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NORTHERN SUBURBAN SPECIAL RECREATION ASSOCIATION

Board of Directors Finance Committee Meeting June 6, 2023 at 3:30 pm Minutes

(Approved on September 28, 2023)

MEMBERS PRESENT

The meeting was called to order at 3:35 pm by Sally Swarthout. Those present included **Jeff Harvey**, Deerfield; **John Bealer**, Lake Bluff; **Sally Swarthout**, Lake Forest; **Kris Ford**, Riverwoods; and **Steve Wilson**, Wilmette.

Those absent included **Jim Hospodarsky**, Highwood

STAFF AND OTHERS PRESENT

Guests included **Courtney Mohr**, Lauterbach & Amen.

NSSRA staff present included **Craig Culp**, Executive Director; **George Pappas**, Superintendent; and **Sherry Prause**, Executive Assistant.

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 3:35 pm. Roll call was taken. **YES:** Deerfield, Lake Bluff, Lake Forest, Riverwoods and Wilmette. **NO:** None. **ABSENT:** Highwood.

APPROVAL OF AGENDA

Ford moved and Bealer seconded to approve the agenda of the June 6, 2023 Finance Committee Meeting. A voice vote showed unanimous approval.

MATTERS FROM THE PUBLIC

There were no matters from the public at this meeting.

2022 NSSRA AUDIT

Pappas introduced **Courtney Mohr** from Lauterbach & Amen that has worked on our audit for three years. **Mohr** thanked **Pappas** for his help with the audit. **Mohr** shared details about the December 2022 drafted financial statements explaining the audit purpose of performing tests and procedures on financial procedures to form an opinion.

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NSSRA received an unmodified opinion meaning that financial statements are presented fairly and that the internal control environment of the organization is sound.

The ending net position is \$11,074,559. Of the \$11,074,559, \$8,962,995 is investment in capital assets. The remaining \$2,111,564 is unrestricted to meet the future needs of the association. The NSSRA Foundation ended at \$676,838 with the majority being unrestricted to meet the future needs of the Foundation.

NSSRA's net position was a decrease from 2021 by \$320,941 and the fund balance decreased by \$161,446 with an ending fund balance of \$1,629,996.

The management letter includes Lauterbach & Amen's recommendations. The only recommendation is related to GASB (Governmental Accounting Standards Board) pronouncement No. 96 for any Subscription-Based Information Technology Arrangements. The pronouncement provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) by governments. Adherence is required by December 31, 2023.

Ford inquired about the subscription-based services utilized by NSSRA. **Mohr** explained that if short term or material to an organization, the IT arrangements would be exempt. **Harvey** questioned if Lauterbach & Amen will provide specific guidance for the association. **Mohr** explained that there is a video presentation with additional details on their website to reference. **Culp** inquired about Bamboo. **Pappas** explained that Bamboo is monthly, not subscription based, so therefore is exempt from the financial reporting.

Culp asked the committee their opinion if Lauterbach & Amen should attend the June 15 Board Meeting. The committee agreed that Lauterbach & Amen's attendance at the Board Meeting is unnecessary due to attendance at the Finance Committee Meeting. It was recommended by **Harvey** for Lauterbach & Amen to prepare a memo for the board packet.

Wilson moved and Ford seconded that the Finance Committee recommends that the Board of Directors accept the 2022 NSSRA Annual Financial Report. A voice vote showed unanimous approval.

LAUTERBACH & AMEN CONTRACT

Culp shared that we just finished the third year of our contract that included the option to add a two-year extension working with Lauterbach & Amen. The fee schedule locks

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in a \$200 cost increase for their services each of the next two years. **Harvey** mentioned Deerfield is in the second three-year contract and may sign a third three-year contract. **Wilson** recommends that after this two-year extension, an RFP be created for audit services which wouldn't mean that a change in firms is necessary but that it is a good practice to get pricing.

Wilson moved and Swarhout seconded that the Finance Committee recommends that the Board of Directors approves the option to extend the auditing contract with Lauterbach & Amen for fiscal years 2023 and 2024. A voice vote showed unanimous approval.

APPROVAL OF OCTOBER 20, 2022 MINUTES

Wilson moved and Ford seconded to approve the minutes of the October 20, 2022 Finance Committee meeting. A voice vote showed unanimous approval.

REVIEW OF 2023 YEAR TO DATE FINANCIALS

Pappas reviewed the 2023 year-to-date financials for both NSSRA and ELA.

Through April 30, 2023, NSSRA received \$1,297,961 (35%) of budgeted \$3,723,420. NSSRA expended \$869,957 (23%) of budgeted \$3,854,681 through April 30. As of April 30, NSSRA has a net operating surplus of \$428,004. Attached is a summary of the NSSRA financials.

Through April 30, 2023, ELA received \$167,137 (31%) of budgeted \$539,330. ELA expended \$139,822 (27%) of budgeted \$522,615 through April 30. As of April 30, ELA has a net operating surplus of \$27,315. Attached is a summary of the ELA financials.

The combined NSSRA and ELA invoices and reimbursements paid in March-April 2023 totaling \$131,780 are attached. Also attached is a detailed listing of the P-card expenses for NSSRA and ELA that have been paid in March-April 2023.

PROPOSED BUDGET PROCESS DISCUSSION

Culp reiterated the request from John Peterson inquiring if NSSRA could create a new report to add to the current budget process that would provide the board with month-by-month spending.

Discussion from the committee included comments about not wanting to micromanage the association and not needing to see the finite details of the specific line items. **Ford** asked for input about advantages to the board knowing the monthly breakout.

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Swarthout shared that if staff felt it would help as an internal document, that is fine, but feels it's unnecessary for the board to see the finite details of a month-by-month report. **Culp** shared that currently we show the year to date.

Wilson prefers a month-by-month budgeting process for his district which helps him see the big picture. He shared that the downside is if a staff doesn't understand the concept and just divides the expenses by 12 months rather than at exactly what time of the year an expense will hit, it won't serve the expected outcome.

Bealer agreed that a new report could be a good tool for NSSRA to have internally, but it isn't information that he feels needs to be shared with the board. **Harvey** shared that it could be useful, but drawbacks include that it won't be useful if it isn't done correctly. Additional points discussed included how staff can learn the budget process and month-by-month reporting can be a good tool for young staff to learn and can provide professional growth. **Culp** is comfortable with current reporting utilized by NSSRA.

No recommendation was formulated by the Finance Committee for the Board of Directors. The item will be discussed at the NSSRA Board Meeting on June 15, 2023.

NSSRA BUS BID PROPOSAL

Culp discussed production time as the reasoning behind requesting bus bids by May of 2023 for a proposed January 2024 vehicle delivery. The vehicle cost has increased from \$109,000 for the vehicle delivered in 2023 to \$127,000 for the vehicle proposed for delivery in 2024. **Swarthout** inquired if any deposit was required. **Culp** replied that a \$4,000 deposit was required to place the vehicle order.

Wilson moved and Bealer seconded that the Finance Committee recommends that the Board of Directors accept the bid from Best Bus Sales for the 2024 NSSRA vehicle at \$127,350. A voice vote shows unanimous approval.

APPROVAL OF OCTOBER 20, 2022 CLOSED SESSION MEETING MINUTES

Ford moved and Bealer seconded to approve the closed session minutes of the October 20, 2022 Finance Committee Meeting. A voice vote showed unanimous approval.

COMMITTEE MEMBER COMMENTS

There were no committee member comments.

ADJOURNMENT

There being no further business, ***Bealer moved and Wilson seconded*** to adjourn the meeting at 4:15 pm. A voice vote showed unanimous approval.



Submitted by Craig Culp, Secretary