

This is a list of materials I had put into the planning document I drafted back in May. This was taken from Jane Arsenault's book. She is the consultant the Northern Group may be working with.

I and my staff added items based on some of our own experiences and local conditions.

This is a starting point. Between this and the handout I gave you last meeting should give us enough information to develop our due diligence process for the merger.

Bev Obert

## Section B

### Preliminary List of Documents for Due Diligence Process

Due diligence. Such a measure of prudence, activity, or assiduity, as is properly to be expected from, and ordinarily exercised by, a reasonable and prudent man under the particular circumstances; not measured by any absolute standard, but depending on the relative facts of the special case. Taken from *Black's Law Dictionary* 6<sup>th</sup> ed. c. 1990 page 457.

These documents from the four systems will be used by the DT in their work to create a new library system. Documents based on information as of July 1, 2010

1. Organizational
  - a. Board make up
  - b. System organizational chart
  - c. LLSAP organizational chart / Bylaws / User Group
  - d. Name of Attorney with contact information
2. Employees
  - a. List of employees with degrees and salary listed, plus other agreements i.e. Bev at RPLS has use of a car for commuting to and from work.
  - b. List of current employee benefits covered by each system.
  - c. List of outside consultants used on a regular basis.
3. Membership
  - a. Listing of members by type with indication whether at full or developmental status and member of LLSAP or not.
4. Financial information
  - a. Audits for the last 3 years and the FY 2010 Financial Statements
  - b. Management letters from the past 3 years.
  - c. Current accounts receivable and payable
  - d. FY 11 budget with detail
  - e. Description of all outstanding liabilities, i.e. loans, mortgage, etc.
  - f. Most recent IMRF actuarial valuations, including information that is typically disclosed in the audited financial statements
  - g. List of license agreements or binding contracts with expiration dates.
  - h. Labor contracts
  - i. Copies of all property and casualty insurance policies in force.
  - j. Appraisal value of buildings.

- k. List of property, equipment, and furniture (i.e. inventory), include any equipment housed off site at member libraries or other locations.
  - l. Name of auditors with contract information.
  - m. A list of any known hazardous waste, asbestos, or underground storage tanks, etc that could pose a potential liability for the new system.
  - n. Acknowledgement of any known mine subsistence under or near current facilities.
5. Claims, Litigation, and Arbitration
- a. Provide documentation for any claims, litigation, and arbitration against the system during the last 3years.
  - b. Description and status of any pending litigation.