Monarch Library System Board of Trustees
Minutes
Kewaskum Town Hall 9019 Kettle Moraine Drive Kewaskum, WI 53040
July 9, 2026

1. Call to Order; Doane called the meeting to order at 6:00 pm. The meeting was properly noticed in accordance with Wisconsin Open Meetings Law.
2. Roll Call: Doane, Katzka, Goehring, Bailey, Lamb, Marose, Neis, Nelson, Olsen, and Westfall were present.
   Absent: Sprenger, Quinn, Strom
   Also Present: Bryan Grunewald, CLA, Grover, Federer, and Hoffman, MLS Staff.

3. Public Comment or Correspondence:

a. The Letter of Approval for the 2025-2026 LSTA accessibility Grant was read to the meeting.

i. This grant will enable Monarch to subscribe to one year of service from Pope Tech. This will provide training for website conversion to ADA compliance for the system and all the libraries by accessing every page of our websites and providing directions on how to make corrections. The cost for one year is $7,500.
ii. The remainder of the grant will be used to purchase Foxit. Foxit can be used to scan PDF documents for ADA accessibility compliance and correction.

4. Approval of the Agenda for the meeting:
a. Marose motioned to approve the Agenda for July 9, 2026. Westfall seconded the motion. Motion carried.

5. Approval of the Minutes for May 14, 2026:
a. Katzka motioned to approve the minutes. Motion seconded by Goehring. Motion carried.

6. Approval of the 2025 Audit Report presented by Bryan Grunewald, Principal, CLA: a. Grunewald described the three documents he would be discussing.

i. Grunewald began with the financial statements and gives CLA’s opinion that our financial statements are presented fairly. They are complete, accurate and in accordance with professional standards.

1. Grunewald’s overview is that our financial condition is very, very strong with an ending balance of $4.5 million in cash and investments.
2. The system has been proactive in the prior years to identify purposes to set aside these unassigned funds toward. This is a further opportunity since there is just over $2 million in that category today. Liabilities are very low in comparison to the overall cash and asset balances.

3. Our Revenue exceeded budget in part because of the interest income received due to our cash and investments holdings.
4. Expenditures came in under budget.
5. In considering how things are done, Grunewald delineated three findings.
    1. In Preparation of the Annual Audit, they find a continuing weakness in Internal Control over Financial Reporting. CLA recommends continued inspection by management and the Board.
    2. In Segregation of Duties, since there is limited staff in the system one employee is essentially responsible for completing and recordkeeping of all financials. Because our accounting has been outsourced to Winnefox, there have been changes to strengthen internal control. Winnefox maintains accounting software, and reporting. Management will be involved in reviewing and approving the journal entries and how certain transactions are posted with the accounting software.
    3. In Adjustments to the System's Financial Records, because the audit produces adjusting journal entries CLA recommends the training of staff to prepare the adjusting and closing entries.

ii. In the report to DPI on Monarch letterhead our 2024 audit findings are listed with action taken during 2025. Also included is the Corrective Action Plan for the findings of the 2025 audit.
    1. Finding 1 – Management will continue to review the financial statements and other information prior to issuance.
    2. Finding 2 –Segregation of Duties have been further improved through the utilization and outsourcing of certain accounting functions to Winnefox. Additional oversight and review procedures will be completed by either management or the Board.
    3. Finding 3 – Management will review and approve the journal entries as proposed by the auditors prior to issuance of the financial statements.

iii. The Governance Communication Letter is very standardized and contains an overview of the qualitative aspects of accounting principles. No red flags or anything unusual to report.

b. Goehring questioned information in the Compensated Absences area of the financial report. Grunewald explained the compensated absences balance is a calculation of long term obligation liabilities such as pensions, vacation accruals, and sick leave accruals. This audit does not show the funds which were voted to be moved to the LGIP Sick Leave Account in 2026. In the 2026 Audit they would then be listed in the LGIP investments not the general funds line. CLA always recognized the liability, they have always quantified it, and it has always been disclosed in our financial statements.

7.

8.

i. It is not the purpose of the audit to give legal advice or guidance, but to show the calculation of liabilities or obligations in the future from the benefits Monarch offers.
ii. Grunewald recommends a review of the handbook for compliance by a consultant.

c. Katzka motioned to approve the audit. Lamb seconded the audit approval. Motion carried.

Approval of the Expenditures for May and June 2026
a. Westfall motioned to approve expenditures of$107,677.91 for May and $129,367.72 for June. Nelson seconded the motion. Motion carried.

Monarch Library System Update:

1. Grover asked if there were any questions regarding the Monarch System Update as presented in the packet. Grover then shared some details of those items.
2. Grover explained one of our checks was found for sale on the Dark Web by U S Bank.
    i. U S Bank has a fraud detection unit the scans the Dark Web for checks drawn on them.
    ii. The payment on the check was immediately stopped.
    iii. We do use Positive Pay on checks we issue. This verifies for the bank that the authorized entity and amount are correct.
    iv. There is a process called check washing where the payee and amount can be washed off and replaced with fraudulent information.
    v. We were also advised to only deposit our outgoing mail inside the post office or to an authorized postal employee. Do not use out of doors mail depositories or boxes.
3. We have an employee who slipped and was injured on the job. We have been working with Acuity, our workman's compensation insurer regarding the claim.
4. Progress is being made on the Polaris migration to the cloud. We are in the testing phrase.

Committee Reports:

5. The Executive Committee

    i. The Executive Committee did not meet.

6. Operations Committee
    i. The Operations Committee met jointly with the Finance Committee on June 9, 2026.
    ii. Katzka stated the Operations Committee recommends amending the Monarch Library System Handbook to include: Upon retirement to WRS, the sick leave payout will be made as part of the final payroll payment to

the retiree or to the retiree's HRA account, calculated based on the employee's base pay rate at the time of retirement.

iii. Westfall suggested changing "the retiree's HRA account", to "the retiree's discretion".

iv. Goehring suggested tabling the motion until research can be completed by the Operations Committee.

v. Katzka withdrew the motion and motioned to place this item on a future Operations Committee agenda. Lamb seconded the motion.

9.

1. Katzkasuggestsanemploymentlawyerorconsultantbeemployed to examine the handbook and make recommendations for improvement overall and in relation to the sick leave payout and to meet with the Operations Committee for discussion..
2. Groverwillarrangeforaconsultanttoattendan Operations Committee meeting.

Motion carried.

7. Finance Committee

   i. The Finance Committee will be meeting on August 3, 2026.

8. Bookmobile Committee

i. The Bookmobile Committee will schedule a meeting either July 28th or 29th, 2026.

9. New Business: None

10. Unfinished Business:
a. Goehring questioned whether the insurance coverage was raised upon renewal.

i. Cyber Security coverage has been raised to one million dollars.
ii. Vehicle Liability was raised to 2 million with the use of an umbrella policy.

iii. Grover stated Monarch will be conducting coverage comparisons earlier in the term in 2027.

11. Next meeting will be held on September 10, 2026, at 6:00 pm at the Kewaskum Community Center.

12. Adjourn - Marose motioned to adjourn with Nelson, seconding the motion. Meeting was adjourned at 7:05 pm