



Illinois Heartland Library System

TO: IHLS Board of Directors
FROM: Leslie Bednar
DATE: January 22, 2020
RE: IHLS Investment Update

During the July 2019 board, executive, and finance committee meetings, members discussed goal setting for IHLS Capital Projects Fund investments. As the Chief Investment Officer, I present to you a review of the planned investments for our Capital Projects Fund.

Background and Current Investments

During an April 2018 meeting, a finance committee member suggested the first goal for the fund to be a \$1,000,000.00 minimum balance. This goal was achieved during FY2019. The total reserved and unreserved funds at December 31, 2019, combined with interest, brings the total to \$1,328,909.14. Below is an overview of our planned investments in FY2020.

Table with 4 columns: Fund Category, 07/01/2019 Beginning Balance, 12/31/2019 Balance of Investments, and FY2020 Estimated Interest. Rows include Reserved Capital Project Funds, Unreserved Capital Project Funds (Scott Credit Union CD, Illinois Funds Balance), Total Unreserved Capital Project Funds, and Total Capital Project Fund.

*Budgeted at 1.665% Yield, Current Average Daily Yield as of 12/31/19 is 1.720%.
**Opening Certificate of Deposit (CD) in January 2020.
***Total estimated interest for the 12-month CD would be \$4,688.27.

IMAGINING TOMORROW ~ DELIVERING POSSIBILITIES TODAY!

Capital Projects Fund Investments in FY2020

The table below reflects the planned activity for the Capital Projects Fund in FY2020.

<u>FY2020 Capital Project Fund Investment Overview</u>	
FY2020 Beginning Balance	
Reserved Capital Project Funds Balance	87,912.00
Unreserved Capital Project Funds Balance as of July 1, 2019	1,324,830.69
Total Balance of Capital Project Fund as of July 1, 2019	1,412,742.69
FY2020 Inflows	
Transfer from FY2019 General Fund Audited Revenue over Expenses	585,427.00
FY2020 Budgeted Capital Project Fund Interest Income	15,845.11
Total FY2020 Budgeted Inflows of Capital Project Fund	601,272.11
FY2020 Outflows	
FY2019 3 Delivery Vans (Completed)	82,065.00
FY2019 Painting of Soffit, Trim, and Doors – Champaign Office (Completed)	6,000.00
Parking Lot Resurfacing – Edwardsville Office (Completed)	9,800.00
ADA Restroom – Champaign Office	40,000.00
Outdoor Concrete Project – Champaign Office	6,007.00
3 Delivery Vans	90,000.00
1 Staff Vehicle	25,000.00
Total FY2020 Budgeted Outflows of Capital Project Fund	258,872.00
Total Projected Capital Project Fund Balance as of June 30, 2020	1,755,142.80

Recommendation

We recommend board approval to open a savings account and purchase a 12-month certificate of deposit with Scott Credit Union. The Executive Director will arrange for the CD to be purchased for \$245,000 and an additional \$5 savings account. The savings account is required to establish IHLS as a credit union member in order to purchase the CD.

Thank you for your consideration, and please let me know if you have any questions.