide Automated Network
Westmont, Illinois

In planning and performing our audit of the financial statements of System Wide Automated Network ("SWAN"), for the year ended June 30, 2019, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of management and others within SWAN.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well-prepared audit package and we appreciate the courtesy and assistance given to us by the entire SWAN staff.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

PRIOR RECOMMENDATION

1. NET POSITION POLICY

Comment

Previously and during our current year-end audit procedures, we noted that SWAN does not have a formal net position policy. A net position policy establishes a minimum level at which the projected end-of-year net position should be maintained, taking into account the constraints imposed upon the resources reported by the proprietary fund. A net position policy assists in providing financial stability, cash flow for operations, and the assurance that SWAN will be able to respond to emergencies with fiscal strength.

It is essential to maintain adequate levels of net position to mitigate current and future risks and to ensure tax rates. Net position levels are also a crucial consideration in long-term financial planning. Credit rating agencies carefully monitor levels of net position and unrestricted net position in the financials to evaluate SWAN's continued creditworthiness.

Recommendation

We recommended SWAN create and adopt a net position policy to be in compliance with GASB Statement No. 54. SWAN should address net position reporting categories (invested in capital assets, restricted, and unrestricted) as well as review minimum net position policies.

Status

This comment has not been implemented and will be repeated in the future.

SYSTEM WIDE AUTOMATED
NETWORK
WESTMONT, ILLINOIS

ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
June 30, 2019

SYSTEM WIDE AUTOMATED NETWORK

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

October 22, 2019

The Administrators' Board
System Wide Automated Network
Westmont, Illinois

We have audited the accompanying financial statements of System Wide Automated Network (SWAN), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise SWAN's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SWAN's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SWAN's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of SWAN, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SWAN's basic financial statements. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

SWAN has not presented a Management's Discussion and Analysis as required supplementary information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

BASIC FINANCIAL STATEMENTS

SYSTEM WIDE AUTOMATED NETWORK

**Statement of Net Position
June 30, 2019**

See Following Page

SYSTEM WIDE AUTOMATED NETWORK

Statement of Net Position June 30, 2019

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 2,246,970
Accounts Receivable - Net of Allowances	47,063
Prepaid Expenses	<u>69,541</u>
Total Current Assets	<u>2,363,574</u>
Noncurrent Assets	
Capital Assets	
Depreciable Capital Assets	367,779
Accumulated Depreciation	<u>(311,330)</u>
Total Net Capital Assets	56,449
Other Assets - Deposits	<u>32,125</u>
Total Noncurrent Assets	<u>88,574</u>
Total Assets	2,452,148
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - Post-Retirement Health Plan	<u>8,157</u>
Total Assets and Deferred Outflows of Resources	<u>2,460,305</u>

LIABILITIES

Current Liabilities

Accounts Payable	130,451
Accrued Payroll	28,683
Unearned Revenues	208,852
Accrued Rent	4,228
Compensated Absences Payable	<u>19,912</u>
Total Current Liabilities	<u>392,126</u>

Noncurrent Liabilities

Accrued Rent	46,247
Compensated Absences Payable	79,647
Total OPEB Liability - Post-Retirement Health Plan	<u>39,101</u>
Total Noncurrent Liabilities	<u>164,995</u>
Total Liabilities	<u>557,121</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Items - Post-Retirement Health Plan	<u>14,016</u>
Total Liabilities and Deferred Inflows of Resources	<u>571,137</u>

NET POSITION

Investment in Capital Assets	56,449
Unrestricted	<u>1,832,719</u>
Total Net Position	<u><u>1,889,168</u></u>

SYSTEM WIDE AUTOMATED NETWORK

Statement of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual
Operating Revenues			
Fees for Services and Materials	\$ 2,476,016	2,476,016	2,482,890
Intergovernmental Agreement	598,985	598,985	598,985
Grants	1,200	1,200	84,736
Reimbursements	31,400	31,400	11,483
Total Operating Revenues	<u>3,107,601</u>	<u>3,107,601</u>	<u>3,178,094</u>
Expenses			
Administration	<u>3,114,401</u>	<u>3,184,484</u>	<u>3,183,272</u>
Operating Income (Loss)	(6,800)	(76,883)	(5,178)
Nonoperating Revenues			
Investment Income	<u>6,800</u>	<u>6,800</u>	<u>36,815</u>
Change in Net Position	<u>-</u>	<u>(70,083)</u>	<u>31,637</u>
Net Position - Beginning as Restated			<u>1,857,531</u>
Net Position - Ending			<u>1,889,168</u>

SYSTEM WIDE AUTOMATED NETWORK

Statement of Cash Flows For the Fiscal Year Ended June 30, 2019

Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 2,681,153
Other Receipts	695,204
Payments to Suppliers	<u>(3,275,907)</u>
	100,450
Cash Flows from Investing Activities	
Interest Received	<u>36,815</u>
Net Change in Cash and Cash Equivalents	137,265
Cash and Cash Equivalents	
Beginning	<u>2,109,705</u>
Ending	<u><u>2,246,970</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(5,178)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	34,167
Other Expense	10,465
(Increase) Decrease in Current Assets	198,263
Increase (Decrease) in Current Liabilities	<u>(137,267)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>100,450</u></u>

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of System Wide Automated Network (“SWAN”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of SWAN’s accounting policies are described below.

REPORTING ENTITY

SWAN is a membership organization that is designed for libraries in and around Chicago to house their collections and data in a shared, collaborative environment. The SWAN organization was formed as an Illinois Intergovernmental Instrumentality in 2010. SWAN is governed by its Administrators' Board, comprised of seven library directors elected from the SWAN membership.

As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

SWAN is not included as a component unit of any other entity.

BASIS OF PRESENTATION

In the Statement of Net Position, SWAN’s activities are reported on a full accrual, economic basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. SWAN’s net position is reported in two parts: net investment in capital assets and unrestricted.

SWAN uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." SWAN utilizes only the proprietary fund type.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to members or outside parties and are accounted for as enterprise funds.

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

On the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position, SWAN’s activities are presented using the economic resources measurement focus as defined below. All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are on the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

In the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, SWAN’s activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION

Cash and Cash Equivalents

Cash and cash equivalents on the Statement of Net Position and the Statement of Cash Flows are considered to be cash on hand and demand deposits.

Receivables and Prepaid Expenses

In the Statement of Net Position, receivables, if any, consist of all revenues earned at year-end and not yet received.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements. The costs of prepaid expenses are recorded as expenses when consumed rather than when purchased.

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION – Continued

Capital Assets

Capital assets purchased or acquired with an original, individual cost of \$5,000 or more are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Depreciation of capital assets in the proprietary fund types is computed using the straight-line method.

In SWAN’s capital asset policy, the following estimated useful lives are used to compute depreciation:

Leasehold Improvements	8 Years
Computer Equipment	5 Years
Machinery and Equipment	25 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Compensated Absences

SWAN accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee.

All vacation pay is accrued when incurred in the financial statements. SWAN records a liability for employees' vacation leave earned, but not taken at salary rates in effect at the end of the fiscal year. A portion of this liability will be paid within the next fiscal year.

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION – Continued

Net Position

In the basic financial statements, equity is classified as net position and displayed in two components:

Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings, if any, that are attributable to the acquisition or improvement of those assets.

Unrestricted – The remaining amount of net position.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the enterprise fund by vote of the full membership and ratification of this vote by the Administrators' Board.

The Administrators' Board prepares the annual budget. The budget is prepared by category and includes information on the current year estimates. The proposed budget is presented to the full membership for review and voting prior to ratification of this vote by the Administrators' Board. The budget was amended twice in fiscal year 2019.

NOTE 3 – DETAIL NOTES ON THE BASIC FINANCIAL STATEMENTS

DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments – Statutes authorize SWAN to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 3 – DETAIL NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

DEPOSITS AND INVESTMENTS – Continued

Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of SWAN's deposits totaled \$2,246,970 and the bank balances totaled \$2,274,536.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. SWAN minimizes this risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operation funds primarily in shorter-term securities. SWAN held no investments at June 30, 2019; and therefore, they are not subject to interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. SWAN minimizes its exposure to credit risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which SWAN will do business, and by diversifying the portfolio so that potential losses on individual securities will be minimized.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of bank failure, SWAN's deposits may not be returned to it. Per SWAN's investment policy, deposits are insured or collateralized with securities held by the pledging institutions. At year end, the bank balances of SWAN were fully covered by federal depository insurance.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of SWAN's investment in a single issuer. SWAN's investment policy requires that investments be made only in securities guaranteed by the U.S. Government, or in FDIC insured institutions. Deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage (unless adequately collateralized pursuant to Regulations of the Federal Reserve regarding custody and safekeeping of collateral). At year-end, SWAN does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 3 – DETAIL NOTES ON THE BASIC FINANCIAL STATEMENTS – Continued

CAPITAL ASSETS

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Additions	Deletions	Ending Balances
Depreciable Capital Assets				
Leasehold Improvements	\$ 6,895	-	-	6,895
Computer Equipment	324,383	-	-	324,383
Machinery and Equipment	36,501	-	-	36,501
	<u>367,779</u>	<u>-</u>	<u>-</u>	<u>367,779</u>
Less Accumulated Depreciation				
Leasehold Improvements	1,364	861	-	2,225
Computer Equipment	261,927	31,846	-	293,773
Machinery and Equipment	13,872	1,460	-	15,332
	<u>277,163</u>	<u>34,167</u>	<u>-</u>	<u>311,330</u>
Total Net Depreciable Capital Assets	<u>90,616</u>	<u>(34,167)</u>	<u>-</u>	<u>56,449</u>

Depreciation expense of \$34,167 was charged to the business-type activities.

LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019 was as follows:

Type of Liability	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Accrued Rent	\$ 52,536	-	2,061	50,475	4,228
Compensated Absences	82,949	29,137	12,527	99,559	19,912
Total OPEB Liability	<u>36,924</u>	<u>2,177</u>	<u>-</u>	<u>39,101</u>	<u>-</u>
	<u>172,409</u>	<u>31,314</u>	<u>14,588</u>	<u>189,135</u>	<u>24,140</u>

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

SWAN is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters. These risks are provided for through a commercial insurance policy purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

COMMITMENTS

In March of 2015, SWAN entered into a three-year contract for services with Reaching Across Illinois Library System (RAILS), a governmental entity. This agreement was amended in December, 2016. Under the amended agreement, SWAN received payment from RAILS to supplement its other support in the total amount of \$598,985 during fiscal year 2018.

In July 2018, SWAN entered into a new one-year contract for services with RAILS. These services included data center services, website services, help desk ticket system services, financial services, meeting room space, and bibliographic services. Under this new agreement, SWAN received payment from RAILS to supplement its other support in the total amount of \$598,985 during fiscal year 2019. This amount was subject to adjustment by mutual written agreement, and this contract was cancellable by mutual written consent or by either party upon 120 days' written notice to the other party.

In July 2019, this contract transitioned to a grant award from RAILS to SWAN, subject to an annual application and semi-annual report process. The services in this grant agreement include use of meeting rooms, communication and collaboration opportunities and services, grant opportunities for new members, bibliographic services, datacenter services, finance, delivery services to SWAN's facility, help desk ticket system services, and website provision and support. Under the grant, SWAN will receive payment from RAILS to supplement its other support in the total amount of \$524,679 during fiscal year 2020. This amount may be adjusted by mutual written agreement, and this agreement is cancellable by mutual written consent or by either party upon 120 days' written notice to the other party. RAILS may terminate this agreement due to the discontinuation of sufficient funding from the Illinois Secretary of State upon written notice to SWAN effective as of the date of termination or the discontinuance of such funding.

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS – Continued

SWAN entered into a non-cancelable operating lease for office space. Minimum future payments under the lease agreement are as follows:

2020	\$	74,383
2021		76,615
2022		78,913
2023		81,281
2024		83,719
Thereafter		<u>35,574</u>
		<u>430,485</u>

In addition to the minimum rental payments, SWAN is required to pay its pro-rata share of real estate taxes, insurance, and operating expenses.

The lease calls for specified rent increases in future years. The lessors allowed SWAN to take occupancy of the premises for three months before the lease began and additionally abated the first six months of rent at the start of the lease. Total rent expense is being recorded on a straight-line basis over the term of the lease.

Rent expense for the year ended June 30, 2019 was as follows:

Payments:		
Minimum rentals	\$	72,217
Contingent rentals		35,478
Change in accrued rent		<u>(2,061)</u>
Total		<u>105,634</u>

DEFINED CONTRIBUTION PLAN

SWAN provides retirement benefits for all of its full-time employees through a defined contribution plan. This plan was established with the International City Managers Association Retirement Corporation (ICMA-RC), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for state and local governments and their instrumentalities throughout the United States. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings, SWAN's policy is such that SWAN contributes on behalf of each full-time employee 9.75% of the employee's earnings at the end of every biweekly payroll period. SWAN's contribution for the fiscal year ended June 30, 2019 was \$131,748.

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

DEFINED CONTRIBUTION PLAN – Continued

Additionally, SWAN allows employees to contribute to Individual Retirement Accounts (IRA's), which are also administered by ICMA-RC, through biweekly payroll deductions.

SWAN's contributions for each employee (and interest allocated to the employee's account) are fully vested if the employee was hired prior to July 1, 2012. All employees hired after July 1, 2012 will be vested 100% after completing one year of service. SWAN's nonvested contributions and the interest forfeited by employees who leave employment before one year of service are used to reduce SWAN's contribution requirement to the remaining employees. The Executive Director and Administrators' Board are responsible for establishing and amending the plan provisions.

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. SWAN administers a single-employer defined benefit healthcare plan ("the Post-retirement Health Plan"). The plan provides limited healthcare insurance for eligible retirees through SWAN's group health insurance plan, which covers both active and retired members. The Post-retirement Health Plan does not issue a publicly available financial report. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the SWAN Administrators' Board. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. SWAN, through Library Insurance Management and Risk Control Combination (LIMRICC), provides healthcare benefits for retirees over the age of 59.5 and terminating upon Medicare eligibility or eligibility for other coverage. Retirees are not allowed to change healthcare plans after retirement, and retirees are not allowed to exit the plan and join at a later date. The benefit terms provide for 100 percent of the plan premiums and all administrative fees to be paid by the retirees.

Plan Membership. As of May 30, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	1
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>21</u>
Total	<u><u>22</u></u>

Total OPEB Liability

SWAN's total OPEB liability was measured as of May 30, 2018, and was determined by an actuarial valuation as of July 1, 2018.

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability– Continued

Actuarial assumptions and other inputs. The total OPEB liability in the May 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	3.50%
Discount Rate	2.79%
Healthcare Cost Trend Rates	
PPO Plan	9.0% for 2018, decreasing 0.5% per year to an ultimate rate of 5.0% for 2027 and later years
HMO Plans	6.5% for 2018, decreasing 0.19% per year to an ultimate rate of 5.0% for 2027 and later years
Retirees' Share of Benefit-Related Costs	Same as Healthcare Cost Trend Rates

The discount rate was based on yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

Mortality rates were based on the RP-2014 Combined Annuitant Mortality Table for males and females.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2018	\$ 36,924
Changes for the Year:	
Service Cost	13,035
Interest on the Total OPEB Liability	1,216
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	2,444
Benefit Payments	(3,333)
Other Changes	(11,185)
Net Changes	<u>2,177</u>
Balance at June 30, 2019	<u><u>39,101</u></u>

SYSTEM WIDE AUTOMATED NETWORK

**Notes to the Financial Statements
June 30, 2019**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 2.79%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (1.79%)	Current Discount Rate (2.79%)	1% Increase (3.79%)
Total OPEB Liability	\$ 43,699	39,101	34,920

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a Healthcare Trend Rate of 9.00% and 6.50%, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	8.00% and 5.50% (decreasing to 4.00%)	Healthcare Cost Trend Rates 9.00% and 6.50% (decreasing to 5.00%)	10.00% and 7.50% (decreasing to 6.00%)
Total OPEB Liability	\$ 32,442	39,101	47,407

SYSTEM WIDE AUTOMATED NETWORK

Notes to the Financial Statements June 30, 2019

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, SWAN recognized OPEB expense of \$13,798. At June 30, 2019, SWAN reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 4,506	-	4,506
Changes of Assumptions and Other Inputs	3,651	(14,016)	(10,365)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	<u>8,157</u>	<u>(14,016)</u>	<u>(5,859)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred (Inflows) of Resources
2020	\$ (453)
2021	(453)
2022	(453)
2023	(453)
2024	(453)
Thereafter	<u>(3,594)</u>
Total	<u>(5,859)</u>

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in the Employer's Total OPEB Liability
Post-Retirement Health Plan

SYSTEM WIDE AUTOMATED NETWORK

Post-Retirement Health Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
June 30, 2019**

	2018	2019
Total OPEB Liability		
Service Cost	\$ 11,212	13,035
Interest	1,591	1,216
Changes of Benefit Terms	(16,690)	-
Differences Between Expected and Actual Experience	5,257	-
Changes of Assumptions or Other Inputs	1,311	2,444
Benefit Payments	(15,861)	(3,333)
Other Changes	(3,952)	(11,185)
Net Change in Total OPEB Liability	(17,132)	2,177
Total OPEB Liability - Beginning	54,056	36,924
Total OPEB Liability - Ending	36,924	39,101
Covered Payroll	\$ 1,311,255	1,350,593
Total OPEB Liability as a Percentage of Covered Payroll	2.82%	2.90%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Terms. In the last valuation, spouses of retirees were modeled as having the option of electing medical coverage. Per SWAN personnel, this policy has changed and spouses no longer have that option. This change is reflected in the results (Changes of Benefit Terms).

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the healthcare trend rate each period. The following are the healthcare trend rates used in each period:

Fiscal Year	PPO	HMO
2020	6.31%	8.50%
2021	6.13%	8.00%
2022	5.94%	7.50%
2023	5.75%	7.00%
2024	5.56%	6.50%
2025	5.38%	6.00%
2026	5.19%	5.50%
Ultimate	5.00%	5.00%

In 2019, there was no change in the healthcare trend rates from the prior year.

OTHER SUPPLEMENTARY INFORMATION

SYSTEM WIDE AUTOMATED NETWORK

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended June 30, 2019**

	Original Budget	Final Budget	Actual
Operations			
Personnel			
Salaries and Wages	\$ 1,549,600	1,549,600	1,394,442
Payroll Taxes and Benefits			
Health, Dental, Life and Disability Insurance	232,300	232,300	224,445
Other Fringe Benefits	7,600	7,600	2,117
Retirement Benefits and Administration	141,600	141,600	132,748
Social Security Taxes	118,400	118,400	100,284
Worker's Compensation	2,200	2,200	3,306
Total Personnel	2,051,700	2,051,700	1,857,342
Equipment and Software Maintenance Expense	468,200	491,683	583,240
Library Materials and Supplies			
Computers, Software and Supplies	62,481	62,481	38,142
E-Resources	500	500	-
General Office Supplies and Equipment	9,000	9,000	2,236
Postage	900	900	96
Print Materials	8,000	8,000	4,322
Total Library Materials and Supplies	80,881	80,881	44,796
Building and Grounds			
Rent	101,044	101,044	105,634
Utilities	5,400	5,400	5,669
Property Insurance	1,476	1,476	1,476
Repairs and Maintenance	200	200	1,208
Custodial Service and Supplies	8,500	8,500	9,702
Other Building Maintenance	100	100	150
Total Building and Grounds	116,720	116,720	123,839
Conferences, Training and Travel			
Conferences and Training	16,900	16,900	28,866
Travel			
In-State	2,200	2,200	2,312
Out-of-State	11,000	11,000	2,994
Total Conferences, Training and Travel	30,100	30,100	34,172

SYSTEM WIDE AUTOMATED NETWORK

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual
Operations - Continued			
Professional and Contractual Services			
Accounting	10,000	10,000	5,200
Consulting	18,500	65,100	60,820
Contract Agreements with Systems, Member Libraries and Cooperatives	-	-	79,280
Equipment Rental	3,700	3,700	3,898
Group Purchases	-	-	1,528
Information Services	273,200	273,200	276,433
Legal	1,800	1,800	10,232
Liability Insurance	8,900	8,900	8,899
Other Contractual Services	29,600	29,600	39,203
Telephone and Telecommunications	20,100	20,100	18,967
Total Professional and Contractual Services	365,800	412,400	504,460
Miscellaneous			
eCommerce	-	-	89
Other	1,000	1,000	1,167
Total Miscellaneous	1,000	1,000	1,256
Depreciation	-	-	34,167
Total Operating Expenses	3,114,401	3,184,484	3,183,272

2020 SWAN Board & Membership Meeting Schedule

Meeting Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
SWAN Board Meetings Friday - 9:30 am	1/17	2/21	3/20	4/17	5/22	6/19	7/17	8/14 (if needed)	9/18	10/16	11/20	12/18 (if needed)
SWAN Quarterly Meetings Thursday - 10:00 am			3/5			6/4			9/3			12/3
SWAN Committee of the Whole Meetings As needed – 9:30am		2/4										

SWAN Board draft 11/15/19

Old COA	New COA: Board Report	New COA: 2nd Level	General Fund Description	Notes
Assets				
1000	1000		Cash - MaxSafe	
1010	1010		Cash - Hinsdale Bank Checking	
1020	1020		ProPay Funds	
1100	1100		Accounts Receivable	
1110	1110		Prepaid Expenses	
1200	1200		Building & Improvements	
1210	1210		Equipment	
1220	1220		Computers	
1299	1299		Accumulated Depreciation	
1910	1910		Deferred Outflows - OPEB	
Liabilities				
2000	2000		Accounts Payable	
2010	2010		Accrued Liabilities	
2020	2020		Rent Payable	
2100	2100		Accrued Payroll	
2110	2110		Payroll Tax withheld Payable	
2120	2120		Retirement Payable	
2130	2130		Payroll Tax Expense Payable	
2140	2140		Compensated Absences	
2150	2150		Other Postemployment Benefits	
2200	2200		Deferred Revenue	
2210	2210		Deferred Revenue - MAGIC Grant	
2910	2910		Deferred Inflows - OPEB	
3000	3000		Unrestricted	
Revenue				
	4000		Membership Fees	
4060		4010	SWAN Full Membership Fees	
4061		4011	SWAN Internet Access Membership Fees	

	4100	Membership Reimbursements		
4070		4110	Member One-Time Project Receipts	
4075		4190	Member Group Purchase Receipts	
	4200	Reimbursements for Losses		
4071		4210	Reciprocal Borrowing & ILL Losses within SWAN	
4072		4220	Reciprocal Borrowing & ILL Losses Collection Agency Fee	
4091		4230	Reciprocal Borrowing & ILL Losses outside SWAN	
	4300	Grant Revenue		
4090		4310	RAILS Support to SWAN	
4050		4320	Other Grant Revenue	
	4400	Registration & Event Receipts		
4073		4499	Annual Conference Receipts	SWANx Registration & Event Fees
	4500	Investment & Interest		
4080		4510	Interest Income	
		4520	Investment Income	
Expenses				
	5000	Salaries & Benefits		
	5010	Salaries & Wages		
5000, 5010, 5020		5011	Full-Time Salaries	
		5012	Part-time Salaries	
	5020	Personnel Benefits		
5030		5021	Social Security Taxes	
5040		5022	State Unemployment Insurance	
5050		5023	Worker's Compensation	
5060		5024	Retirement Benefits	
5070		5025	Health, Dental, Life & Disability Insurance	
5080		5026	Tuition Reimbursements	
5085		5027	Staff Wellness	

	5100	Building & Grounds		
5140		5110	Rent/Lease	
5150		5120	Utilities	
5160		5130	Property Insurance	
5170		5140	Repairs & Maintenance	
5180		5150	Janitorial Service & Supplies	
	5200	Professional Development		
5250		5210	In-State Travel	Travel reimbursement - user meetings/site visits
5260		5220	Out-of-State Travel	Travel for conference/training
5270		5230	Membership Meetings	Refreshments/supplies for member meetings
		5240	Staff Meetings	Refreshments/supplies for staff meetings
5280		5250	Staff Professional Development	Staff Professional Development
5500		5260	Professional Association Dues	Professional Membership Dues
		5270	Educational Material	Educational Material for staff research/learning
		5280	Online Learning	Online Learning & Learning Management Systems
5290		5290	Marketing & Promotional Material	Collateral for membership training and patron support
		5299	Annual Conference	SWANx
	5300	Information & Technology Services		
5310		5310	Infrastructure Licensing	Cloud Infrastructure Hosting Fees
		5320	Application Software Licensing	Client/Cloud based software subscriptions/licensing
		5330	Server Software Licensing	Server software subscriptions/licensing
5450		5340	Library Services Platform	Core Library Application Services
		5350	Data Management Services	Shared Catalog/Patron Data Management Services
		5360	Information Subscription Service	Content Subscriptions integrated with LSAP
		5370	Subscription Support Services	Subscriptions for membership support services
5380		5380	Telecommunications	Network Circuits & Telecommunciations
		5390	Group Purchases - Service	Group Purchases - Services
	5400	General Office		
5320		5410	Office Supplies	Office Supplies
5330		5420	Postage	Postage
		5430	Printing	Printing

5320		5440	Office Equipment	Office Equipment < \$5000
		5450	Furniture	Furniture
		5499	Annual Conference Supplies	SWAN Expo
		5500	Hardware & Equipment	
5390		5510	Equipment Rental/Maintenance	Equipment Rental & Maintenance
		5520	Hardware	Computers & Hardware
		5590	Group Purchases - Hardware	Group Purchases - Hardware Related
		5600	Insurance	
		5700	Interest & Fees	
5510		5710	Bank Fees	
5515		5720	Merchant Account Fees	
5590		5730	Interest Payment	
		5799	Annual Conference Merchant Fees	SWANx Merchant Fees
		5700	Contractual Services	
5410		5710	Legal	Legal
5420		5720	Accounting	Accounting
5430		5730	Consulting	Consulting
5435		5740	Payroll Services	Payroll Services
5440		5750	Contractual Agreements	Contractual Agreements
5480		5760	Notification & Collection	Notification & Collection
5100		5770	Recruitment	Recruitment
		5799	Annual Conference Facility Contract	SWANx Facility/Catering Contract
		5800	Library Materials & Content	
5110		5810	Print Materials	Print Materials
5130		5820	Electronic Resources	Electronic Resources
5485		5890	Group Purchases - Content	Group Purchases - Content
		5900	Asset Management	
5490		5910	Depreciation	
5495		5920	(Gain)/Loss Asset Disposal	
5025		5028	Vacation Expense	vacation liability expense goes here

SWAN FY21 Budget Overview: Moving Towards “100 Library Consortium”

November 15, 2019 SWAN Board Meeting

The FY21 budget will need the following:

1. SWAN Reserve Cash Worksheet & Six Year Reserves Plan
 - a. Update the worksheet with FY19 Audit: see "Unrestricted" on page 4, \$1,832,719
 - b. Deduct staff laptop replacement estimated around \$39,000
 - c. Deduct Library credit card chip & PIN devices around \$14,000
 - d. Add reserves contribution from three libraries estimated at \$26,000
2. Preliminary budget for FY21 will include:
 - a. Laptop replacement expense (under \$5,000 each)
 - b. EMV chip & PIN devices expense (under \$5,000 each)
 - c. Group purchase pass-through for requested EMV devices, with offset library reimbursement to SWAN
 - d. Adding three libraries with one-time costs, 6 months of membership fee revenue
 - e. Personal & Benefits expense 0% increase
 - f. Facility expense 0% increase
 - g. SirsiDynix negotiated agreement ends April 30, 2020, so July 1, 2020 FY21 start will need negotiated extension by February 2020
 - h. Increase in Azure expenses for servers/services hosted by RAILS, per RAILS FY21 LLSAP funding agreement these will no longer be supported by RAILS come June 30, 2021: OTRS ticketing system, SWAN support site, SWAN public site
 - i. Expenses associated with change in phone notification service (SirsiDynix Voice Automation ends in FY20)
3. Membership Fee chart for FY21 will include:
 - a. RAILS FY21 funding increase
 - b. Full year of Green Hills Public Library District membership fees
4. Narrative summary of SWAN Membership Fees & Total Expenses
 - a. Explanation of new chart of accounts

Recommendation

The SWAN Board should discuss the following:

1. Determine if the policy for maintaining a balance of 4 months operating costs in reserves should be increased from 4 months to 6 or 12 months.
2. Review the [SWAN Reserve Cash Policy](#): review of reserves and recommendation is due March 2020
3. Complete net position policy before June 30, 2020 per FY19 audit management letter.

For the SWAN budget timetable, please refer to the SWAN Board calendar in your monthly packet.



SWAN Administrators' & Directors' Quarterly Meeting

December 5, 2019

10:00 a.m. – 12:00 p.m.

Oak Brook Public Library, 600 Oak Brook Road, Oak Brook, IL 60523
Meeting Room

Please join the meeting from your computer, tablet or smartphone

[Insert URL for GoToMeeting here]

Agenda

1. Call to Order and Welcome
2. Public Comment
3. Introduction of New Library Directors
4. Action Item-- Approval of the September 5, 2019 Quarterly Meeting Minutes (pgs. X-X)
5. Discussion Item – SWAN Board Research into 501(c)3 (pgs. 8-10)
6. Discussion Item – Clarity Task Force Findings & Recommendation (pgs. X-X)
7. Discussion Item – Overview of the New SirsiDynix BLUEcloud Acquisitions Pilot (pgs. X-X)
8. Announcements and Questions
9. Next meeting: March 5, 2020

Meeting Information

Member Comment after each agenda item.

The Quarterly Meeting will be live-streamed via GoToMeeting. The URL below is specific to the date of the meeting. Please join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/963473653>

SWAN Quarterly 2020 Topics

March

SWAN Community Forums Overview

Going Fine Free (See [Chicago Public Library article in the Chicago Tribune](#))

Hold Wrappers

Standardization of Policies & Practices: Discussion on “Low Hanging Fruit”

SWAN & SirsiDynix Agreement Extension

June

Standardization of Holds Parameters

Catalog Research: Options of OPAC/Discovery for SWAN Libraries

September

Patron Management

Purging Old Bills

December

Strategic Plan Update