**WiLS Board & Finance Committee**  
**Joint Meeting**  
Friday, February 27

**Present:**
- Mark Arend (Winnefox Library System)
- Martha Berninger (DPI RL&LL)
- Peg Billing (Tomahawk SD)
- Mark Boucher (UW-Baraboo/Sauk County)
- Lee Konrad (UW-Madison)
- Sharon Nellis (Finance Committee)

**WiLS Staff Present:**
- Jeff Brunner, Sara Gold, Tom Klement, Lisa Marten, Stef Morrill

**Guests:**
- Yigit Uctum

**Absent:**
- Kelly Kroes (WISPALS/Gateway Tech), Lesleigh Luttrell (Finance Committee), Jennifer Peterson (Menasha Joint SD), Dan Reed (Finance Committee), Pat Wilkinson (UW-Oshkosh)

1. **Call to Order: Changes/Additions to the Agenda**  
   T. Saecker called the meeting to order. No changes/additions were made to the agenda.

2. **Welcome and introductions**  
   We welcomed Yigit Uctum (Wegner CPAs) to the meeting.

3. **Presentation and discussion of 2013/14 financial review (Wegner)**
   - This is our first year doing a review. Unlike an audit, they do not look at the internal control systems during a review. The review looks at numbers, ratios, and trends.
   - This year, they did not identify any issues.
   - Because of the dramatic change in the business model and budget of WiLS in July of 2013, this year does not include a two year comparison. Next year, we will be able to compare two years under the new model.
   - One of the changes this year is that the total assets and liabilities declined by about $1 million because WiLS recognizes coop revenue in a different way.
   - Significant amount of cash balance, member deposit and deferred revenue are the biggest liabilities.
   - If we take out the Recollection Wisconsin project, we do a little better than breaking even, with a positive cash flow.
   - The rest of the review is footnotes and explanations of the numbers.
   - There is a risk in how we hold our money in only one bank because the amount is over the maximum insured and there is always the risk that a bank may close.
   - Disclosing the net assets – showing the amounts that the board has designated vs undesignated amounts. Because we are setting this money aside, we might want to consider investing it, depending on what kind of risk the organization is willing to take.
4. 2014/15 six month financial report (Klement/Morrill)
   - We had a pretty good year. It’s not a bad thing to make a little profit as a non-profit – it shows we can fund more activities.
   - We came in above what we projected for our cooperative purchasing budget. We set a profit of about 3%.
   - Some vendors have started to limit the use of American Express, which will mean less funds from the cash back return.
   - Expenses: other than coop, everything is where we expected.
   - Looking at the first part of this year: we are already above the coop sales for our budget!
   - Software and technology expenses – most of it is the MyWiLS project development.
   - Project expenses weren’t originally split out in the budget for 14/15FY, but are in the actual amounts.
   - Coop membership revenue is currently under $4000, so we’re going to do a new k12 member promo (half off for new members who sign up for the remainder of the year).
   - Project revenue: we have a few projects in the works and the revenue will be coming in before year end.
   - American Express money will be coming in the next 4-6 weeks.

5. Discussion and action: Investment Policy Statement
   At our last meetings of both the board and Finance Committee, we discussed an investment policy statement. A final draft policy statement is attached for discussion and possible action at the meeting. T. Klement and S. Morrill will share some information gathered from First Business Bank about socially responsible investing. If the policy statement is approved, we will also outline next steps.
   - Since the socially responsible index outweighs the moderate index in all except 3 years (and is very close at 3 years), it could make sense to move forward with this.
   - Some board members would like to see that money invested in building a community (municipal bonds?) instead of more corporate investments. S. Morrill said we could take out U.S. from number 2 on the document – just Government-sponsored enterprises bills, notes, and bonds.
   - Number 6 on the document needs to change the last word from “class” to “classes”
   - With the adjustments, M. Boucher makes a motion that we adopt this policy. M. Berninger seconds. Motion passes unanimously.
   - Keeping in the “hinder” phrase, as it keeps our policy more flexible.
   - Next steps
     - We will start out at a lower level - $250,000-300,000 and revisit in 6 months to a year.
     - While it would be nice to keep money in the bank for what we’re spending, it could be of concern if we keep more than our insured amount. However, with First Business Bank and their strength/rating, we should be safe.
     - The group agreed that if we are comfortable with First Business Bank, and unless we feel there is reason to go elsewhere, it would be fine to invest with First Business Bank. If there ever is concern in the future, we would reconsider “shopping” for other options.

6. Discussion: Planning for 2015/16
   Our next meetings will be for discussion and action on a 2015/16 budget. As we begin to prepare for the budget, and as we reflect on 18 months since the reorganization, what budget and planning questions/concerns do you have? What should we be considering as we create this new budget?
   - After the director’s review, S. Morrill is suggesting we take the results of the staff retreat and the information from the member survey in learning what we might be able to do with growing workload
     - Add more people – will it create capacity or just add more work?
     - Cut projects/services – taking a look creatively at what we’re doing now and what we could cut that isn’t bringing in enough business
     - Efficiency
     - New sources of funding – can we find other pools of money?
• Form a workgroup made up of board, staff, and members to consider what we might want to do in the 15/16FY budget in terms of capacity issues: The group agreed to form the workgroup. Volunteers included M. Berninger, T. Klement, L. Konrad, K. Kroes, S. Morrill, S. Nellis, and B. Smith. S. Morrill will also check with D. Reed.

7. Motion to adjourn
   • P. Billing moved to adjourn the meeting,. M. Arend seconded. Meeting adjourned.