

IFLS LIBRARY SYSTEM
BOARD OF TRUSTEES

MEETING LOCATION:

IFLS Library System (Conference Room)
1538 Truax Blvd., Eau Claire, WI 54703
Or, via Zoom Meeting

DATE/TIME:

Wednesday, May 28, 2025
12:30 pm

**IF YOU ARE UNABLE TO ATTEND THE MEETING, CONTACT THE IFLS OFFICE
(1-800-321-5427) BY 4 P.M. THE DAY BEFORE THE SCHEDULED MEETING.**

Click on Link to join Zoom Meeting:

<https://us02web.zoom.us/j/89922376444?pwd=SHQQ4ga2GGsoeAnBXpladVQ1VucAFL.1>

Meeting ID: 899 2237 6444

Passcode: vbeJXMR1

Phone: +1 312 626 6799

Meeting ID: 899 2237 6444

Passcode: 61873585

A G E N D A

1. Call to Order
2. Establish a Quorum
3. Certification of Compliance with the Open Meeting Law
4. * Approve Agenda
5. Public Comments (*Each person who wishes to speak is limited to no more than five minutes. There is a ten-minute limit per topic and a twenty-minute limit at any meeting for Public Comments. Contact IFLS office for additional information related to Public Comments.*)
6. Announcements/Correspondence/Introductions
7. * Minutes - Approve: Board of Trustees – March 26, 2024 **#018(25)**
8. * Financials - Approve: Check Registers: March/April 2025 **#021(25)**
Approve: Financial Reports: March/April 2025 **#022(25)**
- 9. (12:45 pm)* 2024 Audit Report and Presentation #023(25)**
10. IFLS Staff Reports (In-person Report-Cecelia Cole) **#024**
11. Director's Report of Agenda Items and Monthly Activities **#025(25)**
12. * Report from IFLS Personnel Committee
Election of Chair
Director Evaluation Process/Timeline **#019(25)**
Holiday and Vacation Policy Changes
13. Board Member Reports
14. * Adjournment

TOUR: IFLS Library system (following meeting)

Handout: 2025 IFLS Trustee List with Committee Appointments, Board Meeting Schedule

** Denotes Action Items*

IFLS Library System will attempt to provide reasonable accommodations to the public who wish to attend meetings, provided reasonable notice of need is given. To request such accommodation, contact System at (715) 839-5082.

**IFLS LIBRARY SYSTEM
Board of Trustees
March 26, 2025**

MINUTES

The Board of Trustees of the IFLS Library System met on Wednesday, March 26, 2025, via Zoom. Tripp called the meeting to order at 12:42 pm.

**QUORUM AND CERTIFICATION OF COMPLIANCE
WITH OPEN MEETINGS LAW:**

Joanne Gardner established that a quorum was present and certified that the meeting had been properly noticed in compliance with the open meeting law.

BOARD MEMBERS PRESENT:

Judith Achterhof (St. Croix County); **Mary Ellen Brue** (St. Croix County); **Sue Duerkop** (Polk County); **Fran Duncanson** (Polk County); **Pat Eggert** (Dunn County); **James Ericksen** (Chippewa County); **Lois Goode** (Rusk County); **JoAnne Johnson** (Pierce County); **Amanda Kohlen** (Barron County); **Mary Alice Larson** (Barron County); **Sue Marshall** (Price County); **Stella Pagonis** (Eau Claire County); **Jackie Pavelski** (Eau Claire County); **Charlie Schell** (Resource Library); **Mike Schendel** (St. Croix County); **Jim Tripp** (Dunn County); **Jane Winter** (Pepin County).

BOARD MEMBERS ABSENT:

Jan Daus (Eau Claire County); **Julie Woodruff** (Chippewa County); Pierce County Vacancy.

OTHERS PRESENT:

John Thompson (Director); **Adam Fuller** (Business Manager); **Joanne Gardner** (Administrative Associate/Recorder); **Katelyn Dubiel** (Public Services Consultant).

APPROVE AGENDA:

MOTION #06 ⁽²⁵⁾: To approve the Agenda as presented. Brue/Marshall
RESULT: Carried.

CITIZEN COMMENTS:

There were no citizen comments.

ANNOUNCEMENTS/CORRESPONDENCE/INTRODUCTIONS:

Gardner announced new trustees joining the meeting today. They include Charlie Schell representing the Resource Library and JoAnne Johnson representing Pierce County.

MINUTES:

MOTION #07 ⁽²⁵⁾: To approve the Board of Trustee minutes dated January 22, 2025 (Doc. #006-25). Eggert/Marshall
RESULT: Carried.

FINANCIAL REPORTS:

MOTION #08 ⁽²⁵⁾: To approve the Check Registers for January/February 2025 (Doc. #007-25). Achterhof/Brue
RESULT: Carried.

Questions were asked about EBSCO Publishing, Innovative Interfaces, ShoutBomb, and Market & Johnson. It was noted that some checks were for annual subscriptions.

MOTION #09 ⁽²⁵⁾: To approve the Financial Reports for December 2024 (Doc. #008-25) and January/February 2025 (Doc. #009-25). Kohnen/Winter
RESULT: Carried.

It was noted that pages 12-20 of the meeting packet contained the December 2024 Financial Reports.

Questions were asked about Reserve/Committed Funds, Funds in Reserve, undesignated funds reallocations, timing of expenditures from previous year to current, and fund balance amounts per auditor's recommendation.

(Pavelski joined the meeting at 12:54 pm.)

It was noted that with the current building being 30 years old, we are running into more repairs and need updates. Recently the Fire Department was in and based on their inspection, we needed to update all the EXIT lighting throughout the building.

It was stated that interest income can fluctuate from year to year. A few years back we only received \$2,000-3,000 in interest income for the year. In 2024 we received almost \$116,000.

Thompson noted that IFLS budgets and expends all money coming in for State Aids. We spend what we can, but budget conservatively.

Achterhof inquired if the Board of Trustees should be setting a policy for how much the fund balance is. Thompson replied, the Board could do that and add additional categories. The fund balance is part of the budget approved by the board and reviewed by the auditors. It includes categories such as Building Updates, System Vehicle, etc.

Thompson noted that once the audit is complete, IFLS will do a budget amendment in May or July and reallocate unexpended funds from 2024. Reallocated funds are typically spent on special projects or services IFLS can provide, since they are not ongoing expenditures from year to year.

Thompson shared the difference between the IFLS and MORE funds. MORE is funded by fees charged to the member libraries. MORE transfers money to IFLS for the staff costs of MORE. As you read in the financial reports, both IFLS and MORE maintain their own budgets. MORE, as an organization, sets its own budget and determines how they will charge themselves and expend their dollars. MORE is part of the IFLS budget when it is approved. IFLS has no control over the MORE budget. IFLS does set the management fee for overhead and employee expenses. MORE has the ability to reject the budget if they do not like the management fee. This has never happened. IFLS has no veto power on the MORE budget.

Pages 21-28 of the meeting packet include the financial reports for January/February 2025.

A question was asked about LSTA. LSTA Stands for Library Services and Technology Act and is federal grant money.

INVESTMENT REPORT AND POLICY REVIEW:

MOTION #10 ⁽²⁵⁾: To accept the Investment Policy (Doc. #010-25). Achterhof/Marshall
RESULT: Carried.

DIRECTOR'S REPORT:

Thompson reported that all member library annual reports were submitted and filed on time. Thanks to all the staff who helped throughout the process.

Thompson attended a two day retreat with other system directors along with Library Division staff to discuss future planning ideas as well as discuss items impacting systems and libraries.

On March 14th, an Executive Order regarding the Institute of Museum and Library Services (IMLS) that states agencies' "non-statutory components and functions...shall be eliminated to the maximum extent consistent with applicable law." It is not clear what this means and how the potential reductions to IMLS funding will impact library services in Wisconsin.. After the Executive Order was signed, the director of IMLS was removed and a new interim director installed. It is not clear with the interim director what the interpretation of essential and nonessential will be.

Each state develops their own plan for the Grants to States program. In Wisconsin, the Division for Libraries and Technology implements a plan for the use of those funds. It is not known if the Executive Order impacts this particular program. Library Systems in Wisconsin are primarily supported by State Aids while local libraries receive their funding from their municipalities and counties.

IFLS will share updates as more is learned about the impact of the order and how best to advocate for IMLS funding. Wisconsin will be launching an advocacy campaign for libraries to communicate to legislators the importance of library services. Once the campaign is launched, it will be shared out with everyone. It will be 7-10 days before it is rolled out.

If all monies go away to the state it will have some impact on library systems. Some money for scholarships would go away as well as support for tech infrastructure. The main impact will be on the state level for statewide programs and services covered with those dollars. This includes

staff at the Division for Libraries and Technology. Currently, there is no indication that this money is going away.

The State of Wisconsin is at the beginning of their biennial budget cycle. In general, the Executive Order may impact on how the budget is put together.

IFLS will share updates as more is learned about the impact of the order on library service in Wisconsin and how best to advocate for IMLS funding.

IFLS STAFF REPORTS:

Katelyn Dubiel, Public Services Consultant, was present to give a report. The areas of focus for her are strategic planning with the libraries, the first stop for library administration for libraries, collaborations and adult services, policy review for libraries, and managing the delivery system.

IFLS contracts for delivery service between fifty-six locations in our ten county area. Historically, the contract has been with Waltco Delivery. On February 5, 2025, Katelyn received a call from Waltco that they were closing almost all of their terminals by the end of the month.

It was noted that in addition to contracting for the delivery, Waltco does all of our sorting at their terminal. There are typically 18,000 items in transit. There are 210 stops per week with two hundred bins per day.

IFLS hired consultant Bruce Smith to search for options. Smith previously worked at the Department of Public Instruction and helped in establishing the South Central courier system. He has a background in delivery among libraries and has been an invaluable resource.

On February 10th, libraries were notified of the delivery situation and IFLS began contacting potential vendors. There were three potential vendors in this area and Dubiel contacted them. Dubiel expressed appreciation for our libraries regarding this situation. It shows how much they trust us in finding a solution.

February 12-16th was spent exploring options including a short-term IFLS run, vendor run, or a hybrid solution. They also discussed the potential impacts on ILS, statewide, kits, etc.

One of the vendors in the area that was discussed is Purple Mountain Solutions, Inc. They were taking on some of Waltco's terminals and customers. Purple Mountain agreed to honor the Waltco pricing for 60 days and began on March 1st. No other vendors were in the position to match that offer. Purple Mountain was selected as a short-term vendor to continue library service uninterrupted. IFLS worked with Purple Mountain to ensure a seamless changeover. There have been some changes for libraries, but they have had nothing but good things to say about Purple Mountain. Items continue to move at a good rate and all the stops are being made.

Now that the crisis has been averted, the focus is pivoted to finding a long-term solution. Dubiel has been working to get pricing information from all potential vendors identified in February. Bruce Smith developed a thorough plan and budget for an IFLS-run courier service as well as evaluating Purple Mountain as a long term solution.

The next steps are working on interview questions and RFP-Esque standards for potential vendors as well as a rubric for evaluation. We will work out the kinks with the statewide delivery and ensure access to all library locations. We will continue to monitor the flow of materials and reports from the libraries.

Dubiel anticipates working with Purple Mountain for a while. Trying to transfer to a new company in the height of summer reading programs does not work well. It is likely a vendor will be selected in the fall and develop a contract which would be re-evaluated every 3-5 years. It is anticipated the start of the contract would be 2026.

Achterhof noted that she heard from a librarian that Purple Mountain is paying their drivers less than Waltco. Dubiel noted that IFLS is looking to contract for a service, and we cannot dictate the pay/benefits the drivers receive.

Pavelski inquired where Purple Mountain is located. Dubiel noted they have a regional terminal in the Lake Hallie area. All three vendors we are evaluating have regional hubs in the area.

Duerkop asked for an oral report on investments. Thompson noted that basically IFLS has two options in terms of where we can invest our dollars. They are the State Pooled Investment Fund (PIF) and a local bank – Associated Bank. The PIF has tended to have a solid history in terms of interest rates. Additionally, we are able to work with the local bank to match the PIF rates. Fuller added that other banks that reached out to us could not match the PIF rates nor did they offer collateral.

The current rates are 4.33% with Associated Bank and 4.4% with the PIF. These rates were the same through 2024 and why interest income is high.

IFLS ANNUAL REPORT AND STATEMENT OF COMPLIANCE:

MOTION #11 ⁽²⁵⁾: To approve the IFLS Annual Report and Statement of Compliance for 2024 (Doc. #013-25). Brue/Tripp
RESULT: Carried.

Enclosed in the meeting packet is the system Annual Report and Statement of Compliance for 2024. It is a collective effort and filed on an annual basis. The system report certifies that all member libraries are in compliance with state statutes.

The budget information is shown based on program categories established for the report. It appears differently than our regular monthly financial reports. It also includes a series of check boxes and more detailed information on specific programs. System staff wages are included. This section has expanded from years prior to as the division is working to collect salary information on all library staff for libraries and systems.

Page 53 contains the Certification of Statutory Compliance for 2024.

SYSTEM EFFECTIVENESS STATEMENTS FROM MEMBER LIBRARIES:

As part of member libraries completing their annual report, they are to complete a statement of system effectiveness. 100% of the libraries said the IFLS Library System provided effective leadership. The comments provided by libraries are provided in the meeting packet.

APPROVAL OF EXECUTIVE COMMITTEE OFFICERS AND PERSONNEL COMMITTEE FOR 2025:

Page 56 of the meeting packet provides the individuals identified to serve as officers of the Executive Committee and members of the Personnel Committee for 2025.

MOTION #12 ⁽²⁵⁾: To approve the Executive Committee Officers and Personnel Committee members for 2025 (Doc. 015-25). Winter/Kohnen
RESULT: Carried.

Typically, the Personnel Committee meets in the morning prior to IFLS Board meetings. The first meeting will be held in the morning before the May Board meeting.

TRUSTEE ORIENTATION:

Thompson prepared a PowerPoint presentation which is included in the meeting packet as well as available on the website section for trustees.

IFLS Library System is one of fifteen systems in the State of Wisconsin. IFLS is one of the largest in terms of geographic region. IFLS is the second largest with municipalities with a public library. The system is primarily funded with state aid and is the fourth highest funded. The state is working on the upcoming budget cycle for 2026-2027.

You as a library system trustee occupy a unique position. When you represent the library system, you need to consider not only your community or your county, but the entire region served by the system and the many libraries and users of this region.

From the smallest library of Deer Park having a few hundred residents to over 70,000 in Eau Claire, the system services provided varies greatly.

The system board has no taxing authority and is not a subset of the state. It is its own unit of government whose responsibilities for fiscal planning and oversight. When IFLS shares financial documents, member questions are part of your responsibility as a trustee. The auditor has commented that the system board is engaged with the financial reports.

Trustees should be willing to assume a leadership role in legislative lobbying or advocacy at the state and federal level.

Thompson provided a graph showing the roles of the system board and director starting on page 63 of the meeting packet. The board is tasked with hiring and evaluating the system director. Board members are to review and approve the strategic plan as put together by the director with input from member libraries.

Board members should solicit and provide input on the member library needs from the library communities.

Board member advocacy includes support of the system and library issues, attending workshops and/or conferences. There is generally a day of the annual Wisconsin Library Association (WLA) conference dedicated to trustees.

The system director acts as an advisor to the board. The director also supervises system staff. The director keeps the board informed of library issues and law as well as preparing and sharing talking points. It is a team effort between the system board and director.

There are not a lot of system policies that are made. It is important to know that system trustees cannot make policies for any member library. Trustees should avoid any unnecessary interference with the autonomy of member libraries.

Chapter 43 of the Wisconsin Statutes pertain to public libraries. They include open meeting law, public record law, and Americans with Disabilities Act.

Meeting notice with agenda notice must be posted at least 24 hours in advance. Items on the agenda are spelled out to know what will be discussed. Minutes must be kept and made available to the public.

The meeting quorum is a majority of the board, and its purpose is to engage in business. Members cannot create walking or email quorums.

There are limited reasons the board can go into closed session. They are for a specific individual not general wage increases, compensation, or personnel policies. They are to consider dismissal, demotion, or discipline of an employee. While it is permissible to go into closed session, it is not required.

The system must respond to requests under the Public Records Law. Some library records are confidential as they contain personal information.

Board members can contact Thompson if they have questions. You can also refer to the System Board Roles and Responsibilities as well as other resources on the website.

CERTIFICATES FOR OUTGOING TRUSTEES:

Certificates were prepared for outgoing trustees who served on the IFLS Board of Trustees and include Jill Markgraf representing the Resource Library and Paula Lugar representing Pierce County.

BOARD MEMBER REPORTS:

Ericksen reported that Stanley is still working on their building project, and extra money can be sent to them.

Duerkop reminded trustees to reach out to your legislative senators and representatives.

Marshall thanked Katelyn Dubiel, John Thompson, and Lori Roholt for the staff in-service they provided at Phillips Public Library about team strengths and cultures. Marshall noted that Phillips Public Library received a \$10,000 ALA Access grant to automate entrances for both the front and back door.

Achterhof noted that board members should drive by the New Richmond library building project.

Brue noted that in preparation for the new library in Hammond, they are picking out floor coverings and appreciating Thompson's wonderful help.

Duerkop thanked Tripp for assisting with running today's meeting and apologized for the technical difficulties on her end.

ADJOURNMENT:

The Board of Trustees adjourned at 2:27 pm. Ericksen/Brue

Joanne Gardner, Recorder/Administrative Associate

These minutes of the Board of Trustees are approved:

- ☐ as printed.
☐ with corrections noted.

Presiding Officer

Dated

IFLS Library System
Check Register
March 2025

#021(25)

Date	Num	Name	Memo	Amount
Mar 25				
03/01/2025	Auto Pay	Delta Dental	mar. '25 Vision	-73.44
03/10/2025	Auto Pay	AT&T	Feb. Phone/Fax Line	-20.55
03/10/2025	Auto Pay	Kwik Trip, Inc.	Feb. Gas Stmt.	-62.34
03/19/2025	Auto Pay	Xcel Energy	01/26-2/25 Gas & Electric Svc	-584.45
03/21/2025	Auto Pay	Associated Credit Card	Feb. Credit Card *see attached	-5,761.04
03/22/2025	Auto Pay	Lumen	Mar. Phone	-1.46
03/24/2025	Auto Pay	Employee Trust Funds, Dept of	Apr. '25 Health Ins.	-25,374.00
03/05/2025	WIRE	Wisconsin Deferred Comp. Program	P/R#5	-1,510.00
03/12/2025	WIRE	Internal Revenue Service	P/R#5	-9,398.54
03/15/2025	WIRE	Wisconsin Department of Revenue	P/R#4	-1,679.38
03/19/2025	WIRE	Wisconsin Deferred Comp. Program	P/R#6	-1,510.00
03/26/2025	WIRE	Internal Revenue Service	P/R#6	-9,478.28
03/31/2025	WIRE	Wisconsin Retirement System	Feb. WRF	-11,691.66
03/31/2025	WIRE	Wisconsin Department of Revenue	P/R#5	-1,679.38
03/05/2025	DD3217-3235	IFLS Staff	Direct Deposit	-28,626.12
03/19/2025	DD3236-3254	IFLS Staff	Direct Deposit	-28,759.00
03/03/2025	43575	Baker Tilly US, LLP	2024 Audit in Progress	-525.00
03/03/2025	43576	Dubiel, Katelyn	Lib. Visit/Phillips-Staff Inservice	-119.00
03/03/2025	43577	Jensen, Brad	Tech. Support/Mult. Libs.	-27.20
03/03/2025	43578	Johnson, Jackee	Lib. Visit/Mult. Libs	-198.80
03/03/2025	43579	Market & Johnson	Facility Repairs/Grounds Project	-5,000.00
03/03/2025	43580	Season 2 Season	Jan. Plowing	-160.00
03/03/2025	43581	South Central Library System	Statewide Delivery Svc/July-Dec. 25	-10,472.50
03/03/2025	43582	Bibliocommons Inc.	MORE/BiblioCloudRecords/Implementation	-9,782.75
03/03/2025	43583	Johnson Litho Graphics of Eau Claire, LTD	MORE Billable/8000 Reg Forms	-470.00
03/03/2025	43584	OCLC, Inc	Feb. Net OCLC /WebDewey Fees	-476.56
03/03/2025	43585	OverDrive, Inc.	MORE/JFeb. Advantage	-5,878.79
03/17/2025	43586	B & B Electric Inc.	Retrofit 2x4 fixtures to LED	-3,954.08
03/17/2025	43587	CCI Solutions	Billable/Supplies for Libs	-1,828.71
03/17/2025	43588	Culligan	Mar. Service	-99.95
03/17/2025	43589	Hudson Public Lib	MORE Ecomm Payments 2025	-1,005.39
03/17/2025	43590	Kapco	Billable/Supplies for Libs	-5,084.94
03/17/2025	43591	L.E. Phillips Memorial Public Library	MORE Ecomm Payments 2025	-868.17
03/17/2025	43592	Menomonie Public Library	LSTA/ Power Up Conf. Reimb.-R. Pagenkopf	-170.00
03/17/2025	43593	Michelle Harris	Consulting/Webinars-A Community For All	-1,090.00
03/17/2025	43594	Purple Mountain Solutions, INC.	Mar. Delivery Service	-33,687.65
03/17/2025	43595	Securian Financial Group, Inc.	Apr. Life Ins.	-384.99
03/17/2025	43596	Thompson, John	Field Visits/Conference 2/19/25-3/14/25	-479.60
03/17/2025	43597	Innovative Interfaces	MORE/iTiva Automated Phone Sys	-12,395.51
03/17/2025	43598	NCC Group Software Resilience (NA) LLC	MORE/Annual Software Insurance	-395.00
03/26/2025	43599	Clausen, Bonnie	Nancy Ann Johnson Memorial	-100.00

IFLS Library System

Check Register

March 2025

Date	Num	Name	Memo	Amount
03/26/2025	43600	Bruce Smith	Delivery Consulting Services	-5,150.00
03/26/2025	43601	Dubiel, Katelyn	COLAND Meeting	-221.20
03/26/2025	43602	Maug Cleaning Solutions, Inc.	2/10/25-3/9/25 Cleaning Service	-420.00
03/26/2025	43603	Season 2 Season	Feb. Plowing	-320.00
03/26/2025	43604	Wilton Public Library	Delivery Damage/1 item-The Cheetah An Origir	-18.00
03/26/2025	43605	OverDrive, Inc.	MORE/Mar. Advantage/High Demand	-6,700.48
03/31/2025	43606	Bayscan Technologies	Billable/Supplies for Libs	-2,365.00
03/31/2025	43607	Faulhaber, Deb	IUG Conf. -Travel/Meals/Baggage	-120.84
03/31/2025	43608	Hammond Community Library	LSTA/ISchool Course-M. Johnson	-148.50
03/31/2025	43609	Johnson, Jackee	Lib. Visit/Mult. Libs	-69.21
03/31/2025	43610	Langby, Leah	Lib. Visit/St. Croix Falls	-117.60
03/31/2025	43611	Market & Johnson	Facility Repairs/Grounds Project	-7,200.00
03/31/2025	43612	ReaLiving, LLC.	EAP Membership Fee Apr.-Jun. 2025	-1,283.00
03/31/2025	43613	Wisconsin Valley Library Service	Wild Wisconsin Winter Web Conf. Sponsorship	-278.10
03/31/2025	43614	Backstage Library Works	MORE/Backstage Migration Fee	-2,500.00
Mar 25				<u><u>-247,776.16</u></u>

IFLS Library System

ASSOCIATED Credit Card Transaction Detail Report

Electronic Auto Pay (03/21/2025)

Date	Name	Memo	Num	Amount
Jan 29 - Feb 26, 25				
01/30/2025	Rivistas Subscription Svc	Prof Mtls/25 Mag Subscriptions	Subscripts	979.57
01/30/2025	Festival Foods	Annual Report Workshop Snacks	Snacks	17.95
01/30/2025	Groome Transportation	IUG Conference Transportation-J. Johnson/D. Fault IUG Trans.		114.10
02/04/2025	Dick's Market	Annual Report Workshop Beverages	Snacks	9.99
02/05/2025	USPS	Feb. Postage	Postage	15.66
02/05/2025	B & H	Billable/Hudson-1TB M.2 SSD	Comp Equip	59.99
02/07/2025	GFL Environmental	Feb. Garbage	886117	42.98
02/07/2025	Amazon.com Credit	Sh Cat Svc/New Chair-A. Jones	New Furn	129.99
02/07/2025	Amazon.com Credit	Sh Cat Svc/Wall Hooks	New Furn	9.64
02/10/2025	OfficeMax	Pen Cup-J. Reid	IFLS Furn	6.11
02/10/2025	OfficeMax	Chair-J. Reid	IFLS Furn	105.49
02/10/2025	Facebook	MORE/Advertising	Ad Fee	2.99
02/10/2025	Vistaprints	100 Business Cards/J. Johnson	Printing	54.83
02/11/2025	Best Western Hotels	Lib. Leg. Day Hotel-J.Thompson	Leg. Day	174.00
02/11/2025	Best Western Hotels	Lib. Leg. Day Parking-J.Thompson	Leg. Day	18.00
02/11/2025	Misc Restaurants	Lib. Leg Day Lunch-J.Thompson	Lunch	18.19
02/11/2025	Menards	Window Blinds	Binds	578.83
02/12/2025	CDW-G	IFLS Comp/Cat 6 Cable	IFLS Comp	53.40
02/12/2025	FlowRoute.com	Feb. Phone/on Acct	on Acct	50.00
02/13/2025	Quill Corporation	Folders/Name Tags	42863092	40.37
02/14/2025	Quill Corporation	Office Supplies/Paper	42840592	210.95
02/14/2025	Amazon.com Credit	Billable/Milltown-Zebra Printer	Comp Equip	245.00
02/14/2025	Dell Marketing L.P.	Billable/Dresser-Docking Station	Comp Equip	91.54
02/14/2025	Dell Marketing L.P.	Billable/Cumberland-Laptop	Comp Equip	980.00
02/19/2025	Rev.com	Captioning-Disability Inclusion In Libraries	Captioning	125.37
02/20/2025	Chula Vista Hotel	System Director Retreat-J. Thompson	SysDirRet.	129.00
02/20/2025	Dell Marketing L.P.	Docking Station	IFLS Comp	215.00
02/20/2025	Dell Marketing L.P.	Billable/Prescott-Laptop	Comp Equip	980.00
02/20/2025	CDW-G	Billable/Chippewa Falls-Receipt Printer	Comp Equip	235.43
02/24/2025	FlowRoute.com	Feb. Phone/on Acct	on Acct	16.67
02/26/2025	FlowRoute.com	Feb. Phone/on Acct	on Acct	50.00
Jan 29 - Feb 26, 25				<u><u>5,761.04</u></u>

IFLS Library System

Check Register

April 2025

Date	Num	Name	Memo	Amount
Apr 25				
04/01/2025	Auto Pay	Delta Dental	Apr. '25 Vision	-73.44
04/07/2025	Auto Pay	AT&T	Mar. Phone/Fax Line	-20.55
04/08/2025	Auto Pay	Eau Claire, City of	01/15/2025-2/28/2025 Water	-348.02
04/17/2025	Auto Pay	Xcel Energy	02/26-3/27 Gas & Electric Svc	-437.27
04/21/2025	Auto Pay	Associated Credit Card	Mar. Credit Card *see attached	-23,854.74
04/22/2025	Auto Pay	Lumen	Apr. Phone	-1.46
04/24/2025	Auto Pay	Employee Trust Funds, Dept of	May. '25 Health Ins.	-25,374.00
04/02/2025	WIRE	Wisconsin Deferred Comp. Program	P/R#7	-1,710.00
04/09/2025	WIRE	Internal Revenue Service	P/R#7	-9,553.32
04/15/2025	WIRE	Wisconsin Department of Revenue	P/R#6	-1,688.34
04/16/2025	WIRE	Wisconsin Deferred Comp. Program	P/R#8	-1,710.00
04/23/2025	WIRE	Internal Revenue Service	P/R#8	-9,560.88
04/24/2025	WIRE	Wisconsin Retirement System	Mar. WRF	-11,062.42
04/30/2025	WIRE	Wisconsin Department of Revenue	P/R#7	-1,703.91
04/30/2025	WIRE	Wisconsin Deferred Comp. Program	P/R#9	-1,710.00
04/02/2025	DD3255-3273	IFLS Staff	Direct Deposit	-28,764.93
04/16/2025	DD3274-3292	IFLS Staff	Direct Deposit	-28,786.92
04/30/2025	DD3293-3311	IFLS Staff	Direct Deposit	-30,440.72
04/14/2025	43615	Benson Electrical LLC	Replace 12 Exit Lights	-1,000.00
04/14/2025	43616	CA Friday Memorial Library	IUG Conf. -Travel/Meals-E. Dunn	-2,116.95
04/14/2025	43617	Culligan	Apr. Service	-99.95
04/14/2025	43618	DR Moon Memorial (Stanley) Lib	LSTA/ISchool Course-N. Witt	-148.50
04/14/2025	43619	EO Johnson Co.	4/20/25-7/19/2025 Maint. Agreement	-120.00
04/14/2025	43620	L.E. Phillips Memorial Public Library	1st Qtr Contract Payments	-6,918.04
04/14/2025	43621	Maug Cleaning Solutions, Inc.	3/10/25-4/6/25 Cleaning Service	-420.00
04/14/2025	43622	OCLC, Inc	Mar. Net OCLC Fees	-17.08
04/14/2025	43623	Purple Mountain Solutions, INC.	Apr. Delivery Service	-33,681.35
04/14/2025	43624	Securian Financial Group, Inc.	May. Life Ins.	-384.99
04/14/2025	43625	L.E. Phillips Memorial Public Library	MORE/1st Qtr High Demands	-1,102.32
Apr 25				-222,810.10

IFLS Library System

ASSOCIATED Credit Card Transaction Detail Report

Electronic Auto Pay (04/22/2025)

Date	Name	Memo	Num	Amount
Feb 27 - Mar 27, 25				
02/28/2025	Assoc of Rural & Small Libraries (ARSL)	ARSL Membership/J Thompson	Membership	100.00
03/03/2025	PayPal Inc.	Accidental Charge/Childrens Theater-L.Roholt	Charge	90.00
03/05/2025	GFL Environmental	Mar. Garbage	903318	43.36
03/06/2025	Menards	Window Blind	Blind	56.99
03/07/2025	Blick Art Materials	Supplies/Kits	33305986	389.17
03/10/2025	Wisconsin Library Association	WAPL Conf. Reg./John Thompson	WAPL Conf	315.00
03/10/2025	Quill Corporation	Hand Towels/Soap	43166015	103.97
03/10/2025	Showcases	Bulk Supply Order	Supplies	29.48
03/10/2025	Showcases	Bulk Supply Order	Supplies	114.39
03/11/2025	Amazon.com Credit	Supplies-Youth Services Workshops	Kits	14.81
03/12/2025	Restaurants	IUG Conf Meal-D. Faulhaber/J. Johnson	IUG Conf	49.05
03/12/2025	Restaurants	IUG Conf Meal-D. Faulhaber/J. Johnson	IUG Conf	66.00
03/12/2025	Quill Corporation	Billable/Supplies for Libs	Supplies	4,184.71
03/12/2025	Quill Corporation	Billable/Supplies for Libs	Supplies	67.70
03/12/2025	Quill Corporation	Billable/Supplies for Libs	Supplies	20.19
03/12/2025	Quill Corporation	Billable/Supplies for Libs	Supplies	52.50
03/12/2025	Parr's Hardware	New Building Keys	Bldg Spls	3.99
03/12/2025	S & S Worldwide, Inc.	Wrkshp Supplies	Wrkshp Supp	158.63
03/12/2025	Rev.com	Captioning-Building Community Connections Tl	Captioning	126.77
03/12/2025	Restaurants	IUG Conf Meal-L. Roholt, Deb, Jackee	IUG Conf	78.76
03/12/2025	FlowRoute.com	Mar. Phone/on Acct	on Acct	50.00
03/13/2025	Chula Vista Hotel	System Director Retreat-J. Thompson	SysDirRet.	67.00
03/13/2025	First Choice	Comp Equip/Recycling Fee	Recycling	61.00
03/13/2025	Restaurants	IUG Conf Meal-L. Roholt, Deb, Jackee	IUG Conf	102.00
03/13/2025	Marriott Hotel	IUG Conf Hotel-L. Roholt	IUG Conf	921.36
03/13/2025	Uber	IUG Conf. Taxi/J. Johnson	IUG Conf.	82.59
03/14/2025	Restaurants	IUG Conf Meal-D. Faulhaber	IUG Conf	9.50
03/14/2025	Festival Foods	Pop	Supplies	47.35
03/14/2025	Dell Marketing L.P.	Billable/Menomonie-Optiplex (7)	Comp Equip	4,900.00
03/14/2025	Restaurants	IUG Conf Meal-L. Roholt, Deb, Jackee	IUG Conf	85.35
03/14/2025	Restaurants	IUG Conf Meal-J. Johnson	IUG Conf	36.61
03/14/2025	Restaurants	IUG Conf Meal-J. Johnson	IUG Conf	20.20
03/15/2025	Marriott Hotel	IUG Conf Hotel-D. Faulhaber	IUG Conf	691.02
03/15/2025	Marriott Hotel	IUG Conf Hotel-J. Johnson	IUG Conf	691.02
03/15/2025	Auto-Owners Insurance	Wrkrs Comp Ins 3/15/25-26	Wrkrs Comp	1,835.00
03/15/2025	Uber	IUG Conf. Taxi/J. Johnson	IUG Conf.	57.77
03/19/2025	Dell Marketing L.P.	Billable/Woodville-Monitor	Comp Equip	97.49
03/19/2025	Dell Marketing L.P.	Billable/Woodville-Optiplex	Comp Equip	700.00
03/20/2025	Michael's	Misc Workshop Supplies	Wkshp Spls	45.93
03/20/2025	Dell Marketing L.P.	Billable/Menomonie-Monitor Stand	Comp Equip	63.70
03/20/2025	Dell Marketing L.P.	Billable/Woodville-Monitor Stand	Comp Equip	63.70

IFLS Library System
ASSOCIATED Credit Card Transaction Detail Report
Electronic Auto Pay (04/22/2025)

Date	Name	Memo	Num	Amount
03/20/2025	Dell Marketing L.P.	Billable/Menomonie-Laptop (2)	Comp Equip	1,960.00
03/20/2025	Dell Marketing L.P.	Billable/Colfax-Monitor (4)	Comp Equip	389.96
03/20/2025	Dell Marketing L.P.	Billable/Colfax-Optiplex (4)	Comp Equip	2,800.00
03/20/2025	Dell Marketing L.P.	Billable/Colfax-Monitor Stands (4)	Comp Equip	254.80
03/20/2025	USPS	Mar. Postage	Postage	60.25
03/20/2025	1st Choice Pest Solutions	Interior Pest Treatment	8584	110.00
03/21/2025	Dell Marketing L.P.	Billable/Menomonie-Monitor (5)	Comp Equip	487.45
03/21/2025	CDW-G	IFLS Comp/USB C to DVI Adapter	IFLS Comp	12.68
03/24/2025	OfficeMax	Chair-J. Gardner/Card Pockets	IFLS Furn	228.09
03/24/2025	Quill Corporation	Certificate Papers	43411766	32.58
03/24/2025	Quill Corporation	Certificate Covers	43407767	23.58
03/25/2025	Zoom	License Renewal	Lic. Renew	479.70
03/26/2025	CDW-G	Billable/Cornell- Printer	Comp Equip	271.59
03/26/2025	FlowRoute.com	Mar. Phone/on Acct	on Acct	50.00
Feb 27 - Mar 27, 25				<u><u>23,854.74</u></u>

IFLS Library System
Balance Sheet
As of April 30, 2025

#022(25)

	IFLS	MORE	2025 TOTAL	2024 TOTAL
ASSETS				
Current Assets				
Checking/Savings				
1010 · Bank Mutual - Ecomm Checking	19,597.62		19,597.62	20,884.82
1040 · Bank Mutual - Checking	49,621.45		49,621.45	34,983.56
1050/1106 · Investments/Bank Mutual & States PIF	2,050,841.36	747,339.54	2,798,180.90	2,692,084.67
Total Checking/Savings & Investments	2,120,060.43	747,339.54	2,867,399.97	2,747,953.05
Accounts Receivable				
1200 · Accounts Receivable	14,502.68		14,502.68	54,933.47
Total Accounts Receivable	14,502.68	0.00	14,502.68	54,933.47
Other Current Assets				
1110 · Petty Cash Funds	75.00		75.00	75.00
1150 · Prepaid Insurance	382.00		382.00	796.00
1499 · Undeposited Funds	76,045.71		76,045.71	29,517.34
1509/1510 · 2024-2025 Prepaid Expenses	0.00		0.00	0.00
Total Other Current Assets	76,502.71	0.00	76,502.71	30,388.34
Total Current Assets	2,211,065.82	747,339.54	2,958,405.36	2,833,274.86
TOTAL ASSETS	2,211,065.82	747,339.54	2,958,405.36	2,833,274.86
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
2000 · Accounts Payable	98,326.82	7,043.56	105,370.38	42,408.94
2011 · Credit Card - Associated	0.00		0.00	1,141.91
Total Accounts Payable	98,326.82	7,043.56	105,370.38	43,550.85
Other Current Liabilities				
2100 · Payroll Liabilities	13,988.21		13,988.21	1,405.04
2101 · Payroll Liabilities-Other				0.00
2117 · Direct Deposit Liabilities	0.00		0.00	-24,865.16
2201 · Accrued Payroll	0.00		0.00	0.00
2900 · Unavailable Revenue	0.00		0.00	412,427.25
Total Other Current Liabilities	13,988.21	0.00	13,988.21	388,967.13
Total Current Liabilities	112,315.03	7,043.56	119,358.59	432,517.98
Total Liabilities	112,315.03	7,043.56	119,358.59	432,517.98
Equity				
3000 · Equity/Reserves & Committed (Beginning of Year)	570,000.00	224,000.00	794,000.00	1,102,526.03
3000 · Equity/Uncommitted Funds (Beginning of Year)	386,459.45	89,029.69	475,489.14	16,189.51
Current Year Income Less Expense	1,142,291.34	427,266.29	1,569,557.63	1,282,041.34
Total Equity (End of Year)	2,098,750.79	740,295.98	2,839,046.77	2,400,756.88
TOTAL LIABILITIES & EQUITY	2,211,065.82	747,339.54	2,958,405.36	2,833,274.86

IFLS Library System

Revenue and Expense Statement

January through April 2025

	Jan - Apr 25	Jan - Apr 24
Ordinary Income/Expense		
Income		
5100 · Current Year State Aids	1,799,593.00	1,237,281.75
5200 · Interest Income/General Funds	32,653.93	41,085.77
5263 · MORE Management Income	177,564.00	163,218.00
5264 · Catalog/Processing Income	100,274.90	91,159.00
5280 · Technology Income	2,628.29	1,160.31
5300 · Miscellaneous Income	89.08	503.53
Total Income	2,112,803.20	1,534,408.36
Expense		
6500 · Salaries/Wages & Benefits	516,456.43	439,232.79
6580 · Leave Payouts at Retirement	14,696.19	5,700.96
66900 · Reconciliation Discrepancies	-5.82	0.00
7000 · Employee Assistance Program	2,566.00	0.00
8070 · New Furnishings/Equipment <\$500	451.22	0.00
8540 · Annual Audit	6,720.00	6,930.00
8620 · Collection/Electronic Resources	31,594.50	30,479.53
8630 · Wis Pub Lib Consortium Membshp	8,112.00	7,848.00
8670 · Professional Memberships	1,432.28	833.56
8690 · Librarian Prof. Development	5,924.68	8,230.47
8700 · CE/Collaboration Projects	278.10	0.00
8714 · Accessibility Audits	599.62	1,924.40
8716 · Community Engagement Support	6,050.00	0.00
8720 · IFLS Staff Dvlpmnt & Prof Mtgs	2,126.62	3,496.94
8735 · Library Consulting Expenses	372.00	892.00
8740 · Field Visits	1,785.58	1,176.99
8741 · Field Visits - Tech Support	127.91	28.01
8755 · Programming Kits	406.24	277.47
8812 · ILL Fees & Verification Sources	6,907.76	327.04
8850 · Delivery Service	87,717.71	84,268.30
8855 · Collection Dev Grant-LEPhillips	5,750.00	5,750.00
8864 · Wide-Area Network (WAN)	1,716.00	1,716.00
8890 · IFLS Contrib - MORE Operating	148,500.00	0.00
8971 · Web Development	1,436.54	940.54
9010 · IFLS Committee Meetings	583.39	77.30
9020 · Professional Materials	820.04	979.47
9030 · Postage	627.18	133.10
9050 · Telephone	899.71	802.98
9060 · Supplies	420.00	273.66
9080 · Marketing & Advocacy PR	153.99	25.32

IFLS Library System
Revenue and Expense Statement
January through April 2025

	<u>Jan - Apr 25</u>	<u>Jan - Apr 24</u>
9123 · Building Overhead Expenses	5,500.94	4,955.29
9140 · Photocopier Costs	258.95	311.13
9160 · Computers	426.87	70.07
9190 · System Vehicle Expenses	257.08	158.31
9220 · Insurance	3,893.00	3,548.58
9240 · Contingency	5,150.00	1,347.67
9245 · Capital Expenditures	23,081.15	0.00
Total Expense	<u>893,793.86</u>	<u>612,735.88</u>
Net Ordinary Income	1,219,009.34	921,672.48
Pass-thru Income/Expense		
Pass-thru Income		
5476 · LSTA 2024 Income	13,782.75	133,475.00
5620 · Shared Cataloging Svc Income	0.00	248.29
5670 · MORE Shared System Income	1,122,281.00	902,527.00
5702 · Billable Project Income	40,296.60	42,374.33
Total Pass-thru Income	<u>1,176,360.35</u>	<u>1,078,624.62</u>
Pass-thru Expense		
8830 · Shared Cataloging Service	3,188.73	0.00
8940 · Projects Billable to Libraries	107,200.94	62,263.02
9500 · MORE Shared Automation Expenses	707,622.93	647,421.91
9981 · LSTA 2023 Grant Expenses	0.00	8,570.83
9982 · LSTA 2024 Grant Expenses	7,799.46	0.00
Total Pass-thru Expense	<u>825,812.06</u>	<u>718,255.76</u>
Net Pass-thru Income	<u>350,548.29</u>	<u>360,368.86</u>
Net Income	<u><u>1,569,557.63</u></u>	<u><u>1,282,041.34</u></u>

IFLS Library System

Annual Budget vs. Actual Income and Expense

January through April 2025

	Jan - Apr 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
5100 · Current Year State Aids	1,799,593.00	1,799,593.00	0.00	100.0%
5200 · Interest Income/General Funds	32,653.93	8,000.00	24,653.93	408.17%
5263 · MORE Management Income	177,564.00	532,684.00	-355,120.00	33.33%
5264 · Catalog/Processing Income	100,274.90	100,275.00	-0.10	100.0%
5280 · Technology Income	2,628.29	6,000.00	-3,371.71	43.81%
5300 · Miscellaneous Income	89.08	500.00	-410.92	17.82%
Total Income	2,112,803.20	2,447,052.00	-334,248.80	86.34%
Expense				
6500 · Salaries/Wages & Benefits	516,456.43	1,593,827.00	-1,077,370.57	32.4%
6580 · Leave Payouts at Retirement	14,696.19	15,000.00	-303.81	97.98%
66900 · Reconciliation Discrepancies	-5.82			
7000 · Employee Assistance Program	2,566.00	12,000.00	-9,434.00	21.38%
8070 · New Furnishings/Equipment <\$500	451.22	2,000.00	-1,548.78	22.56%
8530 · Bank & Direct Deposit Fees	0.00	2,000.00	-2,000.00	0.0%
8540 · Annual Audit	6,720.00	9,545.00	-2,825.00	70.4%
8620 · Collection/Electronic Resources	31,594.50	82,500.00	-50,905.50	38.3%
8630 · Wis Pub Lib Consortium Membshp	8,112.00	8,500.00	-388.00	95.44%
8670 · Professional Memberships	1,432.28	9,000.00	-7,567.72	15.91%
8690 · Librarian Prof. Development	5,924.68	15,200.00	-9,275.32	38.98%
8700 · CE/Collaboration Projects	278.10	850.00	-571.90	32.72%
8714 · Accessibility Audits	599.62	5,830.00	-5,230.38	10.29%
8716 · Community Engagement Support	6,050.00	8,000.00	-1,950.00	75.63%
8720 · IFLS Staff Dvlpmt & Prof Mtgs	2,126.62	25,000.00	-22,873.38	8.51%
8735 · Library Consulting Expenses	372.00	1,700.00	-1,328.00	21.88%
8740 · Field Visits	1,785.58	12,000.00	-10,214.42	14.88%
8741 · Field Visits - Tech Support	127.91			
8755 · Programming Kits	406.24	900.00	-493.76	45.14%
8812 · ILL Fees & Verification Sources	6,907.76	11,500.00	-4,592.24	60.07%
8850 · Delivery Service	87,717.71	397,210.00	-309,492.29	22.08%
8855 · Collection Dev Grant-LEPhillips	5,750.00	23,000.00	-17,250.00	25.0%
8864 · Wide-Area Network (WAN)	1,716.00	3,432.00	-1,716.00	50.0%
8890 · IFLS Contrib - MORE Operating	148,500.00	148,500.00	0.00	100.0%
8898 · LEAN WI/Shared Tech WVLS	0.00	96,242.00	-96,242.00	0.0%
8950 · Campaign for Wisconsin Libs	0.00	1,800.00	-1,800.00	0.0%
8960 · Long Range Planning Meeting	0.00	5,000.00	-5,000.00	0.0%
8971 · Web Development	1,436.54	1,100.00	336.54	130.6%
9010 · IFLS Committee Meetings	583.39	1,800.00	-1,216.61	32.41%
9020 · Professional Materials	820.04	2,500.00	-1,679.96	32.8%

IFLS Library System

Annual Budget vs. Actual Income and Expense

January through April 2025

	Jan - Apr 25	Budget	\$ Over Budget	% of Budget
9030 · Postage	627.18	1,000.00	-372.82	62.72%
9050 · Telephone	899.71	2,960.00	-2,060.29	30.4%
9060 · Supplies	420.00	6,500.00	-6,080.00	6.46%
9080 · Marketing & Advocacy PR	153.99	2,400.00	-2,246.01	6.42%
9123 · Building Overhead Expenses	5,500.94	25,000.00	-19,499.06	22.0%
9140 · Photocopier Costs	258.95	975.00	-716.05	26.56%
9160 · Computers	426.87	6,900.00	-6,473.13	6.19%
9190 · System Vehicle Expenses	257.08	3,800.00	-3,542.92	6.77%
9220 · Insurance	3,893.00	6,500.00	-2,607.00	59.89%
9240 · Contingency	5,150.00	3,500.00	1,650.00	147.14%
9245 · Capital Expenditures	23,081.15	50,000.00	-26,918.85	46.16%
Total Expense	893,793.86	2,605,471.00	-1,711,677.14	34.31%
Net Ordinary Income	1,219,009.34	-158,419.00	1,377,428.34	
Pass-thru Income/Expense				
Pass-thru Income				
5476 · LSTA 2024 Income	13,782.75			
5477 · LSTA 2025 Income	0.00	0.00	0.00	0.0%
5670 · MORE Shared System Income	1,122,281.00	974,994.00	147,287.00	115.11%
5702 · Billable Project Income	40,296.60			
Total Pass-thru Income	1,176,360.35	974,994.00	201,366.35	
Pass-thru Expense				
8830 · Shared Cataloging Service	3,188.73			
8940 · Projects Billable to Libraries	107,200.94	150,000.00	-42,799.06	71.47%
9500 · MORE Shared Automation Expenses	707,622.93	1,158,824.00	-451,201.07	61.06%
9982 · LSTA 2024 Grant Expenses	7,799.46			
Total Pass-thru Expense	825,812.06	1,308,824.00	-483,011.94	63.1%
Net Pass-thru Income	350,548.29	-333,830.00	684,378.29	
Net Income	1,569,557.63	-492,249.00	2,061,806.63	

My Online Resource (MORE)

Balance Sheet

As of April 30, 2025

	<u>MORE</u>
ASSETS	
Current Assets	
1105 · Investment Funds - MORE	\$ 747,339.54
1200-1 · Accts Receivable-MORE	-
1510-1 · 2025 Prepaid Expense-MORE	
	<u> </u>
TOTAL ASSETS	<u><u>\$ 747,339.54</u></u>
LIABILITIES & EQUITY	
Liabilities	
2000-1 · Accounts Payable-MORE	7,043.56
	<u> </u>
Total Liabilities	7,043.56
Equity	
MORE Reserved Fund Balance on 1/1/2025	224,000.00
MORE Committed Fund Balance on 1/1/2025	
MORE Uncommitted Fund Balance on 1/1/2025	89,029.69
Current Year Income less Expense	427,266.29
Total Equity/MORE Fund Balance	<u>740,295.98</u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 747,339.54</u></u>

IFLS Library System
Revenue less Expense - MORE
January through April 30, 2025

	<u>Mar - Apr '25</u>	<u>Mar - Apr '24</u>
MORE Income/Expense		
MORE Income		
5670 · MORE Shared System Income		
5670-1 · MORE Start-up Income		
5670-2 · MORE Operating Income	1,127,881.00	913,427.00
Total MORE Income	<u>1,127,881.00</u>	<u>913,427.00</u>
MORE Expense		
9500 · MORE Shared Automation Expenses		
9500-11 · MORE/IFLS Management Charges	177,564.00	163,218.00
9500-12 · MORE/III Annual Maintenance	167,496.99	161,052.97
9500-16 · MORE/Bibliographic Utility	22,955.46	1,185.68
9500-19 · MORE/Contingency	479.00	219.00
9500-22 · MORE/High-demand Hold Project	832.22	1,091.41
9500-25 · MORE/Subscps/Lib Elf, Novelist , Covers	9,676.88	11,131.73
9500-24 · MORE/Conferences	6,700.77	3,225.03
9500-3 · MORE/Misc. Expenses	0.00	0.00
9500-31 · MORE/New Products/	19,670.75	3,300.00
9500-44 · MORE/Decision Center	37,255.55	35,822.64
9500-38 · MORE/Systemwide OCLC	0.00	20,848.17
9500-40 · MORE/Overdrive Content	23,708.30	17,642.16
9500-46 · MORE/Electronic Periodicals	0.00	12,896.47
9500-48 · MORE/i-Tiva Telephony Subscription	12,395.51	11,918.76
9500-50 · MORE Discovery/Online Catalog	54,023.67	51,435.22
9500-51 · MORE Discovery/BiblioApps	0.00	12,858.81
9500-54 · MORE/NicheAcademy	3,300.00	0.00
9500-5 · MORE/Publicity	1,443.70	0.00
9500-6 · MORE/Database Cleanup/Maint	1,221.41	2,714.09
9500-41 · MORE/E-Content	155,203.00	134,866.00
Total 9500 · MORE Shared Automation Expenses	<u>693,927.21</u>	<u>645,426.14</u>
Total MORE Expense	<u>693,927.21</u>	<u>645,426.14</u>
Year-to-date MORE Income less Expense	<u><u>427,266.29</u></u>	<u><u>268,000.86</u></u>
 Plus 12/31/24 MORE Uncommitted Fund Balance	 89,029.69	
Plus 12/31/24 MORE Reserve/Committed Balance	<u>224,000.00</u>	
 MORE Fund Balance	 <u><u>740,295.98</u></u>	

LEAN WISCONSIN
Budget Report - March 2025

Exhibit 6a

Account #	Account	Appropriation	Curr. Dist.	Total Dist.	Receipts/Reimb.	Balance
6-6100	HR - SALARIES/WAGES	\$63,807.00	\$0.00	\$0.00	\$0.00	\$63,807.00
6-6130	HR - BENEFITS and OTHER	\$23,600.00	\$0.00	\$0.00	\$0.00	\$23,600.00
6-6210	LICENSING AND SERVICES	\$200,658.00	\$474.27	\$3,162.51	\$0.00	\$197,495.49
6-6250	TRAVEL	\$3,000.00	\$0.00	\$0.00	\$0.00	\$3,000.00
6-6290	INSURANCE	\$9,000.00	\$0.00	\$0.00	\$0.00	\$9,000.00
6-6360	MAINTENANCE	\$2,100.00	\$0.00	\$0.00	\$0.00	\$2,100.00
6-6650	LIFECYCLE \ LONG RANGE	\$70,558.40	\$0.00	\$14,036.85	\$0.00	\$56,521.55
6-6800	CAPITAL	\$0.00	\$0.00	\$1,740.04	\$0.00	(\$1,740.04)
TOTAL		\$372,723.40	\$474.27	\$18,939.40	\$0.00	\$353,784.00
Beginning March 2025 Balance		\$568,545.72		Beginning 2025 Balance		\$586,519.85
Receipts/Transfers - Partner Shares		\$0.00		Receipts - Partner Shares		\$0.00
Receipts - CPA		\$0.00		Receipts - CPA		\$491.00
Transfers - Expenses to 3-Grants		\$0.00		Transfers - Expenses to 3-Grants		\$0.00
Expenditures - 2025 Budget		(\$474.27)		Expenditures - 2025 Budget		(\$17,199.36)
Expenditures - 2025 New/Unplanned		\$0.00		Expenditures - 2025 New/Unplanned		(\$1,740.04)
Ending March 2025 Balance		\$568,071.45		2025 Year to Date Balance		\$568,071.45
Segregated Monies - Grants Awarded				Realized Technology Grant Transfers		
Account #	Name	Balance		Account #	Name	Balance
3-2025-251	LSTA '24-'25 Sparsity 77,028	\$ 66,243.82		3-2025-251	LSTA '24-'25 Sparsity	\$ 10,784.18
3-2026-251	LSTA '25-'26 Sparsity	\$ -		3-2026-251	LSTA '25-'26 Sparsity	\$ -
Segregated Monies - Prepaid Services				Unrealized Receivables 6-0000-		
Account #	Description	Balance		Account #	Account	
6-6210	CVTC RDC Rack 2	\$ 8,557.72		100	Partner Shares	\$ 250,517.82
				100	HR Shares	\$ 69,569.00
				201	CPA Running Balance	\$ 844.35
Lifecycle Reserves				YTD Operating Summary		
Account #	Account	Balance		Beginning Balance		\$586,519.85
6-6650	Core Infrastructure	\$ 275,071.43		Encumbrances		\$ -
6-6650	Licensing & Svcs	\$ 54,300.00		Receipts		\$ 491.00
6-6650	Infrastructure & Core Svc - IFLS	\$ -		Expenses		\$ (18,939.40)
6-6650	Infrastructure & Core Svc - NWLS	\$ -		Transfers		\$ -
6-6650	Infrastructure & Core Svc - WVLS	\$ 33,000.00		Reserves		\$ (425,371.43)
6-6650	Contingency - D/R	\$ 63,000.00		Balance		\$ 142,700.02

IFLS Library System

Financial Statements and
Supplementary Information

December 31, 2024

IFLS Library System

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Independent Auditors' Report

To the Board of Trustees of
IFLS Library System

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the IFLS Library System (the System), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the System as of December 31, 2024 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2025 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eau Claire, Wisconsin
May 20, 2025

IFLS Library System

Management's Discussion and Analysis (Unaudited)
Year Ending December 31, 2024

Management's Discussion and Analysis

This Management's Discussion and Analysis for the IFLS Library System (IFLS) financial performances provides an overview of IFLS' financial activities for the fiscal year January 1, 2024, to December 31, 2024.

Financial Highlights

- IFLS state aids increased by \$149,884 in 2024 to \$1,649,709.
- Total expenditures and transfers (excluding capital) from state aid and state aid carryover increased \$180,676 from \$1,948,029 to \$2,128,705 or 8.5%. An increase in Salaries and Fringes, \$65,079 was due to the hiring of new employees to replace the retiree employees that left.
- Total ordinary revenue increased \$201,806 from \$2,152,797 to \$2,354,603 or 9%. State aid increased \$149,884 from \$1,499,825 to \$1,649,709 or 10%. Interest earned on idle funds increased \$17,353 or 18%. Tech revenue increased \$2,430 or 44%. Tech revenue comes from a 10% setup fee charged to libraries purchasing computers and computer equipment.
- Awarded Library Services and Technology Act Grants (LSTA) spending a total of \$29,360.
- The Materials Processing Service is 100% billable to 4 libraries participating in 2024 - Rice Lake, New Richmond, Amery, and Menomonie.
- In 2024, IFLS reported a \$69,188 WRS net pension liability compared to a \$243,417 net pension liability in 2023. This entry reflects the value of IFLS' portion of the Wisconsin Retirement Fund.

Using This Report

This annual financial report consists of:

Management's Discussion and Analysis
Basic Financial Statements

- A. Government-Wide Financial Statements
- B. Fund Financial Statements
- C. Notes to Financial Statements
- D. Required Supplementary Information

The basic financial statements include two kinds of statements that present different views of the System. The first two statements are government-wide financial statements that provide both long-term and short-term information about the System's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the System and report the System's operations in more detail than the government-wide statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by required supplementary information that further explains and supports the information in the financial statements.

Government-Wide Financial Statements

The government wide financial statements are intended to provide readers with a broad overview of the System's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the System's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the System is improving or deteriorating.

The *statement of activities* presents information showing how the System's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event, giving rise to the change occurs, regardless of the timing of the related cash flow.

All of the functions of the System are principally supported by intergovernmental revenues. These governmental activities are broadly described in Section 43.24(2), *Wisconsin Statutes* and include the following:

- Written agreements with member libraries stating that they agree to provide the same services to any resident of the System area that they provide to local residents and to interlibrary loan materials to other libraries in the System.
- Backup reference, information and interlibrary loan services from the System resource library, L.E. Phillips Memorial Public Library, including the development of and access to specialized collections.
- Referral or routing of reference and interlibrary loan requests from libraries within the System to libraries within and outside the System.
- In-service training for participating public library personnel and trustees.
- Electronic delivery of information and physical delivery of library materials to participating libraries.
- Service agreements with all adjacent library Systems.
- Professional consultant services to participating public libraries.
- Promotion and facilitation of library service to users with special needs.
- Cooperation, planning, and agreements with other types of libraries in the System area for the appropriate sharing of library resources to benefit the clientele of all libraries in the System area.
- Planning with the Division of Public Instruction and with libraries in the area regarding library technology and the sharing of resources.
- Any other service programs designed to meet the needs of participating public libraries and the residents of the System area. Other service programs offered by IFLS are Youth Services, Collection Development, Shared Cataloging with Processing, Contract Cataloging and Technology Services.

IFLS Library System

Management's Discussion and Analysis (Unaudited)
Year Ending December 31, 2024

Fund Financial Statements

A fund (program) is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives of a program. IFLS, like other governmental agencies, uses fund accounting to ensure and demonstrate compliance with finances-related legal requirements. IFLS uses one fund that accounts for the System's three major areas: Ordinary Income/Expenditures, Other Income/Expenditures and MORE Income/Expenditures.

The 2024 Other Income/Expenditures Fund accounts for revenue and expenditures were for grants. The grant funds were for:

- WebJunction Virtual Courses \$12,986
- Professional Learning Scholarships \$2,553

The MORE Income/Expenditures Fund accounts were for the revenue from new and continuing libraries participating in the MORE Shared Automated System.

Notes to Financial Statements

The notes provide additional information that is essential to an understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-38 of the financial statements.

Financial Analysis of IFLS as a Whole (Government-Wide Analysis)

Net Position may serve over time as a useful indicator of IFLS' financial position. At the close of 2024, IFLS' net position totaled \$1,573,178, a increase of \$318,807 or 25%.

The reported assets include IFLS' property, building, car, computers and related equipment, office furnishings and software. Capital assets are reported net of depreciation and debt. \$210,416 of IFLS' net position reflects its investment in its land, building, equipment and software. The remaining net position includes funds restricted for future MORE activities of \$313,030 and \$1,049,732 in unrestricted funds, which are available for other future spending.

IFLS Library System

Management's Discussion and Analysis (Unaudited)
Year Ending December 31, 2024

Governmental activities are the only type of service provided by IFLS.

Statement of Net Position December 31, 2024 and 2023

	2024	2023
Assets:		
Current assets	\$ 2,777,880	\$ 2,560,937
Investment in joint venture	195,487	-
Capital assets, net	210,416	218,543
Total assets	3,183,783	2,779,480
Deferred outflows of resources	659,613	964,782
Liabilities:		
Current liabilities	172,345	268,761
Long-term liabilities	299,727	397,428
Total liabilities	472,072	666,189
Deferred inflows of resources	1,798,146	1,823,702
Net position:		
Invested in capital assets, net of related debt	210,416	218,543
Restricted, MORE	313,030	331,703
Unrestricted	1,049,732	704,125
Total net position	\$ 1,573,178	\$ 1,254,371

Net position Increased by \$318,807 from 2023 to 2024. The unrestricted funds were allocated towards reserve funds for anticipated future capital and operational budget needs and potential future funding cuts. The investment in capital assets decreased \$8,127 or 3.6%.

IFLS Library System

Management's Discussion and Analysis (Unaudited)
Year Ending December 31, 2024

Change in Net Position December 31, 2024 and 2023

	2024	2023
Revenues:		
Program revenues:		
Charges for services:		
MORE shared system	\$ 902,527	\$ 852,827
IFLS billable services	279,898	248,906
Total charges for services	1,182,425	1,101,773
Grants and contributions:		
State aids	1,649,709	1,499,825
Federal grants	29,360	88,822
Total grants and contributions	1,679,069	1,588,647
General revenues:		
Interest income	115,833	98,480
Other	8,334	11,694
Total general revenues	124,167	110,174
Expenses:		
IFLS library services	1,745,653	1,939,071
MORE shared system	921,201	866,321
Total expenses	2,666,854	2,805,392
Change in net position	318,807	(4,838)
Net position, beginning	1,254,371	1,259,209
Net position, ending	\$ 1,573,178	\$ 1,254,371

IFLS Library System

Management's Discussion and Analysis (Unaudited)
Year Ending December 31, 2024

Fund Statements

Revenues

IFLS state aids increased by \$149,884 in 2024 to \$1,649,709. Additional revenues included interest on state aid, grants and miscellaneous funds. Interest income increased in 2024 by \$17,353. Federal/LSTA/Other grant funds decreased in 2024 to \$29,360 from \$82,614 in 2023. Technology Income increased to \$7,977 due to computer availability. Funds transferred to MORE (MORE Subsidies) are not considered revenue to MORE. The MORE total operating budget charged to participating libraries increased 10.72%.

The MORE shared system became an IFLS service in 2005. In 2024, MORE libraries paid \$1,016,508 for operating, startup and miscellaneous expenses and IFLS provided a subsidy for MORE operating expenses totaling \$24,918 for a total of \$1,041,426.

Expenditures

2024 expenditures totaled \$2,834,904 and increased \$113,788 or 4% from the 2023 amount. Funds transferred to MORE (MORE Subsidies) are no longer considered an expense to IFLS.

Notable changes to Operating expenses include:

- Retirement Leave payments were made in 2024 in the amount of \$6,634.
- IFLS Management costs paid by MORE libraries increased for 2024 in the amount of \$43,150.
- While virtual meetings and visits are still continuing additional funding was allocated for more in-person field visits in 2024.
 - Field Visits to assist libraries - this includes staff help with new director orientation, building projects, library boards, one-on-one training, weeding, collection development and tech support, etc.
 - IFLS Board and Personnel Meetings are being held virtually in the winter months and hybrid for the remainder of the year.
- In 2024, CE Grants for librarians included \$22,553 from federal grant funds, a decrease of \$3,253.
- LEAN WI/Shared Technology is a collaboration project with Wisconsin Valley Library Service in Wausau and Northern Waters Library Service in Ashland. LEAN WI costs increased from \$52,178 in 2023 to \$85,896 in 2024 or 65%. Due to the hiring of a shared employee between the systems. This line replaces many line items from pre-2018, Library Tech Projects, CINC Data Center, WISCNET Annual Costs, Tech Support Travel and Computer Software Subscriptions.

IFLS Library System

Management's Discussion and Analysis (Unaudited)
Year Ending December 31, 2024

- Total Delivery costs for 2024 were \$351,546, this increased \$13,954 or 4%.
 - In-system delivery costs increased \$12,375 or 4%.
 - Cost of the statewide delivery service decreased by \$254.
 - Cost of supplies and damaged items increased by \$1,833.
- The IFLS subsidy to MORE libraries was \$135,918 in 2024. This includes a \$20,000 subsidy for the Cataloging Partners. This is a \$10,918 increase over 2023.
- Building overhead expenses were \$19,728, an increase of \$736 or 4%.
- Capital expenses: In 2024, were \$34,168 due to interior and exterior building maintenance.

Fund Balance

\$313,030 has been Restricted for the MORE Consortium. \$244,000 of it is reserved for future MORE Projects, \$20,000 has been committed to the 2024 MORE Budget to offset costs. \$49,030 will be reassigned for future MORE use.

\$429,419 has been assigned by IFLS for the following future purposes:

- \$65,000 for Building Repair.
- \$50,000 for the Shared Services Program with possible building expansion;
- \$35,000 for Vehicle Replacement.
- \$40,000 for Personnel expenses including leave pay outs for retiring employees and funding health care for additional employees or other personnel expenses or unemployment pay outs.
- \$20,000 for the replacement of Wide Area Network/Web Equipment.
- \$20,000 for System Equipment and Furnishings including computer equipment, copier, printer and a phone system. At least three staff computers are replaced or upgraded annually from the operating budget.
- \$30,000 for Technology Projects and Billable Reserves.
- \$10,000 for Computer Lab Equipment Replacement. There are 6 laptops and a wireless hub in the computer lab; and
- \$159,419 for the 2025 Budget.

\$373,184 were unassigned funds at the end of 2024. These funds will be moved to reserves or will be reassigned during 2025.

IFLS Library System

Management's Discussion and Analysis (Unaudited)
Year Ending December 31, 2024

Economic Factors and Next Year's Budget and Rates

The state aid for 2024 increased over 2023 by \$149,884 with a projected increase in 2025 to \$1,799,593. 2024 funding was established as the new base for the purposes of state funding.

State Aids Received:

2008	\$	1,209,417
2009		1,257,792
2010		1,211,470
2011		1,250,125
2012-2017		1,125,114
2018		1,162,585
2019-2021		1,200,056
2022		1,387,411
2023		1,499,825
2024		1,649,709

The system is scheduled to see additional state aid for 2024 and 2025. Funding beyond 2025 is unknown at this time due to potential changes at the Federal level and the State budget process. Staff retention and maintaining services will be the priority for upcoming budget years. With retirements anticipated over the next several years additional emphasis will be placed on ensuring a high level of service to our member libraries. IFLS along with the Northern Waters Library Service, Wisconsin Valley Library Service and Winding River Library System began sharing a full-time Technology Support (website services) in 2024. Wisconsin Valley is serving as the fiscal agent for that position. Additional collaborations may be considered for 2025.

Contacting the System's Financial Management

This financial report is designed to provide a general overview of the System's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director or Business Manager, IFLS Library System, 1538 Truax Blvd, Eau Claire, WI 54703. General information about the System and its programs or services can be found on the System's website at <http://www.iflsweb.org>.

IFLS Library System

Statement of Net Position

December 31, 2024

Assets and Deferred Outflows of Resources**Assets**

Current:

Cash and investments	\$ 2,589,408
Accounts receivable	34,614
Prepaid items	153,858
Total current assets	2,777,880

Noncurrent:

Investment in joint venture	195,487
Capital assets:	
Land	50,000
Other capital assets, net of depreciation	160,416
Total noncurrent assets	405,903
Total assets	3,183,783

Deferred Outflows of Resources

Pension related amounts	617,354
OPEB related amounts	42,259
Total deferred outflows of resources	659,613

**Liabilities, Deferred Inflows of Resources and
Net Position****Liabilities**

Current:

Accounts payable	123,050
Accrued payroll and related liabilities	35,644
Current portion of compensated absences	13,651
Total current liabilities	172,345

Noncurrent:

Compensated absences	140,260
Net pension liability	69,188
Net OPEB liability	90,279
Total noncurrent liabilities	299,727
Total liabilities	472,072

Deferred Inflows of Resources

Pension related amounts	372,293
OPEB related amounts	76,158
Unearned revenue	1,349,695
Total deferred inflows of resources	1,798,146

Net Position

Net investment in capital assets	210,416
Restricted for:	
MORE consortium	313,030
Unrestricted	1,049,732
Total net position	\$ 1,573,178

See notes to financial statements

IFLS Library System

Statement of Activities

Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Library services	\$ 1,745,653	\$ 279,898	\$ 1,679,069	\$ -	\$ 213,314
MORE	921,201	902,527	-	-	(18,674)
	<u>\$ 2,666,854</u>	<u>\$ 1,182,425</u>	<u>\$ 1,679,069</u>	<u>\$ -</u>	<u>194,640</u>
General Revenues					
Interest and investment earnings					115,833
Miscellaneous					8,334
					<u>124,167</u>
Total general revenues					124,167
Change in net position					318,807
Net Position, Beginning					<u>1,254,371</u>
Net Position, Ending					<u>\$ 1,573,178</u>

See notes to financial statements

IFLS Library System

Balance Sheet - Governmental Fund

December 31, 2024

Assets

Cash and investments	\$ 2,589,408
Accounts receivable	34,614
Prepaid items	<u>153,858</u>
Total assets	<u>\$ 2,777,880</u>

Liabilities, Deferred Inflows of Resources and Fund Balances

Liabilities

Accounts payable	\$ 123,050
Accrued liabilities	<u>35,644</u>
Total liabilities	<u>158,694</u>

Deferred Inflows of Resources

Unearned revenue	<u>1,349,695</u>
Total deferred inflows of resources	<u>1,349,695</u>

Fund Balances

Nonspendable:	
Prepaid items	153,858
Restricted for:	
MORE consortium	313,030
Assigned	429,419
Unassigned	<u>373,184</u>
Total fund balances	<u>1,269,491</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,777,880</u>

See notes to financial statements

IFLS Library System

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
December 31, 2024

Total Fund Balances, Governmental Fund		\$	1,269,491
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Capital assets at year end consist of:			
Capital assets	\$	648,307	
Accumulated depreciation/amortization		<u>(437,891)</u>	210,416
Deferred outflows and deferred inflows of resources do not relate to current financial resources and are not reported in the governmental fund.			
Pension related amounts			245,061
OPEB related amounts			<u>(33,899)</u>
Investments in joint ventures are not financial resources and, therefore, are not reported in the fund.			
			195,487
Long-term liabilities, including bond and notes payable, are not due in the current period and, therefore, are not reported in the fund statements.			
Long-term liabilities at year end consist of:			
Net pension liability		(69,188)	
Net OPEB liability		(90,279)	
Compensated absences		<u>(153,911)</u>	<u>(313,378)</u>
Total Net Position, Governmental Activities			<u>\$ 1,573,178</u>

See notes to financial statements

IFLS Library System

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund
Year Ended December 31, 2024

Revenues

Federal grants	\$ 29,360
State library system aid	1,649,709
MORE consortium income	902,527
Shared cataloging service income	91,159
Investment income	115,833
Other income	197,073
	<hr/>
Total revenues	2,985,661

Expenditures

Administration	201,201
Billable/cooperative purchases	178,182
Consult/continuing education	231,444
Delivery service	398,145
Library collection development	33,134
Library services to youth	63,635
MORE consortium	921,201
Public information	50,633
Reference/Interlibrary loan	105,040
Services to special users	49,042
Shared system	238,721
Technology	330,358
Capital	34,168
	<hr/>
Total expenditures	2,834,904

Net change in fund balance	150,757
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Fund Balance, Beginning	1,118,734
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Fund Balance, Ending	\$ 1,269,491
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IFLS Library System

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Fund to the Statement of Activities
Year Ended December 31, 2024

Net Change in Fund Balances, Total Governmental Fund	\$	150,757
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental fund reports capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. The following differs in its presentation:

Depreciation is reported in the system-wide statements	(8,127)
--	---------

The proportionate share of the change in net position related to joint ventures reported in the Statement of Activities neither provides or uses current financial resources are not reported in the fund statements.	195,487
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Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:

Change in compensated absences	(33,424)
--------------------------------	----------

Change in net OPEB liability (and OPEB related deferred outflows and deferred inflows of resources)	(4,944)
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Change in net pension asset/liability (and pension related deferred outflows and deferred inflows of resources)	19,058
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Change in Net Position of Governmental Activities	\$	318,807
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IFLS Library System

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December 31, 2024

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1. Summary of Significant Accounting Policies

The accounting policies of the IFLS Library System (the System) conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

IFLS Library System is organized as a Wisconsin Public Library System under Section 43.19 of the Wisconsin Statutes. The System provides delivery, resource sharing, consultation services, cataloging and processing services and technology assistance to the libraries in its ten-county area. The System is governed by a twenty-member board of trustees appointed by member county boards. The reporting entity for the System is based upon criteria set forth by the Governmental Accounting Standards Board. All functions of the System for which it exercises oversight responsibility are included.

This report includes all of the funds of the System. The reporting entity for the System consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The System has not identified any organizations that meet these criteria.

Government-Wide and Fund Financial Statements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented January 1, 2024. The impact of implementation was not material.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the System. All of the System's activities are reported as governmental activities. Governmental activities generally are financed through intergovernmental revenues and other non-exchange revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The System does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers, other libraries or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. Consistent with the requirement to maintain the minimum number of funds, the System accounts for all transactions in the general fund which is considered a major fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation**Government-Wide Financial Statements**

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and 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 and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the System considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Intergovernmental aids and grants are recognized as revenues in the period the System is entitled the resources and the amounts are available. Amounts owed to the System which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include interest and charges for services that meet the availability criteria described above. All other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**Deposits and Investments**

Investment of System funds is restricted by Wisconsin state statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company.
2. Bonds or securities of any county, city, drainage district, technical college district, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, by the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

The System has adopted an investment policy. That policy follows state statutes for allowable investments. The policy addresses custodial credit risk and credit risk by stating that preservation of principal shall be the paramount objective and liquidity shall be maintained sufficient for the System to meet all disbursement requirements when due. Return on investments shall be maximized only to the extent that the first two objectives are met.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one days' notice. At December 31, 2024, the fair value of the System's share of the LGIP's assets was substantially equal to the System's share as reported in these statements.

See Note 2 for further information.

Receivables

General accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year-end.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets**Government-Wide Statements**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the System as assets with an initial, individual cost of more than \$5,000 for general capital assets and \$20,000 for intangibles and an estimated useful life of one year or more. All capital assets are recorded at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation and amortization of exhaustible capital assets is reported in the statement of activities. Accumulated depreciation is reflected in the statement of net position. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Computers	5 years
Vehicles	5 years
Furniture and equipment	5-10 years
MORE computer equipment	5 years
Intangibles	3-7 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

IFLS Library System allows all staff to earn twelve vacation days after one year of employment and one additional day per year through year fourteen to a total of twenty-five days. MLS staff hired after November 20, 1991 and before January 1, 2000, earns twenty vacation days after one year of employment and one additional day per year through year six to a total of twenty-five days.

Employees shall not accumulate more than the amount of vacation leave earned in 12 months employment. Upon retirement or termination of employment, employees have the option of receiving accrued vacation wages in a lump sum cash payment or through continued payroll checks.

Upon retirement from IFLS Library System, employees who meet the retirement requirements of the Wisconsin Retirement System (WRS) receive a pay-out of one-half of their accumulated sick leave. They can also use the pay-out to purchase health and/or dental insurance. Sick leave is valued at the employee's rate of pay at retirement. A maximum accumulation of 864 hours is allowed.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements and are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2024 are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

All long-term obligations to be repaid from System resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of the compensated absences, net pension liability and net OPEB liability.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. **Net 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, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net position that do not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use, it is the System's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (motion) of the Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board that originally created the commitment.
- d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board may take official action to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The System considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the System would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 2 for further information.

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits; and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Detailed Notes on All Funds**Deposits and Investments**

The System's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 1,525,004	\$ 1,536,812	Custodial credit risk
LGIP	1,064,329	1,064,329	Credit risk
Petty cash	75	-	N/A
Total deposits and investments	\$ 2,589,408	\$ 2,601,141	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the entity is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual entities. This coverage has been considered in computing custodial credit risk.

The System maintains collateral agreements with its bank. At December 31, 2024, the bank had obtained a collateral confirmation in the amount of \$1,485,532 to secure the System's deposits.

Custodial Credit Risk

Deposits - Custodial credit risk is the risk that in the event of a financial institution failure, the System's deposits may not be returned to the System.

The System does not have any deposits exposed to custodial credit risk.

IFLS Library System

Notes to Financial Statements
December 31, 2024

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The System had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note 1 for further information on deposit and investment policies.

Receivables

All receivables are expected to be collected in less than one year.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unearned</u>
2025 state aid received in 2024	<u>\$ 1,349,695</u>

IFLS Library System

Notes to Financial Statements

December 31, 2024

Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated/amortized:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Total capital assets not being depreciated/ amortized	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>
Capital assets being depreciated/amortized:				
Buildings	\$ 360,356	\$ -	\$ -	\$ 360,356
Computers	23,776	-	-	23,776
MORE intangibles	104,975	-	-	104,975
Vehicles	25,210	-	-	25,210
Furniture and equipment	15,430	-	-	15,430
MORE computer equipment	68,560	-	-	68,560
Total capital assets being depreciated/ amortized	<u>598,307</u>	<u>-</u>	<u>-</u>	<u>598,307</u>
Less accumulated depreciation/ amortization for:				
Buildings	(191,813)	(8,127)	-	(199,940)
Computers	(23,776)	-	-	(23,776)
MORE intangibles	(104,975)	-	-	(104,975)
Vehicles	(25,210)	-	-	(25,210)
Furniture and equipment	(15,430)	-	-	(15,430)
MORE computer equipment	(68,560)	-	-	(68,560)
Total accumulated depreciation/ amortization	<u>(429,764)</u>	<u>(8,127)</u>	<u>-</u>	<u>(437,891)</u>
Capital assets being depreciated/ amortized net of depreciation/ amortization	<u>\$ 168,543</u>	<u>\$ (8,127)</u>	<u>\$ -</u>	<u>\$ 160,416</u>

Depreciation/amortization expense was charged to functions as follows:

Library services	\$ 8,127
MORE	-
Total depreciation/amortization expense	<u>\$ 8,127</u>

IFLS Library System

Notes to Financial Statements
December 31, 2024

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Compensated absences*	\$ 120,487	\$ 33,424	\$ -	\$ 153,911	\$ 13,651

*The change in the compensated absences liability is presented as a net change.

Fund Balances

Governmental fund balances reported on the fund financial statements at December 31, 2024 include the following:

Assigned

General fund:

Building	\$ 65,000
Shared services program/building expenses	50,000
Vehicle replacement	35,000
Personnel	40,000
WAN/web equipment replacement	20,000
System equipment/furnishings	20,000
Computer lab replacement	10,000
Tech projects/billable reserves	30,000
2025 budget	159,419
Total	<u>\$ 429,419</u>

3. Other Information

Employees Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Years</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2014	4.7	25.0 %
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$59,935 in contributions from the System.

Contribution rates for the plan year reported as of December 31, 2024, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (executives and elected officials)	6.80 %	6.80 %
Protective with social security	6.80	13.20
Protective without social security	6.80	18.10

Pension Liability, Pension Expense (Revenue), Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the System reported a liability of \$69,188 for its proportionate share of the net pension. The net pension was measured as of December 31, 2023, and the total pension liability used to calculate the net pension was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The System's proportion of the net pension was based on the System's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the System's proportion was 0.00465347%, which was an increase of 0.00005870% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the System recognized pension expense (revenue) of \$40,877.

At December 31, 2024, the System reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 278,965	\$ 369,491
Changes of actuarial assumptions	30,157	-
Net differences between projected and actual earnings on pension plan investments	241,110	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,223	2,802
Employer contributions subsequent to the measurement date	65,899	-
Total	<u>\$ 617,354</u>	<u>\$ 372,293</u>

\$65,899 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years ending December 31:	
2025	\$ 36,493
2026	38,659
2027	150,765
2028	(46,755)

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1%-5.6%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

** No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns* as of December 31, 2023			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	40%	7.3%	4.5%
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage***	(12)	3.7	1.0
Total Core Fund***	100	7.4	4.6
Variable Fund Asset			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

* Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

** New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.7%

*** The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the System's Proportionate Share of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents the System's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the System's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
The System's proportionate share of the net pension liability (asset)	\$ 668,736	\$ 69,188	\$ (350,341)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

At December 31, 2024, the System reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The IFLS Library System is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred.

From time to time, the System is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the System's financial position or results of operations.

The System has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Local Retiree Life Insurance Fund (LRLIF)**Plan Description**

The LRLIF is a multiple-employer, defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

Benefits Provided

The LRLIF plan provides fully paid-up life insurance benefits for post age 64 retired employees and pre 65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

IFLS Library System

Notes to Financial Statements

December 31, 2024

Contribution rates for the plan year reported as of December 31, 2024 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the plan year are as listed below:

Life Insurance Member Contribution Rates for the Plan Year		
Attained Age:	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$399 in contributions from the employer.

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2024, the System reported a liability of \$90,279 for its proportionate share of the net OPEB. The net OPEB was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The System's proportion of the net OPEB was based on the System's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the System's proportion was 0.01962300%, which was a decrease of 0.00593300% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the System recognized OPEB expense (revenue) of \$4,944.

IFLS Library System

Notes to Financial Statements

December 31, 2024

At December 31, 2024, the System 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
Differences between expected and investment experience	\$ -	\$ 7,990
Net differences between projected and actual earnings on plan investments	28,240	35,549
Changes in actuarial assumptions	1,220	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,330	32,619
Employer contributions subsequent to the measurement date	469	-
Total	<u>\$ 42,259</u>	<u>\$ 76,158</u>

\$469 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
Years ending December 31:	
2025	\$ (2,442)
2026	(1,454)
2027	(5,800)
2028	(10,764)
2029	(11,239)
Thereafter	(2,669)

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2023
2022 Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10%-5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**State OPEB Life Insurance Asset Allocation Targets and Expected Returns
As of December 31, 2023**

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return %
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interim Credit	40.00%	2.32%
U.S. Mortgages	Bloomberg U.S. MBS	60.00%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount Rate

A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the System's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the System's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32%, as well as what the System's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
The System's proportionate share of the net OPEB liability	\$ 121,302	\$ 90,279	\$ 66,598

At December 31, 2024, the System reported a payable to the OPEB plan, which represents contractually required contributions outstanding as of the end of the year.

Shared Automation System

As of January 1, 2005, MORE is an IFLS service funded by charging participating libraries. Excess charges over expenditures are classified as reserved for future MORE expenditures.

Dissolution of MORE requires the approval of the IFLS Board and MORE member libraries; a minimum of one year's notice must be given. Additional provisions for the dissolution are detailed in the participation agreement which can be found on the System's website at:
<https://docs.iflweb.org/more/files/administration/Participation%20Agreement.pdf>

Joint Venture**LEAN WI**

The library systems of Northern Waters Library Service, IFLS Library System and Wisconsin Valley Library Service partner to fund the Libraries and Enterprise Applications Nexus of Wisconsin (LEAN WI) project for shared technology services. The System made payments to LEAN WI of \$63,427 in 2024. The System's equity interest in LEAN WI at December 31, 2024, is \$195,487.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

IFLS Library System

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budgets and Actual -

General Fund

Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Federal grants	\$ -	\$ -	\$ 29,360	\$ 29,360
State library system aid	1,649,709	1,649,709	1,649,709	-
MORE consortium income	906,426	906,426	902,527	(3,899)
Shared cataloging service income	88,100	88,100	91,159	3,059
Investment income	8,000	100,000	115,833	15,833
Other income	204,274	156,200	197,073	40,873
Total revenues	2,856,509	2,900,435	2,985,661	85,226
Expenditures				
Administration	204,043	209,175	201,201	7,974
Billable/cooperative purchases	150,000	150,000	178,182	(28,182)
Consult/continuing education	205,068	211,568	231,444	(19,876)
Delivery service	427,613	426,791	398,145	28,646
Library collection development	33,172	33,168	33,134	34
Library services to youth	64,952	64,935	63,635	1,300
MORE consortium	925,426	925,426	921,201	4,225
Public information	74,513	52,478	50,633	1,845
Reference/interlibrary loan	113,631	112,686	105,040	7,646
Inclusive services	53,295	52,533	49,042	3,491
Shared system	284,603	284,547	238,721	45,826
Technology	408,812	359,772	330,358	29,414
Capital	-	-	34,168	(34,168)
Total expenditures	2,945,128	2,883,079	2,834,904	82,343
Net change in fund balance	(88,619)	17,356	150,757	167,569
Fund Balance, Beginning	1,118,734	1,118,734	1,118,734	-
Fund Balance, Ending	<u>\$ 1,030,115</u>	<u>\$ 1,136,090</u>	<u>\$ 1,269,491</u>	<u>\$ 167,569</u>

See notes to required supplementary information

IFLS Library System

Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability) -

Wisconsin Retirement System (WRS)

Year Ended December 31, 2024

WRS Fiscal Year End Date (Measurement Date)	System's Proportion of the Net Pension Asset (Liability)	System's Proportionate Share of the Net Pension Asset (Liability)	System's Covered Payroll	System's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/23	0.00465347%	\$ (69,188)	\$ 881,398	7.85%	98.85%
12/31/22	0.00459477%	(243,417)	880,540	27.64%	95.72%
12/31/21	0.00453297%	365,365	790,890	46.20%	106.02%
12/31/20	0.00459897%	287,120	723,197	39.70%	105.26%
12/31/19	0.00477888%	154,092	751,416	20.51%	102.96%
12/31/18	0.00484128%	(172,237)	737,282	23.36%	96.45%
12/31/17	0.00481808%	143,054	720,332	19.86%	102.93%
12/31/16	0.00478490%	(39,439)	705,537	5.59%	99.12%
12/31/15	0.00474189%	(77,055)	670,901	11.49%	98.20%
12/31/14	0.00466494%	114,584	665,296	17.22%	102.74%

Schedule of Employer Contributions

Wisconsin Retirement System (WRS)

Year Ended December 31, 2024

System's Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/24	\$ 65,899	\$ 65,899	\$ -	\$ 955,060	6.90%
12/31/23	59,935	59,935	-	881,399	6.80%
12/31/22	57,235	57,235	-	880,540	6.50%
12/31/21	53,385	53,385	-	790,890	6.75%
12/31/20	48,816	48,816	-	723,198	6.75%
12/31/19	49,218	49,218	-	751,416	6.55%
12/31/18	49,398	49,398	-	737,282	6.70%
12/31/17	48,983	48,983	-	720,332	6.80%
12/31/16	46,565	46,565	-	705,537	6.60%
12/31/15	45,621	45,621	-	670,901	6.80%

See notes to required supplementary information

IFLS Library System

Schedule of Employer's Proportionate Share of the Net OPEB Liability -

Local Retiree Life Insurance Fund (LRLIF)

Year Ended December 31, 2024

LRLIF Fiscal Year End Date (Measurement Date)	System's Proportion of the Net OPEB Liability	System's Proportionate Share of the OPEB Liability	System's Covered Payroll	System's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/23	0.01962300%	\$ 90,279	\$ 876,000	10.31%	33.90%
12/31/22	0.02555600%	97,364	832,000	11.70%	38.81%
12/31/21	0.02777700%	164,172	787,000	20.86%	29.57%
12/31/20	0.02615800%	143,888	746,000	19.29%	31.36%
12/31/19	0.02137600%	91,023	748,000	12.17%	37.58%

Schedule of Employer Contributions

Local Retiree Life Insurance Fund (LRLIF)

Year Ended December 31, 2024

System's Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/24	\$ 469	\$ 469	\$ -	\$ 955,060	0.05%
12/31/23	395	395	-	881,339	0.04%
12/31/22	514	514	-	881,620	0.06%
12/31/21	561	561	-	790,890	0.07%
12/31/20	483	483	-	787,000	0.06%

See notes to required supplementary information

IFLS Library System

Notes to Required Supplementary Information
Year Ended December 31, 2024

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

Budgetary expenditure control is exercised at the function level. Reported budget amounts are as amended by System board action.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

Local Retiree Life Insurance Fund

The amounts determined for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

The System is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the LRLIF.

Changes in assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

IFLS Library System

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2024

Federal Grantor/Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Agency ID	Program or Award Amount	(Accrued)/ Deferred Beginning Balance	Cash Received	Expenditures	Accrued/ (Deferred) Ending Balance
Institute of Museum and Library Services								
Grants to States	45.310							
LSTA - Professional Learning Support		WI DPI	N/A	\$ 13,780	\$ -	\$ -	\$ 11,530	\$ 11,530
LSTA - Professional Learning Support		WI DPI	N/A	24,283	(13,359)	24,283	10,924	-
LSTA - Improved Discovery Solutions		WI DPI	N/A	25,000	-	4,718	4,718	-
LSTA - LEAN WI - Sparsity Aid		LEAN WI	N/A	-	-	2,188	2,188	-
Total grants to states				63,063	(13,359)	31,189	29,360	11,530
Total federal awards				<u>\$ 63,063</u>	<u>\$ (13,359)</u>	<u>\$ 31,189</u>	<u>\$ 29,360</u>	<u>\$ 11,530</u>

See notes to schedules of expenditures of federal and state awards

IFLS Library System

Schedule of Expenditures of State Awards
Year Ended December 31, 2024

State Agency/Program Title	State ID Number	Program or Award Amount	(Accrued)/ Deferred Beginning Balance	Cash Received	Expenditures	Accrued/ (Deferred) Ending Balance
Wisconsin Department of Public Instruction						
Public Library Systems Aid	255.002	\$ 1,649,709	\$ 1,237,282	\$ 1,762,122	\$ 1,649,709	\$ (1,349,695)
Total state awards		\$ 1,649,709	\$ 1,237,282	\$ 1,762,122	\$ 1,649,709	\$ (1,349,695)

See notes to schedules of expenditures of federal and state awards

IFLS Library System

Notes to Schedules of Expenditures of Federal and State Awards
December 31, 2024

Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the Schedules) include the federal and state grant activity of the IFLS Library System under programs of the federal and state government for the year ended December 31, 2024. The information in these Schedules is presented in accordance with the requirements of the Wisconsin Department of Public Instruction. Because the Schedules present only a selected portion of the operations of the IFLS Library System, they are not intended to and do not present the financial position or changes in net position of the IFLS Library System.

Summary of Significant Accounting Policies

Expenditures reported on the schedules are reported on modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

Pass-Through Grantors

Federal funds have been passed through the following grantor:

WI DPI - Wisconsin Department of Public Instruction

LEAN WI - Libraries and Enterprise Applications Nexus of Wisconsin

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Trustees of
IFLS Library System

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the IFLS Library System (the System), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated May 20, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The System's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the System's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The System's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Eau Claire, Wisconsin
May 20, 2025

IFLS Library System

Schedule of Findings and Responses
Year Ended December 31, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Section II - Financial Statement Findings Required to be Reported in Accordance With Government Auditing Standards

Finding 2024-001: Financial Statement Close Process

Repeat of Prior Year Finding 2023-001

Criteria: A system of controls should be in place to that provides reasonable assurance that year-end financial statements, including the schedules of expenditures of federal and state awards and footnotes, are complete and accurate.

Condition: There is a lack of controls over the year-end financial reporting process. We, as your auditors, prepared the System's financial statements, including the schedules of expenditures of federal and state awards and footnotes.

Cause: The System has chosen to have the auditors prepare the year-end financial statements, schedules of expenditures of federal and state awards and footnotes.

Effect: The financial statements, schedule of expenditures of federal awards and footnotes may not contain all of the required disclosures.

Recommendation: We recommend the System consider whether preparation of the financial statements by the System staff is cost effective. The Board of Trustees should continue to make a reasonable effort to be knowledgeable about the System's financial condition and financial reporting requirements.

Management's Response/Planned Corrective Action: Because of its size, the System does not feel it is cost effective to hire additional employees with the experience and technical training to prepare its financial statements and schedule of expenditures of federal and state awards. The System is, however, willing to assist with the preparation of these reports and will continue to work to gain experience in this area.

Finding 2024-002: Internal Control Environment

Repeat of Prior Year Finding 2023-002

Criteria: A system of internal control should be in place to achieve a high level of reliability that errors or irregularities in your processes would be discovered by your staff. A critical component of a solid internal control system is ensuring that individuals have access to only one phase of an accounting process.

Condition: There is a lack of controls over payroll and monthly and year-end accounting due to a lack of segregation of duties in the accounting functions.

Cause: The System has not assigned duties to have appropriate controls in place.

Effect: Because of the lack of internal controls, it is less likely that errors or irregularities would be discovered internally and your accounting records may be misstated.

Recommendation: The System's board and management should consider whether additional compensating controls are feasible. In the absence of hiring additional staff, the board of trustees should rely more heavily on their direct knowledge of the System's operations and regular contact with management to control and safeguard assets.

Management's Response: The System, including the board of trustees, is aware that the System has a lack of segregation of duties. Because of its size, the System does not feel it is cost effective to hire the number of employees needed for an adequate segregation of duties. The System board relies on their direct knowledge of the System's operations and regular contact with management to control and safeguard assets. Management is also very involved in the day-to-day operations of the System and compensating controls have been implemented where practical.

Reporting and insights from the 2024 audit: IFLS Library System

December 31, 2024

Executive summary

May 20, 2025

To the Board of Trustees
IFLS Library System
Eau Claire, Wisconsin

We have completed our audit of the financial statements of the IFLS Library System (the System) for the year ended December 31, 2024, and have issued our report thereon dated May 20, 2025. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your System's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

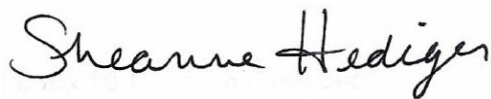
Additionally, we have included information on key risk areas IFLS should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Sheanne Hediger, Principal: sheanne.hediger@bakertilly.com or +1 (612) 876 4599

Sincerely,

Baker Tilly US, LLP

A handwritten signature in black ink that reads "Sheanne Hediger". The signature is written in a cursive, flowing style.

Sheanne Hediger, CPA, Principal

THIS COMMUNICATION IS INTENDED SOLELY FOR THE INFORMATION AND USE OF THOSE CHARGED WITH GOVERNANCE, AND, IF APPROPRIATE, MANAGEMENT, AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THESE SPECIFIED PARTIES.

BAKER TILLY ADVISORY GROUP, LP AND BAKER TILLY US, LLP, TRADING AS BAKER TILLY, ARE MEMBERS OF THE GLOBAL NETWORK OF BAKER TILLY INTERNATIONAL LTD., THE MEMBERS OF WHICH ARE SEPARATE AND INDEPENDENT LEGAL ENTITIES. BAKER TILLY US, LLP IS A LICENSED CPA FIRM THAT PROVIDES ASSURANCE SERVICES TO ITS CLIENTS. BAKER TILLY ADVISORY GROUP, LP AND ITS SUBSIDIARY ENTITIES PROVIDE TAX AND CONSULTING SERVICES TO THEIR CLIENTS AND ARE NOT LICENSED CPA FIRMS.

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the System's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of those charged with governance:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Performing tests related to compliance with certain provisions of laws, regulations, contracts and grants, as required by *Government Auditing Standards*.
- Our audit does not relieve management or those charged with governance of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of those charged with governance, including:

- Internal control matters
- Qualitative aspects of the System's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the System and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the System's current year results.

Implementation of GASB No. 101, Compensated Absences

During the current year, the System implemented GASB Statement No.101, *Compensated Absences*. This standard was issued to update the recognition and measurement guidance for compensated absences for state & local government employers. It supersedes GASB No. 16, *Accounting for Compensated Absences*, issued in 1992, as well as earlier guidance, and addresses changes resulting from the types of leave now being offered.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Financial reporting and required disclosures
Capital assets	Net position and fund balance calculations	

Internal control matters

We considered the System's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the System's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies as a material weakness:

- **Financial statement close process**

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Complete and accurate financial statements, including footnotes, are prepared.
- Complete and accurate schedules of expenditures of federal and state awards is prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered a material weakness surrounding the preparation of financial statements and footnotes including the schedules of expenditures of federal and state awards and an independent review of financial reports.

Management has not prepared financial statements that are in conformity with generally accepted accounting principles or the schedules of expenditures of federal and state awards that are in conformance with the applicable federal or state requirements.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We identified the following deficiencies as a significant deficiency:

- **Inadequate segregation of duties**

A properly designed system of internal control includes adequate staffing as well as policies and procedures to properly segregate duties. This includes systems that are designed to limit the access or control of any one individual to your government's assets or accounting records, and to achieve a higher likelihood that errors or irregularities in your accounting processes would be discovered by your staff in a timely manner.

At this time, due to staffing and financial limitations, the proper internal controls are not in place to achieve adequate segregation of duties. As a result, errors, irregularities or fraud could occur as part of the financial reporting process that may not be discovered by someone in your organization. Therefore, we are reporting a significant deficiency related to the internal control environment.

- **Missing key controls**

There are certain controls that are not currently in place related to significant transaction cycles. As a result, there is a risk that erroneous or unauthorized transactions or misstatements could occur without the knowledge of management or the governing body. Our recommendations for strengthening controls are listed below.

Controls over payroll

- Persons preparing the payroll should be independent of other personnel duties or restricted from access to the payroll account.

Controls over monthly and year-end accounting

- Account reconciliations prepared throughout the year should be performed by someone independent of processing transactions in the account.

Since the controls listed above or other compensating controls are not currently in place, errors or irregularities could occur as part of the accounting processes that might not be discovered by management or the governing body. Therefore, the absence of these controls is considered to be a significant deficiency.

We recommend that a designated employee review the segregation of duties, risks, and these potential controls and determine whether additional controls should be implemented. This determination should take into consideration a cost / benefit analysis. It is very important that the governing body provide the appropriate level of financial oversight to the System's day to day activities.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the System are described in Note 1 to the financial statements. As described in Note 1, the System changed accounting policies related to: compensated absences by adopting GASB Statement No.101, *Compensated Absences* in 2024. We noted no transactions entered into by the System during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Other postemployment benefits liability and related deferrals	Evaluation of information provided by the Wisconsin Postretirement Life Insurance Plan	Reasonable in relation to the financial statements as a whole
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the System or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. The schedule within the attachments summarizes the uncorrected misstatements that we presented to management, other than those that are clearly trivial, that, in our judgment, may not have been detected except through our auditing procedures. In our judgment, none of the uncorrected misstatements, either individually or in the aggregate, indicate matters that could have had a significant effect on the System's financial reporting process.

Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the basic financial statements under audit.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the System's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the System's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the System that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the System's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation

In addition, we prepared GASB No. 34 conversion entries which are summarized in the “Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position” and the “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities” in the financial statements.

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Board of Trustees resources

Our business is to know every aspect of yours and to maintain a constant lookout for what's next. We invite you to learn about some of the trending challenges and opportunities for public sector organizations like yours and how Baker Tilly can help.

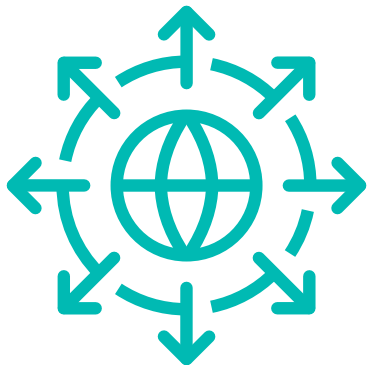
To explore more trending topics and regulatory updates, visit our resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.



Funding evaluation and pursuit

Public sector organizations may be eligible for grants, tax credits and other financial incentives through funding opportunities such as the Inflation Reduction Act, the Clean Communities Investment Accelerator, and the Infrastructure Investment and Jobs Act.

Baker Tilly can help you navigate, understand and pursue various federal and state funding sources through grant research and tracking, advising and writing, and management and compliance services.



Digital transformation

Digitizing public services can be a game changer for governments. Streamlining inefficient processes, providing digital access and delivery of services to meet public expectations, implementing technology to protect constituent data, leveraging information to make data-driven decisions and migrating outdated on-premises systems to the cloud are crucial to an entity's success.

Through these types of digital services, Baker Tilly can help you scale with future demand and be better positioned to rapidly respond to changing demands.

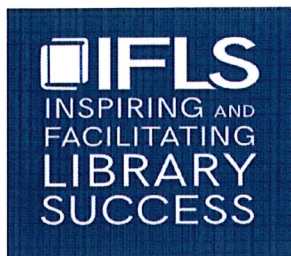


Cybersecurity

Public sector organizations face significant challenges from cyber threats and IT regulations. It can feel like you are on the defense keeping up with the latest risks, regulations and emerging trends. To mitigate risk, you must understand your organization's unique vulnerabilities, cybersecurity processes and controls.

Baker Tilly can help enhance your cybersecurity posture and ensure compliance, with solutions in IT compliance and security and cybersecurity and data protection to safeguard your data and navigate complex risk environments.

Management representation letter



IFLS Library System

1538 Truax Blvd., Eau Claire, WI 54703-1569
715-839-5082 * Toll Free 800-321-5427 * Fax 715-839-5151
tellus@ifls.lib.wi.us * www.ifls.lib.wi.us

Baker Tilly US, LLP
3410 Oakwood Mall Drive Suite 200
Eau Claire, WI 54701

Dear Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the IFLS Library System as of December 31, 2024 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the IFLS Library System and the respective changes in financial position in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility. The financial statements include all properly classified funds of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 8) We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the basic financial statements as a whole. In addition, you have recommended adjusting journal entries, and we are in agreement with those adjustments.
- 9) We are not aware of any known actual, possible, pending, or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting principles generally accepted in the United States of America, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 10) Guarantees, whether written or oral, under which the System is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or

- c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
- 15) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) There are no related parties or related party relationships and transactions, including side agreements, of which we are aware.

Other

- 17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 18) We have a process to track the status of audit findings and recommendations.
- 19) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for our report.
- 21) The System has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or fund balance or net position.
- 22) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 23) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Nonspendable, restricted, committed, or assigned fund balances that were not properly authorized and approved.

24) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

a) Financial statement preparation (including GASB 34 conversion entries)

b) Adjusting journal entries

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

25) The IFLS Library System has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

26) The IFLS Library System has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.

27) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if any.

28) The financial statements properly classify all funds and activities.

29) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

30) The IFLS Library System has no derivative financial instruments such as contracts that could be assigned to someone else or net settled, interest rate swaps, collars or caps.

31) Provisions for uncollectible receivables, if any, have been properly identified and recorded.

32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

33) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

34) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).

35) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.

36) We have complied with the implementation of GASB No. 49 and believe that there is no liability to accrue related to pollution remediation at this time.

- 37) We have appropriately disclosed the IFLS Library System's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy. We have also disclosed our policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available.
- 38) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 39) With respect to the supplementary information, (SI):
- a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- 40) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 41) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as leases.
- 42) We have implemented GASB Statement No. 101, *Compensated Absences*, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.

- 43) The auditing standards define an annual report as "a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements." Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. We confirm that we do not prepare and have no plans to prepare an annual report.

Sincerely,

IFLS Library System

Signed: John Thompson

Signed: Adam J. Fuller

Dated: 5/20/2025

IFLS Library System
SUMMARY OF UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS

December 31, 2024

	Financial Statements Effect - Debit (Credit) to Financial Statement Total				
	<u>Total Assets/ Deferred Outflows</u>	<u>Total Liabilities/ Deferred Inflows</u>	<u>Total Net Position/ Fund Balances</u>	<u>Total Expenses/ Expenditures</u>	<u>Change in Net Position/ Fund Balances</u>
Governmental Activities	-	(49,000)	(120,394)	-	169,394
					20,645

Accounting changes relevant to the IFLS Library System

Future accounting standards update

GASB Statement Number	Description	Potentially impacts you	Effective date
102	Certain Risk Disclosures	✓	12/31/25
103	Financial Reporting Model Improvements	✓	12/31/26
104	Disclosure of Certain Capital Assets	✓	12/31/26

Further information on upcoming [GASB pronouncements](#).

Updated reporting for certain risk disclosures

The Governmental Accounting Standards Board (GASB) issued its Statement No. 102, *Certain Risk Disclosures*, in June 2022. The objective of GASB 102 is to provide financial statement users with information about certain risks when circumstances make a government vulnerable to a heightened possibility of loss or harm. It requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

The Statement generally requires a government to disclose information about a concentration or constraint if all of the following criteria are met.

- The concentration or constraint is known to the government prior to issuing the financial statements.
- The concentration or constraint makes the government vulnerable to the risk of a substantial impact.
- An event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The disclosures should include a description of the following:

- The concentration or constraint,
- Each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, and
- Actions taken by the government to mitigate the risk prior to the issuance of the financial statements.

Changes to the financial reporting model

GASB Statement 103, *Financial Reporting Model Improvements*, builds on Statement 34 by providing key targeted improvements to the financial reporting model. Its requirements are designed to:

- Enhance the effectiveness of governmental financial reports in providing information essential for decision making and assessing a government's accountability, and
- Address certain application issues.

The targeted improvements contained in Statement 103 establish or modify existing accounting and financial reporting requirements related to:

- Management's discussion and analysis - While the overall requirements do not substantially change management's discussion and analysis, the modifications are meant to improve the analysis included in this section and provide details about the items that should be discussed as currently known facts, decisions, or conditions expected to have a significant financial effect in the subsequent period.
- Unusual or infrequent items (previously known as extraordinary and special items) - The new Statement simplifies GASB literature by eliminating the separate presentation of extraordinary and special items. Under the requirement of Statement 103, applicable items will either be identified as unusual or infrequent, or both.
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position - The changes are designed to improve consistency around the classification of items in these statements by better defining what should be included in operating revenues and expenses and nonoperating revenues and expenses including, for example, the addition of subsidies received or provided as a new category of nonoperating revenues and expenses.
- Major component unit information, and Budgetary comparison information - Statement 103 is designed to improve the consistency of the reporting of major component unit information and budgetary comparison information by specifying required placement of that information.

Disclosures of Certain Capital Assets

GASB Statement 104, *Disclosure of Certain Capital Assets*, requires separate disclosure of four types of capital assets:

- Lease assets reported under Statement 87, by major class of underlying asset,
- Intangible right-to-use assets recognized by an operator under Statement 94, by major class of underlying asset,
- Subscription assets reported under Statement 96, and
- Intangible assets other than those listed above, by major class of asset.

GASB Statement 104 also establishes requirements for capital assets held for sale and requires additional disclosures for those capital assets.

Under the guidance, a capital asset is a capital asset held for sale if:

- The government has decided to pursue the sale of the asset, and
- It is probable the sale will be finalized within a year of the financial statement date.

A government should disclose the historical cost and accumulated depreciation of capital assets held for sale, by major class of asset.

Uncorrected misstatements

	Financial Statements Effect - Debit (Credit) to Financial Statement Total					
	<u>Total Assets/ Deferred Outflows</u>	<u>Total Liabilities/ Deferred Inflows</u>	<u>Total Net Position/ Fund Balances</u>	<u>Total Revenues</u>	<u>Total Expenses/ Expenditures</u>	<u>Change in Net Position/ Fund Balances</u>
Governmental Activities	-	(49,000)	(120,394)	-	169,394	20,645

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs. For audits performed in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs. For audits done in accordance with *Government Auditing Standards*, our report will include a paragraph that states that the purpose of the report is solely to describe (a) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (b) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance and, (c) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the System will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of December or January. Our final financial fieldwork is scheduled during the spring or early summer to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 3-5 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

Resource Sharing and Collection Consultant's Report

Cecelia Cole, May 2025 - IFLS Board of Trustees

Updates & Project Highlights:

- **Collection Development Webinar Series:** Leah and I are working on a Collection Development webinar series for this coming fall (Sept/Oct) with a focus on self-censorship (or quiet/soft censorship) in collection development. It will be a three part professional development series available to all IFLS/MORE library staff in a virtual format, including:
 - A non-IFLS speaker to introduce the topic of self censorship, how it happens and how library staff can avoid it
 - A panel of IFLS library staff sharing their own experiences with self-censorship
 - A virtual group reflection session to allow staff to discuss self-censorship in a supportive environment among colleagues
- **Staff Training Resources on OverDrive E-materials:** I am in the process of developing resources and training to help library staff better understand the OverDrive e-materials selection process and licensing for Wisconsin's Digital Library. Staff often receive questions from patrons that can be difficult to answer, including why wait times are so long, or why certain titles aren't available in the collection. The training resources will not only provide some context on the selection process, but also help staff navigate patron expectations and concerns.

Consultation Highlights:

- **New Director Orientation:** Bruce PL, April 2025
- **WISCAT/ILL Training:** Bruce PL, April 2025
- **Collection Development:** Dresser PL, May 2025
- **WISCAT/ILL Borrowing Training:** Ogema PL, May 2025
- **ILL Lending Training:** Ladysmith PL, May 2025

Committee Meetings:

- **Intellectual Freedom Working Group:** April 2025
- **WPLC Selection Committee:** May 2025
- **MORE Resource Sharing & Collection Development Committee:** May 2025

Professional Development:

- **Virtual Training:** *Acquisitions Idea Swap*, IFLS, April 2025

IT Director Report

IFLS Board of Trustees, May 2025

Kris Schwartz, IT Director

CISA, CIS, and MS-ISAC:

Several months ago, we signed up for a new service that was being provided through a public/private partnership with the Cybersecurity and Infrastructure Security Agency (CISA), the Center for Internet Security (CIS) and the Multi State Information Sharing and Analysis Center (MS-ISAC) called the Malicious Domain Blocking Service (MDBR). The MDBR is basically a free cloud domain name blocking service that has a list of internet domains that are known to be used for malicious activity including ransomware, spyware, keyloggers, etc. If any traffic from the Lean Wisconsin network is requesting the address of a malicious domain that request will be blocked, and the malicious site will not be available to our network. This service also provides us with a report letting us know what the top 10 blocked domains were and how many domain requests we made that week. On top of the MDBR MS-ISAC also provides daily and weekly emails that provide specific detail on new threats to be aware of and how to recognize the threat. These services have been a great addition to help us stay ahead of and stop a lot of the worst threats from infecting our network and devices.

Windows 10 End of Life

In October of 2025 Microsoft will end support for Windows 10 and will require all Windows 10 computers to be upgraded to Windows 11. Windows 11 has a new strict set of hardware requirements that will be enforced over the coming year. Some of the hardware requirements had been loosened by Microsoft when Windows 11 was released to be able to work on some older hardware. Microsoft will be eliminating the looser requirements in 2025. This will require libraries to update to Windows 11 and may also require computer upgrades to fit the new hardware requirements. Brad has been and will continue working with libraries to get them all up to date on Windows 11 before October.

TEACH Network Migrations

The TEACH Network migration continues with 23 of 28 IFLS libraries completed and 65 of 83 total completed in the LEAN WI footprint. TTU events are largely successful once started now, though many of them still take longer than anticipated due to minute issues that manifest case by case within the complexity of the comingled BadgerNet and TEACH Network fabrics.

Public Services Consultant Report

Katelyn Dubiel

I. Consulting

Strategic Planning – Osceola (Committee meeting and survey development), Baldwin (Starting the process), Altoona (Committee meeting end of May)
Policy – Worked with Bloomer, Plum City, Baldwin, and Chetek on some recent policy updates.

II. Library Visits

Baldwin (04/16) - New Director Visit
Baldwin (05/19) - Board Meeting for Strategic Planning

III. Collaborations/Adult Services

Adult Services Check-In - Took place on 04/15 and went very well! We had about 10 attendees and the feedback was positive. To avoid summer reading we are going to meet again in August. It was relayed to me by a few attendees that the 3-4 times per year frequency is working well for them.

UW-Extension – We met on 04/11 and there was an exciting opportunity to do a workshop about social network mapping for our libraries. I brought in Leah, and the three of us met on 05/13 and are creating a 3-part webinar series for fall to help library directors, staff, and board members learn how to create these maps! Having a resource like this will be helpful when sharing information, finding volunteers, or doing strategic planning.

Policy of the Month – New collaborative project with DPI staff, the Director of Winnefox, Assistant Director of NFLS and Public Library Services Consultant of WVLS. We are working on highlighting one policy per month statewide for libraries to review/audit and make updates on. The goal is to keep policies as living documents that are regularly reviewed and updated. We've met a few times in April and May and will be meeting at least monthly going forward.

IV. Committee Meetings

WPLC Delivery Workgroup (04/04)
CVTC Library Advisory Committee (04/04)
COLAND Nominating Committee (04/09, 04/10)
Intellectual Freedom Working Group (04/09)
Director Check-In (04/18)
WPLC Board Meeting (04/30)
COLAND Meeting (05/09)
Director's Council (05/16)

V. Delivery

Working with Purple Mountain Solutions has been great so far. The libraries report good consistency when deliveries are made, few or no problems with the drivers and

communication between Purple Mountain and IFLS has been open. Their pricing is comparable to WALTCO and sometimes even a little under. There has been a recent increase in transit times, items are taking longer to be sorted. This might be due to some recent turnover and increased volume in the summer months. IFLS is looking at some ideas for increasing sorting and transit efficiency.

VI. Tidbits

I went to the Joint Finance Committee Hearing in Hayward on 04/28, it was very informative, and our library speakers did a great job! At the end they asked anyone who has a library card or supports libraries to stand up, and almost the entire room was on their feet. It was very exciting!

May 2025 Board Report from Leah Langby, Submitted May 20, 2025

Continuing Education

- Youth Services In-Person Workshops in Menomonie, Somerset, and Ladysmith planned, executed, and presented by me included time for exploring art projects; discussions of how to make programs and services more accessible; and summer program planning conversations. Forty people attended in all.
- [Human Resources for Wisconsin Library Leaders](#) kicks off this week with the webinar *The Lifecycle of a Library Employee, Part 1*. Over 100 people attended the webinar live! We will have four webinars by the end of June, along with some recorded short sessions. We are working to pull other relevant resources together, as well.
- I am planning summer and fall workshops and webinars, including a session with David Vinjamuri, a library/merchandizing expert who will be in the area to consult with a library; retreats for library directors and library workers with presentations by Beth Wahler; a virtual workshop series about building a social network map and using social connections to build a stronger library; and a collection development series. [Watch the IFLS Calendar](#) for more details, coming very soon!

Consulting Highlights

- Prepared and presented staff inservices:
 - Customer service and Storytime 101 for staff of Dresser and St. Croix Falls, March 25
 - De-escalation with new circulation staff at L.E. Phillips Memorial Public Library, May 12
- Certification one-on-ones with two directors nearing their re-certification deadlines
- New director orientation meeting with director in Bruce
- Space and service consultation with director in Turtle Lake

Scholarships

Federally-funded scholarships, administered by IFLS and funded by the Institute for Museum and Library Services through the Wisconsin Department of Public Instruction are wrapping up this spring. I will report more specifics and participant comments on the outcomes in my July report. Funding for these scholarships is up in the air, at this point they have been suspended due to uncertainty about federal funding.

Professional Development for Leah

Continuing Education Coordinator's Retreat (April 29-30), an in-person opportunity with 5 other CE Coordinators from around the state. We hired a professional facilitator to help us deepen our professional and personal relationships with fellow consultants to support our collaborative work, articulate why the group exists and the unique contributions we make to Wisconsin libraries; and create a realistic and achievable roadmap for the next twelve months for the group. The facilitation, provided by Chris Castro, was outstanding, I learned a lot about facilitation by being part of this. The results are that we have two concrete goals to work on in the coming year that will help us stay focused and provide better access to the libraries we serve.

Wisconsin Association of Public Libraries Conference (May 1-2), had some excellent sessions. The most impactful ones for me were: Book Talk 101, which had quick tips for sharing booktalks, especially focused on children and teens and a very engaging presenter; Reading the World Around Us: Rocks as Libraries with geologist Dr. Marcia Bjornerud, who did a beautiful job of drawing links between the importance of

public libraries and the stories rocks can tell us; Native American Cultural Awareness of Wisconsin Tribal Communities, which gave me more information about the Lac du Flambeau tribe specifically but also thoughts about how to assist libraries in connecting with the tribal communities in their areas; Sustainably Grow Your Summer Library Program—two librarians from IFLS received scholarships from IFLS to take a six-week course from the UW Madison iSchool on this topic from this presenter and I appreciated getting a condensed version of the content; and the Legal Information Q&A with librarian and lawyer Tomas Lipinski, which ended with a heartening take on legal precedent often landing with the rights of public libraries to serve everyone in their communities.

Art of Gathering Book Discussion with library CE providers from around the country. *The Art of Gathering: How We Meet and Why It Matters* by Priya Parker is a fascinating book about taking authority for creating meaningful and effective gatherings, which could include retreats, meetings, workshops, and more. I learned a lot from reading the book, and even more so in discussing and reflecting with library colleagues from around the country to see how they have been applying some of the lessons from her work. I am looking forward to using these skills to improve the retreats and gatherings we have coming up for the remainder of 2025.

Other noteworthy projects

Working with Reach Out and Read Wisconsin and continuing to help make connections between public libraries and clinics participating in this program; Created a print-making programming kit to coordinate with an art-themed Collaborative Summer Library Program; Coordinated/facilitated a new youth services cohort and a director's check-in in April; Joined the Wisconsin Library Association Foundation's Scholarship Committee, I will be helping to select scholarship winners from the state.

Board Report for Communications and Advocacy, from Rebecca Kilde (May 2025)

Now is the time for you to speak up for Wisconsin libraries

The proposed Federal Budget bill that is moving through Congress now has no funding for services to public libraries. These cuts will hurt all our communities, and especially our rural communities. This is not a partisan issue: public libraries are popular across political parties and income levels. Advocates like you can make a difference! Contact your members of Congress, talk to friends and family, amplify your local libraries message, ask your local media to cover this issue. Now is the time!

I've been working with our statewide marketing cohort and SRLAAW (System and Resource Library Administrators' Association of Wisconsin) to create a coordinated advocacy response to threats to IMLS. The [resulting website](#) and Speak Up for Libraries campaign provide a lot of ideas and information about how you can advocate for libraries. Please share this website in your social and professional circles: <https://mywisconsinlibrary.org/>



This campaign is about to launch a statewide postcard campaign that demonstrate Wisconsinites strong support for our public libraries. Please participate in that campaign.

On the local level, John just [appeared on WEAU](#) to talk about library funding issues.

Here comes the passport program



Explore MORE '25 Passport Program launches on June 1. This is the fourth year of this program, that is a librarian-initiated system-wide way for us to engage our users and reach new audiences with information about what's available at the library.

You got a passport in your board packet. This is a great opportunity to visit some libraries and enjoy exploring their delightful communities and all they have to offer.

Happy travels!

MORE Administrator's Report

Lori Roholt

May 2025 – IFLS Board of Trustees

MORE Server Migration

On March 25, MORE's Sierra servers were successfully migrated to a service hosted by our primary software vendor, Innovative. This migration was approved by MORE Directors Council as part of the 2025 MORE budget, having recently become an affordable option for MORE. The migration will relieve IFLS and LEANWI tech staff of server maintenance and upgrade responsibilities.

OverDrive access for patrons was interrupted longer than it should have been, and a few unexpected problems cropped up with 3rd party check-out and check-in services, but overall the change went smoothly enough. Many thanks to my IFLS colleagues Kris Schwartz and Jackee Johnson for their prep work before and problem-solving after the migration.

2025 Innovative Users Group (IUG) Conference

From March 13th to 15th, staff from IFLS, L.E. Phillips Memorial Public Library, and Friday Memorial Library, New Richmond, including MORE-sponsored library staff attendee Emily Dunn (Friday Memorial Library), attended the annual Innovative Users Group Conference in Denver. The IUG Conference is always a good opportunity to share ideas and news among library users of the automation software in use by MORE.

2026 MORE Budget Process

At their May meeting, MORE Directors Council reviewed a preliminary 2026 MORE budget, representing no changes to products or services compared to 2025, but building in some known and estimated cost increases, and including updated cost-sharing data. MORE Executive Committee will host a budget hearing on June 20, then create a recommended budget for consideration and approval by MORE Directors Council on July 18.

Each year, the consortium considers existing and new products and services with an eye toward enhancing users' access to shared resources and the library experience generally, while maintaining reasonable costs to member libraries. For 2026, a primary consideration will be a possible change to the software underlying the public-facing MORE Catalog and mobile app.

Director's Report

Agenda Items

9. 2024 Audit Report and Presentation

The report will be presented by the auditor at the board meeting.

12. * Report from IFLS Personnel Committee

The committee will be meeting in the morning prior to the board meeting. They will report on the following items at the board meeting.

- Election of Chair
- Director Evaluation Process/Timeline
- Holiday and Vacation Policy Recommended Changes

Monthly Activities

Building Projects: The five Flexible Facility Grant Awardees are currently out to bid. Bid opening dates vary for each of the projects. I may have some updates at the meeting. Cadott, Fall Creek, and Hammond are new buildings, River Falls is an internal remodel/refreshing, and Stanley is an addition.

New Richmond's project <https://newrichmondlibrary.org/building/> is progressing nicely. Updates can be found on their project website.

Centuria – Will begin working with a design firm in the next month or so to develop a preliminary design and cost estimate.

Boyceville – Currently regrouping and working on a fundraising plan.

Altoona – They are waiting for an assessment prepared by FEH, an architectural firm based in Iowa/Southern Wisconsin.

State Budget: The Joint Finance Committee held four public listening sessions and Wisconsin libraries were well represented at all four. More information about the budget and pictures from the hearings can be found here--
<https://www.wisconsinlibraries.org/state-biennial-budget-process-2025-2027>. At this time JFC has not met to discuss the budget requests related to libraries.

Federal Update: The status of Institute for Museums and Library Services (IMLS) and their grants changes on a weekly basis. Currently there is a court injunction preventing the further dismantling of IMLS. The Grant to States funding supports the majority of the Library Division staff and provides library systems funds for professional development and technology support. The Division did receive half of their allocation for the next budget year. They will be prioritizing supporting their staff until reauthorization of IMLS and stable funding is indicated for the coming years. For more information on supporting libraries visit -- <https://mywisconsinlibrary.org/> IFLS will help fund the library awareness campaign.

Consulting: Buildings, Library Law, Personnel, Library Accessibility, Library Administration, and Budgeting.

2025 Personnel Committee/Board of Trustees Director Evaluation Process & Timeline

May 2025

Director evaluation process Resource: [TE 6](#): Evaluating the Director

Evaluation options

- Email to one or more groups asking if there are any concerns
 - Library Directors
 - IFLS Staff
 - IFLS Board
- Evaluation survey (Survey Monkey) to one or more groups
 - IFLS Staff last conducted in 2024
 - IFLS Board last conducted in 2024
 - Library Directors last conducted in 2023
- Committee discussion with the director
- Other

July 2025

Discuss director's evaluation results

Preliminary staffing discussion

Conduct director wage research, if needed

- Potential Peers
 - Wisconsin System directors
 - Eau Claire job market

September 2025

Recommendations to IFLS Board

- 2026 Director wage
- Director's 2026 IFLS staffing and wage and benefit plan

Recent Evaluation Methodology

2024—Survey Monkey Evaluation by IFLS Board and IFLS Staff

2023 – Survey Monkey Evaluation by Library Directors

2022 – Survey Monkey Evaluation by IFLS Board and IFLS Staff

2021 – Survey Monkey Evaluation by Library Directors

2020—Survey Monkey Evaluation by IFLS Board and IFLS Staff

2019—Survey Monkey Evaluation by Library Directors

2018—Survey Monkey Evaluation by IFLS Board and IFLS Staff

2017—Survey Monkey Evaluation by Library Directors

2016—Email sent to IFLS Board, IFLS Staff, and Library Directors requesting feedback or concerns

2015—Survey Monkey Evaluation by IFLS Board, IFLS Staff, Library Directors

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(Term Exp: 12/2027)

Vacancy

Pierce County



Executive Committee



Personnel Committee

Updated: May 2025



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IFLS Board of Trustees 2025 Meeting Dates

Wednesday, January 22, 2025	12:30 p.m.	Via Zoom Meeting
Wednesday, March 26, 2025	12:30 p.m.	Via Zoom Meeting
Wednesday, May 28, 2025	12:30 p.m.	* IFLS Library System
Wednesday, July 23, 2025	12:30 p.m.	* Chippewa Falls Public Library
Wednesday, September 24, 2025	12:30 p.m.	* Glenwood City Public Library
Wednesday, November 19, 2025	12:30 p.m.	Via Zoom Meeting

* If you are unable to attend in-person, you can participate via Zoom.

You will be emailed the meeting packet the week prior to the meeting. The packet will include the agenda, meeting documents, and connection links to attend.

Link to the IFLS Website page dedicated to IFLS Trustees:
[IFLS Trustees | IFLS Library System \(iflsweb.org\)](https://iflsweb.org)

Questions or unable to attend a meeting? Contact Joanne Gardner
at 1.800.321.5427 (ext. 110) or gardner@ifls.lib.wi.us

To inspire and facilitate library success by providing member libraries
with the tools to serve, empower and lead their communities.