

IFLS LIBRARY SYSTEM  
BOARD OF TRUSTEES

**MEETING LOCATION:**

New Richmond Community Library  
1538 Truax Blvd., Eau Claire, WI 54703  
Or, via Zoom Meeting

**DATE/TIME:**

Wednesday, May 27, 2026  
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/85340805969?pwd=BsbM0PCdyzaJk8GUb4DzT5L7ZJrNvk.1>

Meeting ID: 853 4080 5969

Passcode: CM49jefb

Mobile 1 312 626 6799

Meeting ID: : 853 4080 5969

Passcode: : 96075371

**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 25, 2026 **#016-26**
8. \* Financials - Approve: Check Registers: March/April 2026 **#018-26**  
Approve: Financial Reports: March/April 2026 **#019-26**
- 9. (12:45 pm)\* 2025 Audit Report and Presentation #020-26**
10. IFLS Staff Reports (In-person Report-Adam Fuller, Business Manager) **#021-26**
11. Director's Report of Agenda Items and Monthly Activities **#022-26**
12. \* Report from IFLS Personnel Committee  
Election of Chair  
Director Evaluation Process/Timeline
13. \* Building Remodeling Phase 2 (Parking lot, siding, windows, doors)
14. Board Member Reports
15. \* Adjournment

**TOUR: New Richmond Community Library (following meeting)**

*Handout: 2026 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 25, 2026**

**MINUTES**

The Board of Trustees of the IFLS Library System met on Wednesday, March 25, 2026, via Zoom meeting. Duerkop called the meeting to order at 12:31 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); **Susan Carroll** (Eau Claire County); **Jan Daus** (Eau Claire County); **Sue Duerkop** (Polk County); **Fran Duncanson** (Polk County); **Doug Edwardsen** (Barron County); **James Ericksen** (Chippewa County); **Amanda Kohnen** (Barron County); **Sue Marshall** (Price County); **Stella Pagonis** (Eau Claire County); **Charlie Schell** (Resource Library); **Mike Schendel** (St. Croix County); **Jane Winter** (Pepin County); **Julie Woodruff** (Chippewa County).

**BOARD MEMBERS ABSENT:**

**Lois Goode** (Rusk County); **Andrew Hagen** (Dunn County); **Joanne Johnson** (Pierce County); **Vacancy** (Dunn County); **Vacancy** (Pierce County).

**OTHERS PRESENT:**

**John Thompson** (Director); **Adam Fuller** (Business Manager); **Joanne Gardner** (Administrative Associate/Recorder); **Reb Kilde** (Communications & PR Coordinator); **Katelyn Dubiel** (Public Services Consultant).

**APPROVE AGENDA:**

**MOTION #05** <sup>(26)</sup>: To approve the Agenda as presented. Brue/Woodruff  
**RESULT:** Carried.

**CITIZEN COMMENTS:**

There were no citizen comments.

**ANNOUNCEMENTS/CORRESPONDENCE/INTRODUCTIONS:**

Edwardsen, Duncanson, and Pagonis noted that they are up for reelection to their respective county board.

Jim Tripp submitted his resignation from the IFLS Board this week due to other obligations. The Executive Committee will be confirmed today and since Tripp served as Vice President, the Board will need to select a new Board member.

**MINUTES:**

**MOTION #06**<sup>(26)</sup>: To approve the Board of Trustees minutes dated January 28, 2026 (Doc. #006-26). Brue/Woodruff  
**RESULT:** Carried.

**FINANCIALS:**

**MOTION #07**<sup>(26)</sup>: To approve the January/February 2026 Check Registers (Doc. #007-26). Brue/Marshall  
**RESULT:** Carried.

Questions were asked about MetLife Vision insurance, and Delta Dental Supplemental, RealLiving EAP membership, ProQuest – Ancestry for Libraries, GoDaddy – Domain name renewals, Baker Tilly, South Central – State Delivery, and Rev – Captioning for webinars,

**MOTION #08**<sup>(26)</sup>: To approve the December 2025 Financial Reports (Doc. #008-26) Achterhof/Brue  
**RESULT:** Carried.

Fuller noted that a majority of the budget line items came in under budget for 2025. IFLS had a good carryover that will be used for needed updates to the 30 year old building. This will include new windows, siding, reinsulation, doors, and resealing and painting parking lot. It will also include addressing the foundation on the two north facing doors. The employee entrance door would be outfitted with a keypad for entry instead of a key.

Questions were asked about the changes in the MORE categories of the budget, maintaining a minimum fund balance, IFLS funds in reserve, addition of funds for 2026 Operating/Capital Budget and vehicle replacement, Community Engagement support, and the LEANWI spreadsheet for shared resource employee.

**MOTION #09**<sup>(26)</sup>: To approve the January/February Financial Reports (Doc. #009-26) Marshall/Brue  
**RESULT:** Carried.

Fuller noted an error in the January/February Financial Reports. Line Item 5201 should be MORE Management Income. Beginning in 2027, there will only be one line instead of the current two (9500-50 and 9500-51).

Questions included the Community Engagement support, undeposited funds, and the timing of accounts payable and accounts receivable.

**INVESTMENT REPORT AND POLICY:**

**MOTION #09** <sup>(26)</sup>: To approve the IFLS Investment Report and Policy Review. (Doc. #010-26).  
Brue/Ericksen.  
**RESULT:** Carried.

Fuller noted that the investment practices at IFLS have not changed. The funds are kept in the Pooled Investment Fund (PIF) and an account at Associated Bank.

Fuller plans to start discussing with Associated Bank other ways we can invest in while protecting the principal. Thompson added that our investment policy is consistent with municipalities and counties. The objective is to preserve principal and generate some income.

Pagonis suggested reaching out to county treasurers to see where they invest.

**DIRECTOR’S REPORT:**

Thompson reminded trustees that the plan is to meet at the newer libraries as part of the board meeting locations. We will meet in New Richmond in May and Hammond in July. Hammond should be open early June. All building projects noted in the Director’s Report are moving along well.

Fall Creek hired Rachel Kinsella as the library director. Milltown has posted their director opening as Bonnie Carl will retire at the end of March.

Achterhof inquired about the exclusive control of funds noted in his report. Thompson noted that New Richmond does not have exclusive control of funds. The city has not allowed certain things with the library’s dollars. This will be an educational opportunity in the coming months.

**IFLS STAFF REPORTS  
AND  
IFLS YEAR IN REVIEW 2025:**

Kilde was in attendance to provide a brief report on her work she does for IFLS as well as report on the IFLS year in review. Kilde is the PR and Communication Coordinator, and her work includes the Weekly Digest, electronic newsletter, website, advocacy, and consulting with libraries on marketing and relations tools.

Kilde extracted some of the annual report information from 2025 and created a slide deck presentation. The presentation was projected and also included in the meeting packet.

People that have library cards in the IFLS service area increased by 18% in 2025. There was also a slight increase in renewals and e-materials increased by 15% over 2024. Information was provided on visits and programs. Visits to libraries increased 22% and attendance as programs was up 13% from last year. Additionally, the Explore MORE Passport Program saw visits to libraries go up 30% in 2025.

Public library websites have been visited over two million times. The average monthly MORE Catalog sessions increased by 7,000 in 2025.

Building project highlights included Fall Creek, Cadott, Stanley, Hammond, New Richmond, and River Falls.

IFLS provided over 70 hours of continuing education contact hours including four major statewide collaborations.

IFLS has an innovative Mentor Program that pairs new library directors or youth services staff with an experienced mentor from a comparable library. 2025 starts with seven mentor pairs and there were 13 pairs going during at least part of the year.

With help of a grant from the Bureau of Libraries using LSTA funds, IFLS provided scholarships to nine individuals to attend conferences, 6 people to take continuing education courses from the UW Madison iSchool, and to hire an outside presenter for an all-staff in-service and planning session.

Six IFLS libraries participated in Accessibility Audits. They were assessed and provided with a report of concerns for compliance with ADA law.

Interlibrary loan staff received and processed over 14,000 lending and borrowing requests on behalf of IFLS libraries.

22,733 items moved through our courier system which is an estimate of over one million items that traveled from one library to another in 2025. In 2025, IFLS transitioned our vendor from Waltco to Purple Mountain for our courier service. Although there are still some growing pains, Katelyn Dubiel believes they will continue to service the IFLS library system well.

The IFLS HelpDesk helps to expedite and problem-solve for our member libraries. 247 people submitted over 2,000 tickets in 2025. IFLS website visits increased with use of search, links, and downloads. IFLS staff visited 28 of our libraries for a total of 226 consults on all aspects of library work. Updates to the website in 2025 included: an update MORE homepage, Resource Portal, and the Policy of the Month Club.

IFLS offers services that save time and money for our libraries. Every spring we manage two large group supply orders, technology purchases with IFLS support for set up and protection, and a group library card order.

A highlight of 2025 was with the help of library advocates, Wisconsin libraries secured \$3M over two years of state funding. This included a statewide postcard campaign and the Library Love Story.

An infographic with a summary of this information is provided on the IFLS website as well as on the trustee page.

### **IFLS ANNUAL REPORT AND STATEMENT OF COMPLIANCE FOR 2025:**

**MOTION #10** <sup>(26)</sup>: To approve the IFLS Annual Report and Statement of Compliance for 2025 (Doc. #013-26). Daus/Woodruff  
**RESULT:** Carried.

The system 2025 Public Library System Annual Report was provided in the meeting packet. This will be submitted to the state following board approval. The report included the services provided and how our funds were spent.

**SYSTEM EFFECTIVENESS STATEMENTS  
FROM MEMBER LIBRARIES:**

As part of member libraries completing their annual report, they are to sign off that the system provided effective leadership. 100% checked that this occurred. Positive comments received from libraries are provided in the meeting packet.

**EXECUTIVE COMMITTEE OFFICERS AND  
PERSONNEL COMMITTEE MEMBERS FOR 2026:**

Duerkop noted the 2026 Executive Committee officers as: Sue Duerkop, President; Julie Woodruff, Vice President; Jan Daus, Treasurer; Sue Marshall, Secretary; and James Ericksen, Member-at-large.

Those agreeing to serve on the Personnel Committee for 2026 are: Judy Achterhof, Mary Ellen Brue, Stella Pagonis, Mike Schendel, and Julie Woodruff.

**MOTION #11** <sup>(26)</sup>: To approve the Executive Committee officers and Personnel Committee members for 2026. Brue/Winter  
**RESULT:** Carried.

**TRUSTEE ORIENTATION:**

Thompson provided an orientation for trustees. A slide deck on System Board Roles and Responsibilities was projected as well as included in the meeting packet.

IFLS is 1 of 15 systems in the state with the purpose of serving the public libraries. IFLS is the largest system in terms of counties and second largest in square miles. All systems receive money from the state. The 2026 estimated system aid is provided.

IFLS has 53 member libraries and covers a ten county area which includes Barron, Chippewa, Dunn, Eau Claire, Pepin, Pierce, Polk, Price, Rusk, and St. Croix.

The major services (based on statute) or needs expressed by member libraries are courier/delivery service, consulting, continuing education, inclusive services, technology/web support, interlibrary loan/reference, MORE shared automation system, and group discounts/purchases.

Consulting services provided are library administration, library law, personnel, literacy, youth services, facilities/space planning, technology, and board development.

Thompson reviewed the roles and responsibilities of library system board members. When you represent the library system, you need to consider not only your community or your county, but the entire region served by your library system and the many libraries and users of that region.

Board members have the same legal powers as a municipal library board with respect to system-wide functions and services. Boards have significant responsibilities for fiscal policy making, fiscal planning and oversight. The auditors have always commended the board for questions on the financial statements. Trustees should be willing to assume a leadership role in legislative lobbying or advocacy at both the state and federal level. As a system trustee, you cannot make policies for any system member library. Any unnecessary interference with the autonomy of member libraries should be avoided.

Roles of the library trustee include review and update of the board bylaws, assisting with development and approval of long-range plan, advocating for the library system and libraries, attending library conferences, workshops and other library education opportunities, working as a team member in support of library system services, and providing input on library needs and interests to help guide services to meet library needs.

A chart was provided with the roles of the system board and director showing the designation of the board or director role in board meetings, planning, personnel, budget, policy, and advocacy.

Information was provided on library law. Chapter 43 of the Wisconsin Statutes about public libraries. Information is provided on open meeting law, public record law, Americans with Disabilities Act, and more. The statutes are available in print and online. Thompson provided a breakdown of the sections of Chapter 43 as they related to certificates and standards, county library planning committees, county payment for library services, standards for public library systems, resource libraries, general system provisions, public library records, municipal libraries, joint libraries, powers and duties, and county appointments to municipal and joint public library boards.

Thompson noted that open meeting law is contained in Chapter 19 as the general duties of public officials. This covers meeting notices, agendas, minutes, meeting quorum, email quorum, negative quorum, closed sessions as they relate to open meeting laws with the procedures to be followed.

Information on public records law was provided and includes responding to requests, personnel records, retention policy, and staff email.

Thompson provided additional resources for trustees including general, open meetings, public records, and ethics.

If board members have questions, they can reach out to Thompson via the contact information provided.

### **BOARD MEMBER REPORTS:**

Marshall wished to share that Phillips library received a grant and will be using a teen intern over the summer.

Ericksen noted that “Stanley needs money” and that they continue moving along. Today they were cutting the opening between the old and new building. It is hoped work will be done in June or July.

**ADJOURNMENT:**

The Board of Trustees adjourned at 2:25 pm. (Ericksen/Brue)

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Joanne Gardner, Recorder/Administrative Associate

# IFLS Library System Check Register

#018-26

March 2026

| Date          | Num         | Name                                   | Memo                                   | Amount                    |
|---------------|-------------|--|--|---------------------------|
| <b>Mar 26</b> |             |  |  |                           |
| 03/01/2026    | Auto Pay    | Delta Dental                           | Mar. '26 Supplemental Dental           | -54.48                    |
| 03/10/2026    | Auto Pay    | Kwik Trip, Inc.                        | Feb. Gas Stmt.                         | -50.96                    |
| 03/17/2026    | Auto Pay    | Wisconsin Department of Revenue        | Bi-annual Bus. Registration Fee        | -10.00                    |
| 03/18/2026    | Auto Pay    | Xcel Energy                            | 1/26-2/25 Gas & Electric Svc           | -685.13                   |
| 03/23/2026    | Auto Pay    | Associated Credit Card                 | Feb. Credit Card *see attached         | -11,283.00                |
| 03/24/2026    | Auto Pay    | Employee Trust Funds, Dept of          | Apr. '26 Health Insurance              | -26,483.90                |
| 03/02/2026    | WIRE        | Wisconsin Department of Revenue        | P/R#3                                  | -1,697.45                 |
| 03/03/2026    | WIRE        | Wisconsin Department of Revenue        | P/R#4                                  | -1,697.45                 |
| 03/04/2026    | WIRE        | Wisconsin Deferred Comp. Program       | P/R#5                                  | -1,610.00                 |
| 03/11/2026    | WIRE        | Internal Revenue Service               | P/R#5                                  | -9,344.12                 |
| 03/16/2026    | WIRE        | Wisconsin Department of Revenue        | P/R#5                                  | -1,697.45                 |
| 03/18/2026    | WIRE        | Wisconsin Deferred Comp. Program       | P/R#6                                  | -1,610.00                 |
| 03/25/2026    | WIRE        | Internal Revenue Service               | P/R#6                                  | -9,344.30                 |
| 03/31/2026    | WIRE        | Wisconsin Retirement System            | Feb. WRF                               | -11,946.53                |
| 03/04/2026    | DD3697-3714 | IFLS Staff                             | Direct Deposit                         | -28,252.38                |
| 03/18/2026    | DD3715-3732 | IFLS Staff                             | Direct Deposit                         | -28,252.28                |
| 03/02/2026    | 43921       | Cole, Cecelia                          | Multiple Lib. Visits                   | -195.03                   |
| 03/02/2026    | 43922       | Internal Revenue Service               | VOID: Q4-Fed. Tax Late Fee             | 0.00                      |
| 03/02/2026    | 43923       | Jensen, Brad                           | Tech. Support/Hammond                  | -27.52                    |
| 03/02/2026    | 43924       | Market & Johnson                       | IFLS Facility Repairs/Grounds Project  | -2,500.00                 |
| 03/02/2026    | 43925       | Season 2 Season                        | Jan. Plowing                           | -420.00                   |
| 03/02/2026    | 43926       | Thompson, John                         | Field Visits/Conference 1/2/26-2/27/26 | -1,146.23                 |
| 03/02/2026    | 43927       | Winding Rivers Library System          | Annual SRLAAW Fee/JT                   | -100.00                   |
| 03/02/2026    | 43928       | Backstage Library Works                | MORE/ Database Maint.-Feb.             | -486.30                   |
| 03/02/2026    | 43929       | Innovative Interfaces                  | MORE/Annual Maintenance/Subscriptions  | -194,259.65               |
| 03/17/2026    | 43930       | Culligan                               | Mar. Service                           | -99.95                    |
| 03/17/2026    | 43931       | Hudson Public Lib                      | MORE Ecomm Payments 2026               | -1,115.64                 |
| 03/17/2026    | 43932       | L.E. Phillips Memorial Public Library  | MORE Ecomm Payments 2026               | -1,061.39                 |
| 03/17/2026    | 43933       | Maug Cleaning Solutions, Inc.          | 2/9/26-3/08/26 Cleaning Service        | -420.00                   |
| 03/17/2026    | 43934       | MetLife                                | Cust#268973 Subcode 66                 | -77.40                    |
| 03/17/2026    | 43935       | OCLC, Inc                              | Web Dewey/Feb. Net OCLC Fees           | -434.17                   |
| 03/17/2026    | 43936       | Purple Mountain Solutions, INC.        | Mar. Delivery Service                  | -37,652.17                |
| 03/17/2026    | 43937       | Securian Financial Group, Inc.         | Mar. Accident/Apr. Life Insurance      | -527.74                   |
| 03/17/2026    | 43938       | Shay, Katie                            | ILL Training-Chetek                    | -60.05                    |
| 03/17/2026    | 43939       | Backstage Library Works                | MORE/ Database Maint.-Mar.             | -464.90                   |
| 03/17/2026    | 43940       | NCC Group Software Resilience (NA) LLC | Software InsuranceMORE/Annual Software | -430.00                   |
| 03/17/2026    | 43941       | OverDrive, Inc.                        | MORE/Mar. Advantage                    | -222.35                   |
| 03/24/2026    | 43942       | WiLS                                   | Reissue Lost Check#43868 Wils          | 3,349.34                  |
| 03/24/2026    | 43942       | WiLS                                   | Rewrite Check/Original#43868           | -3,349.34                 |
| 03/24/2026    | 43943       | Bayscan Technologies                   | Billable/Supplies for Libs             | -4,378.02                 |
| <b>Mar 26</b> |             |  |  | <b><u>-380,097.94</u></b> |

# IFLS Library System

## ASSOCIATED Credit Card Transaction Detail Report

### Electronic Auto Pay (3/23/2026)

| Date                       | Name                                    | Memo                                       | Num         | Amount   |
|----------------------------|---|--|-------------|----------|
| <b>Jan 28 - Feb 25, 26</b> |   |  |             |          |
| 01/28/2026                 | Misc Restaurants                        | Staff Lunch                                | Staff Lunch | 313.69   |
| 01/28/2026                 | Festival Foods                          | Annual Report Workshop Snacks              | Snacks      | 16.98    |
| 01/28/2026                 | Rev.com                                 | Captioning/Annual Report Recording         | Captioning  | 104.48   |
| 01/29/2026                 | B & H                                   | Billable/Hammond-Port Switches             | Comp Equip  | 868.00   |
| 01/30/2026                 | Wisconsin Library Association           | WLA Membership/S. Duerkop                  | Renewal     | 50.00    |
| 01/31/2026                 | Dell Marketing L.P.                     | Billable/Hammond-(6) Monitor Stands        | Comp Equip  | 382.20   |
| 01/31/2026                 | Dell Marketing L.P.                     | Billable/Hammond-Dock                      | Comp Equip  | 140.00   |
| 02/01/2026                 | 1st Choice Pest Solutions               | Serv. Agrmnt-Feb.                          | January     | 67.00    |
| 02/01/2026                 | Google Cloud                            | Google Maps Fee                            | Fee         | 23.23    |
| 02/01/2026                 | Microsoft                               | Office 365 Licenses                        | Licenses    | 58.50    |
| 02/02/2026                 | Public Library Association              | 26 PLA Conf Reg/J. Johnson                 | PLA Conf    | 55.00    |
| 02/02/2026                 | AMTRAK                                  | IUG Conference Travel-J. Reid              | Conf.Travel | 92.00    |
| 02/03/2026                 | AMTRAK                                  | IUG Conference Travel-J. Reid-Travel Insur | Conf.Travel | 7.26     |
| 02/03/2026                 | AMTRAK                                  | IUG Conference Travel-J. Reid              | Conf.Travel | 84.00    |
| 02/03/2026                 | Innovative Users Group                  | IUG Conference Registration-J. Reid        | IUG Con Reg | 575.00   |
| 02/03/2026                 | Bookshop.org                            | Gift-(2) Mentors                           | Gift        | 30.00    |
| 02/03/2026                 | CDW-G                                   | Billable/Hammond-(3)-Brother Printers      | Comp Equip  | 1,673.17 |
| 02/03/2026                 | Amazon.com Credit                       | Hammond-2-Ipad A16 11inch 128GB            | Comp Equip  | 638.00   |
| 02/04/2026                 | Assoc of Rural & Small Libraries (ARSL) | ARSL Membership/J Thompson                 | Membership  | 100.00   |
| 02/04/2026                 | USPS                                    | Feb. Postage                               | Postage     | 38.47    |
| 02/04/2026                 | Dell Marketing L.P.                     | Billable/Hammond-(6) Monitor's             | Comp Equip  | 540.00   |
| 02/04/2026                 | Dell Marketing L.P.                     | Billable/Hammond-(2) Receipt Printer       | Comp Equip  | 480.00   |
| 02/04/2026                 | CDW-G                                   | Billable/Hammond-(4) Ubiquiti U7 Pro Ap    | Comp Equip  | 742.08   |
| 02/04/2026                 | FlowRoute.com                           | Feb. Phone/on Acct                         | on Acct     | 51.25    |
| 02/05/2026                 | GFL Environmental                       | Feb. Garbage                               | 1122395     | 53.61    |
| 02/05/2026                 | CDW-G                                   | Billable/Hammond-Zebra Label Printer-2     | Comp Equip  | 794.08   |
| 02/05/2026                 | CDW-G                                   | Billable/Menomonie-Zebra Label Printer     | Comp Equip  | 397.04   |
| 02/05/2026                 | CDW-G                                   | Billable/Hammond-Ubiquiti EdgeRouter ER    | Comp Equip  | 179.86   |
| 02/06/2026                 | Rev.com                                 | Captioning/Making Summer Easier            | Captioning  | 87.76    |
| 02/09/2026                 | Quill Corporation                       | Folders/Report Covers/Divider Tabs         | 47717070    | 67.35    |
| 02/09/2026                 | Bookshop.org                            | Presenter Gifts-4                          | Gift        | 60.00    |
| 02/10/2026                 | Misc Restaurants                        | Lib. Leg Day Lunch-J.Thompson              | Lunch       | 20.35    |
| 02/10/2026                 | Best Western Hotels                     | Lib. Leg. Day/Hotel-J.Thompson             | Leg. Day    | 174.00   |
| 02/10/2026                 | Best Western Hotels                     | Lib. Leg. Day Parking-J.Thompson           | Leg. Day    | 9.60     |
| 02/11/2026                 | Menards                                 | Batteries/Soap                             | Misc. Suppl | 25.48    |
| 02/11/2026                 | Dell Marketing L.P.                     | Billable/St. Croix Falls-Laptop Charger    | Comp Equip  | 24.06    |
| 02/11/2026                 | Dell Marketing L.P.                     | Billable/Osceola-(5) Monitor's             | Comp Equip  | 450.00   |
| 02/13/2026                 | American Library Association            | ALA Membership/L.Roholt                    | Memb. Renew | 215.00   |
| 02/13/2026                 | Public Library Association              | 26 PLA Conf Reg/L. Roholt                  | PLA Conf    | 55.00    |
| 02/16/2026                 | Intuit                                  | Feb. Direct Dep Fees                       | Feb. Stmt   | 52.22    |
| 02/18/2026                 | CDW-G                                   | BillableOsceola-Zebra Label Printer        | Comp Equip  | 415.90   |

**IFLS Library System**  
**ASSOCIATED Credit Card Transaction Detail Report**  
**Electronic Auto Pay (3/23/2026)**

| <u>Date</u>                | <u>Name</u>               | <u>Memo</u>                                | <u>Num</u> | <u>Amount</u>           |
|----------------------------|---------------------------|--|------------|-------------------------|
| 02/18/2026                 | CDW-G                     | Billable/Hammond-(2)-Wired Mouse           | Comp Equip | 25.40                   |
| 02/19/2026                 | Rivistas Subscription Svc | Prof Mtls/26 Mag Subscriptions             | Subscripts | 820.04                  |
| 02/19/2026                 | FlowRoute.com             | Feb. Phone/on Acct                         | on Acct    | 51.25                   |
| 02/23/2026                 | Quill Corporation         | Lg. Trash Bags                             | 47862095   | 52.19                   |
| 02/23/2026                 | CDW-G                     | Billable/Hammond-(50)-3ft. Cat. 6 Patch Cæ | Comp Equip | 122.50                  |
| <b>Jan 28 - Feb 25, 26</b> |                           |  |            | <b><u>11,283.00</u></b> |

**IFLS Library System**  
**Check Register**  
**April 2026**

| <u>Date</u>   | <u>Num</u>  | <u>Name</u>                               | <u>Memo</u>                               | <u>Amount</u> |
|---------------|-------------|---|---|---------------|
| <b>Apr 26</b> |             |   |   |               |
| 04/01/2026    | Auto Pay    | Delta Dental                              | Apr. '26 Supplemental Dental              | -54.48        |
| 04/10/2026    | Auto Pay    | Kwik Trip, Inc.                           | Mar. Gas Stmt.                            | -80.37        |
| 04/14/2026    | Auto Pay    | Eau Claire, City of                       | 21894-00-1                                | -330.71       |
| 04/16/2026    | Auto Pay    | Xcel Energy                               | 2/25-3/26 Gas & Electric Svc              | -499.05       |
| 04/20/2026    | Auto Pay    | Associated Credit Card                    | Mar. Credit Card *see attached            | -21,029.20    |
| 04/24/2026    | Auto Pay    | Employee Trust Funds, Dept of             | May. '26 Health Insurance                 | -26,483.90    |
| 04/14/2026    | Stop Check  |   | Service Charge-Stop Check 43942           | -25.00        |
| 04/01/2026    | WIRE        | Wisconsin Deferred Comp. Program          | P/R#7                                     | -1,610.00     |
| 04/08/2026    | WIRE        | Internal Revenue Service                  | P/R#7                                     | -9,344.22     |
| 04/15/2026    | WIRE        | Wisconsin Department of Revenue           | P/R#6                                     | -1,697.45     |
| 04/15/2026    | WIRE        | Wisconsin Deferred Comp. Program          | P/R#8                                     | -1,610.00     |
| 04/22/2026    | WIRE        | Internal Revenue Service                  | P/R#8                                     | -9,344.32     |
| 04/29/2026    | WIRE        | Wisconsin Deferred Comp. Program          | P/R#9                                     | -1,610.00     |
| 04/30/2026    | WIRE        | Wisconsin Retirement System               | Mar. WRF                                  | -11,946.53    |
| 04/30/2026    | WIRE        | Wisconsin Department of Revenue           | P/R#7 & 8                                 | -3,394.90     |
| 04/01/2026    | DD3733-3750 | IFLS Staff                                | Direct Deposit                            | -28,252.33    |
| 04/15/2026    | DD3751-3768 | IFLS Staff                                | Direct Deposit                            | -28,252.29    |
| 04/29/2026    | DD3769-3786 | IFLS Staff                                | Direct Deposit                            | -29,621.34    |
| 04/09/2026    | 43944       | Bayscan Technologies                      | VOID: Billable/Supplies for Libs          | 0.00          |
| 04/09/2026    | 43945       | CCI Solutions                             | Billable/Supplies for Libs                | -1,188.47     |
| 04/09/2026    | 43946       | Cole, Cecelia                             | Lib. Visits                               | -62.36        |
| 04/09/2026    | 43947       | Culligan                                  | Apr. Service                              | -99.95        |
| 04/09/2026    | 43948       | Dubiel, Katelyn                           | Lib. Visit/Park Falls-New Director        | -142.10       |
| 04/09/2026    | 43949       | EO Johnson Co.                            | 04/20/26-7/19/2026 Maint. Agreement       | -126.00       |
| 04/09/2026    | 43950       | Hudson Public Lib                         | PLA Conf. Scholarship Reimb.              | -339.00       |
| 04/09/2026    | 43951       | Keeley, Brad                              | Tech. Support/Mult. Libraries             | -68.62        |
| 04/09/2026    | 43952       | Kilde, Rebecca                            | PLA Conf./Mileage                         | -101.50       |
| 04/09/2026    | 43953       | L.E. Phillips Memorial Public Library     | MORE Ecomm Payments 2026                  | -693.25       |
| 04/09/2026    | 43954       | Langby, Leah                              | Lib. Visit/Clear Lake/PLA-Snacks          | -198.68       |
| 04/09/2026    | 43955       | MetLife                                   | Cust#268973 Subcode 66                    | -77.40        |
| 04/09/2026    | 43956       | OCLC, Inc                                 | Mar. Net OCLC Fees                        | -46.82        |
| 04/09/2026    | 43957       | ReaLiving, LLC.                           | EAP Membership Fee Apr.-Jun. 2026         | -1,283.00     |
| 04/09/2026    | 43958       | Securian Financial Group, Inc.            | Apr. Accident/May Life Insurance          | -527.74       |
| 04/09/2026    | 43959       | Tracey Sorenson                           | PLA Conf. Scholarship Reimb.              | -314.00       |
| 04/09/2026    | 43960       | Wisconsin Valley Library Service          | Bulk Computer Order                       | -47,848.50    |
| 04/09/2026    | 43961       | Green Linguistics                         | Trifold Brochure-MORE Spanish Translation | -210.00       |
| 04/09/2026    | 43962       | Innovative Interfaces                     | VOID: MORE/iTiva Automated Phone Sys      | 0.00          |
| 04/09/2026    | 43963       | Johnson Litho Graphics of Eau Claire, LTD | MORE/11K Brochures-More For You           | -1,524.48     |
| 04/09/2026    | 43964       | OverDrive, Inc.                           | MORE/Mar. Advantage/High Demand           | -9,833.50     |
| 04/09/2026    | 43965       | Maug Cleaning Solutions, Inc.             | 3/9/26-4/05/26 Cleaning Service           | -420.00       |
| 04/27/2026    | 43966       | CCI Solutions                             | Billable/Supplies for Libs                | -140.94       |

**IFLS Library System**  
**Check Register**  
**April 2026**

| <u>Date</u>   | <u>Num</u> | <u>Name</u>                           | <u>Memo</u>                                | <u>Amount</u>                    |
|---------------|------------|---------------------------------------|--|----------------------------------|
| 04/27/2026    | 43967      | Colfax Public Lib                     | PLA Conf. Scholarhsip Reimb.-Lisa Bragg-Hu | -1,269.00                        |
| 04/27/2026    | 43968      | Dell Marketing L.P.                   | Bulk Computer Order                        | -44,680.91                       |
| 04/27/2026    | 43969      | Discount Paper Products, Inc          | Bill/Supplies for Libs-Order#927263        | -6,568.13                        |
| 04/27/2026    | 43970      | Dresser Pubic Lib                     | PLA Conf. Scholarhsip Reimb.-L. French     | -1,138.62                        |
| 04/27/2026    | 43971      | Dubiel, Katelyn                       | Lib. Visit/Clear Lake-New Director         | -125.71                          |
| 04/27/2026    | 43972      | EO Johnson Co.                        | 101503                                     | -7.38                            |
| 04/27/2026    | 43973      | Gardner, Joanne                       | Life Ins. Dep. Deduction-Canceled 2/1/2021 | -220.50                          |
| 04/27/2026    | 43974      | Hawkins Public Lib                    | PLA Conf. Scholarhsip Reimb.-J. Mabie      | -1,341.34                        |
| 04/27/2026    | 43975      | Kapco                                 | Billable/Supplies for Libs                 | -6,539.38                        |
| 04/27/2026    | 43976      | L.E. Phillips Memorial Public Library | 1st Qtr Cont. Pymt. & Book Replace Cost    | -5,782.00                        |
| 04/27/2026    | 43977      | Leann French                          | ALA Membership Reimb.-L. French            | -55.00                           |
| 04/27/2026    | 43978      | Menomonie Public Library              | PLA Conf. Scholarhsip Reimb.-R. Pagenkopf  | -265.00                          |
| 04/27/2026    | 43979      | Pepin Public Library                  | Delivery Damage/1 item-The Everlasting     | -37.99                           |
| 04/27/2026    | 43980      | Purple Mountain Solutions, INC.       | Apr. Delivery Service                      | -42,511.73                       |
| 04/27/2026    | 43981      | River Falls Public Lib                | PLA Conf. Scholarhsip Reimb.-T. Misselt    | -555.51                          |
| 04/27/2026    | 43982      | Season 2 Season                       | Feb. & Mar. Plowing                        | -260.00                          |
| 04/27/2026    | 43983      | Turpin, Laura                         | PLA Conf. Scholarhsip Reimb.               | -331.00                          |
| 04/27/2026    | 43984      | Backstage Library Works               | MORE/ Database Maint.-Apr.                 | -467.20                          |
| 04/27/2026    | 43985      | Faulhaber, Deb                        | IUG Conf. Travel/Meals                     | -84.75                           |
| 04/27/2026    | 43986      | Innovative Interfaces                 | MORE/Iiva Automated Phone Sys              | -12,891.33                       |
| 04/27/2026    | 43987      | Johnson, Jackee                       | IUG Conf. Travel                           | -158.77                          |
| 04/27/2026    | 43988      | Julia E.F. Reid                       | MORE/IUG Conf-Meals                        | -169.71                          |
| 04/27/2026    | 43989      | L.E. Phillips Memorial Public Library | MORE/1st Qtr High Demands                  | -1,394.92                        |
| 04/27/2026    | 43990      | Roholt, Lori                          | MORE/IUG Conf Travel/Hotel Stay            | -1,854.72                        |
| <b>Apr 26</b> |            |                                       |  | <b><u><u>-369,143.00</u></u></b> |

**IFLS Library System**  
**ASSOCIATED Credit Card Transaction Detail Report**  
**Electronic Auto Pay (04/20/2026)**

| <u>Date</u>                | <u>Name</u>                   | <u>Memo</u>   | <u>Num</u>  | <u>Amount</u>           |
|----------------------------|-------------------------------|---|-------------|-------------------------|
| <b>Feb 26 - Mar 26, 26</b> |                               |   |             |                         |
| 02/26/2026                 | Grainger, Inc.                | Delivery Bins                                       | Del. Bins   | 4,161.99                |
| 02/27/2026                 | Festival Foods                | Pop   | Supplies    | 33.98                   |
| 02/28/2026                 | Quill Corporation             | Labels/Paper  | 47953737    | 151.96                  |
| 03/01/2026                 | 1st Choice Pest Solutions     | Serv. Agrmnt-Mar.                                   | March       | 67.00                   |
| 03/01/2026                 | Google Cloud                  | Google Maps Fee                                     | Fee         | 12.17                   |
| 03/02/2026                 | Showcases                     | Bulk Supply Order                                   | Supplies    | 256.76                  |
| 03/03/2026                 | FlowRoute.com                 | Mar. Phone/on Acct                                  | on Acct     | 51.25                   |
| 03/03/2026                 | AMTRAK                        | IUG Conference Travel-J. Reid                       | Conf.Travel | -92.00                  |
| 03/05/2026                 | GFL Environmental             | Mar. Garbage  | 1141052     | 53.76                   |
| 03/05/2026                 | Wisconsin Library Association | WLA Membership/L. Langby                            | Renewal     | 239.85                  |
| 03/05/2026                 | Kobussen Buses                | PLA Conf. Trip-Lib. Staff                           | Group Bus   | 1,706.25                |
| 03/05/2026                 | Dell Marketing L.P.           | Billable/Ellsworth-Monitors(3)                      | Comp Equip  | 270.00                  |
| 03/05/2026                 | PayPal Inc.                   | IFLS Logo Shirts/B Jensen                           | Shirts-BJ   | 97.34                   |
| 03/09/2026                 | Wisconsin Library Association | WAPL Conf. Reg./John Thompson                       | WAPL Conf   | 325.00                  |
| 03/09/2026                 | Amazon.com Credit             | Cleaning Supplies-Odor Eliminator                   | Clean Supp. | 45.51                   |
| 03/09/2026                 | Hotels                        | WAPL Conf/J. Thompson-The Osthoff Resort            | Conf Hotels | 203.00                  |
| 03/13/2026                 | Microsoft                     | Office 365 Licenses                                 | Licenses    | 58.50                   |
| 03/14/2026                 | Auto-Owners Insurance         | Wrkrs Comp Ins 3/15/26-27                           | Wrkrs Comp  | 2,174.00                |
| 03/16/2026                 | Intuit                        | Mar. Direct Dep Fees                                | Mar. Stmt   | 52.22                   |
| 03/18/2026                 | FlowRoute.com                 | Mar. Phone/on Acct                                  | on Acct     | 51.25                   |
| 03/18/2026                 | IStock Photos                 | Images for Passport                                 | Images      | 63.30                   |
| 03/19/2026                 | USPS                          | Mar. Postage  | Postage     | 21.03                   |
| 03/20/2026                 | Dell Marketing L.P.           | Billable/Menomonie-Docking Station                  | Comp Equip  | 140.00                  |
| 03/24/2026                 | Dell Marketing L.P.           | Billable/Fall Creek-Monitors(2)                     | Comp Equip  | 268.00                  |
| 03/24/2026                 | Dell Marketing L.P.           | Billable/Fall Creek-Docking Station                 | Comp Equip  | 140.00                  |
| 03/24/2026                 | Dell Marketing L.P.           | Billable/Fall Creek-Laptops (3)                     | Comp Equip  | 3,253.14                |
| 03/24/2026                 | Dell Marketing L.P.           | Billable/Fall Creek-Monitors(15)                    | Comp Equip  | 1,350.00                |
| 03/24/2026                 | B & H                         | Billable/Fall Creek-Port Switches/Router/Headphone  | Comp Equip  | 2,631.49                |
| 03/25/2026                 | Dell Marketing L.P.           | Billable/Fall Creek-Receipt Printer (4)             | Comp Equip  | 960.00                  |
| 03/25/2026                 | Dell Marketing L.P.           | Billable/Fall Creek-Monitor Stands (15)             | Comp Equip  | 955.50                  |
| 03/25/2026                 | CDW-G                         | Billable/Fall Creek-(4)-10ft. HDMI 2.1 Cable        | Comp Equip  | 69.32                   |
| 03/25/2026                 | CDW-G                         | Billable/Fall Creek-(2)-Wireless Mouse              | Comp Equip  | 57.36                   |
| 03/25/2026                 | CDW-G                         | Billable/Fall Creek-Patch Cables/Outlet Power Strip | Comp Equip  | 690.57                  |
| 03/25/2026                 | Zoom                          | License Renewal-3                                   | Lic. Renew  | 509.70                  |
| <b>Feb 26 - Mar 26, 26</b> |                               |   |             | <b><u>21,029.20</u></b> |

**IFLS Library System**  
**Annual Budget vs. Actual Income and Expense**  
January through April 2026

|   | <u>Jan - Apr 26</u> | <u>Budget</u>       | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|---|---------------------|---------------------|-----------------------|--------------------|
| <b>Ordinary Income/Expense</b>          |                     |                     |                       |                    |
| <b>Income</b>                           |                     |                     |                       |                    |
| 5100 · Current Year State Aids          | 1,874,535.00        | 1,874,535.00        | 0.00                  | 100.0%             |
| 5200 · Interest Income/General Funds    | 32,455.96           | 8,000.00            | 24,455.96             | 405.7%             |
| 5201 · Interest Income/MORE Funds       | 0.00                | 0.00                | 0.00                  | 0.0%               |
| 5263 · MORE Management Income           | 186,672.00          | 1,120,000.00        | -933,328.00           | 16.67%             |
| 5264 · Catalog/Processing Income        | 106,930.00          | 106,930.00          | 0.00                  | 100.0%             |
| 5280 · Technology Income                | 4,063.28            | 6,000.00            | -1,936.72             | 67.72%             |
| 5300 · Miscellaneous Income             | -12,933.43          | 500.00              | -13,433.43            | -2,586.69%         |
| <b>Total Income</b>                     | <b>2,191,722.81</b> | <b>3,115,965.00</b> | <b>-924,242.19</b>    | <b>70.34%</b>      |
| <b>Expense</b>                          |                     |                     |                       |                    |
| 6500 · Salaries/Wages & Benefits        | 502,688.59          | 1,669,228.00        | -1,166,539.41         | 30.12%             |
| 6580 · Leave Payouts at Retirement      | 0.00                | 4,000.00            | -4,000.00             | 0.0%               |
| 6585 · Unemployment Benefit Payments    | 0.00                | 1,480.00            | -1,480.00             | 0.0%               |
| 7000 · Employee Assistance Program      | 2,566.00            | 5,132.00            | -2,566.00             | 50.0%              |
| 8070 · New Furnishings/Equipment <\$500 | 0.00                | 1,800.00            | -1,800.00             | 0.0%               |
| 8530 · Bank & Direct Deposit Fees       | 181.66              | 3,000.00            | -2,818.34             | 6.06%              |
| 8540 · Annual Audit                     | 1,575.00            | 11,000.00           | -9,425.00             | 14.32%             |
| 8620 · Collection/Electronic Resources  | 32,583.52           | 83,180.00           | -50,596.48            | 39.17%             |
| 8630 · Wis Pub Lib Consortium Membshp   | 8,387.00            | 9,000.00            | -613.00               | 93.19%             |
| 8670 · Professional Memberships         | 1,626.85            | 9,000.00            | -7,373.15             | 18.08%             |
| 8690 · Librarian Prof. Development      | 10,043.93           | 15,500.00           | -5,456.07             | 64.8%              |
| 8700 · CE/Collaboration Projects        | 1,120.38            | 1,525.00            | -404.62               | 73.47%             |
| 8710 · CE Grants - General              | 0.00                | 9,625.00            | -9,625.00             | 0.0%               |
| 8714 · Accessibility Audits             | 0.00                | 3,682.00            | -3,682.00             | 0.0%               |
| 8716 · Community Engagement Support     | 7,716.00            | 8,000.00            | -284.00               | 96.45%             |
| 8720 · IFLS Staff Dvlpmt & Prof Mtgs    | 3,346.00            | 25,000.00           | -21,654.00            | 13.38%             |
| 8735 · Library Consulting Expenses      | 392.46              | 1,700.00            | -1,307.54             | 23.09%             |
| 8740 · Field Visits                     | 2,873.20            | 12,500.00           | -9,626.80             | 22.99%             |
| 8741 · Field Visits - Tech Support      | 169.93              | 1,000.00            | -830.07               | 16.99%             |
| 8755 · Programming Kits                 | 515.17              | 1,150.00            | -634.83               | 44.8%              |
| 8812 · ILL Fees & Verification Sources  | 5,485.14            | 12,000.00           | -6,514.86             | 45.71%             |
| 8850 · Delivery Service                 | 111,192.95          | 412,981.00          | -301,788.05           | 26.92%             |
| 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    | 161,300.00          | 161,300.00          | 0.00                  | 100.0%             |
| 8898 · LEAN WI/Shared Tech WVLS         | 0.00                | 90,000.00           | -90,000.00            | 0.0%               |
| 8950 · Campaign for Wisconsin Libs      | 0.00                | 2,200.00            | -2,200.00             | 0.0%               |
| 8960 · Long Range Planning Meeting      | 0.00                | 5,000.00            | -5,000.00             | 0.0%               |
| 8971 · Web Development                  | 1,437.78            | 1,600.00            | -162.22               | 89.86%             |

## IFLS Library System

### Annual Budget vs. Actual Income and Expense

January through April 2026

|  | Jan - Apr 26        | Budget              | \$ Over Budget       | % of Budget   |
|--|---------------------|---------------------|----------------------|---------------|
| 9010 · IFLS Committee Meetings         | 317.98              | 1,800.00            | -1,482.02            | 17.67%        |
| 9020 · Professional Materials          | 904.49              | 3,500.00            | -2,595.51            | 25.84%        |
| 9030 · Postage                         | 95.96               | 1,000.00            | -904.04              | 9.6%          |
| 9050 · Telephone                       | 795.08              | 3,720.00            | -2,924.92            | 21.37%        |
| 9060 · Supplies                        | 507.11              | 6,500.00            | -5,992.89            | 7.8%          |
| 9080 · Marketing & Advocacy PR         | 0.00                | 2,400.00            | -2,400.00            | 0.0%          |
| 9123 · Building Overhead Expenses      | 6,286.91            | 26,000.00           | -19,713.09           | 24.18%        |
| 9140 · Photocopier Costs               | 216.09              | 975.00              | -758.91              | 22.16%        |
| 9160 · Computers                       | 919.02              | 6,900.00            | -5,980.98            | 13.32%        |
| 9190 · System Vehicle Expenses         | 276.06              | 3,700.00            | -3,423.94            | 7.46%         |
| 9220 · Insurance                       | 3,979.09            | 6,725.00            | -2,745.91            | 59.17%        |
| 9240 · Contingency                     | 580.94              | 7,500.00            | -6,919.06            | 7.75%         |
| 9245 · Capital Expenditures            | 2,500.00            | 30,000.00           | -27,500.00           | 8.33%         |
| <b>Total Expense</b>                   | <b>880,046.29</b>   | <b>2,688,735.00</b> | <b>-1,808,688.71</b> | <b>32.73%</b> |
| <b>Net Ordinary Income</b>             | <b>1,311,676.52</b> | <b>427,230.00</b>   | <b>884,446.52</b>    |               |
| <b>Pass-thru Income/Expense</b>        |                     |                     |                      |               |
| <b>Pass-thru Income</b>                |                     |                     |                      |               |
| 5670 · MORE Shared System Income       | 1,190,820.00        | 1,029,520.00        | 161,300.00           | 115.67%       |
| 5702 · Billable Project Income         | 72,182.36           |                     |                      |               |
| <b>Total Pass-thru Income</b>          | <b>1,263,002.36</b> | <b>1,029,520.00</b> | <b>233,482.36</b>    |               |
| <b>Pass-thru Expense</b>               |                     |                     |                      |               |
| 8830 · Shared Cataloging Service       | 968.61              |                     |                      |               |
| 8940 · Projects Billable to Libraries  | 135,549.84          | 150,000.00          | -14,450.16           | 90.37%        |
| 9500 · MORE Shared Automation Expenses | 703,832.54          | 1,190,820.00        | -486,987.46          | 59.11%        |
| 9982 · LSTA 2024 Grant Expenses        | 834.27              |                     |                      |               |
| <b>Total Pass-thru Expense</b>         | <b>841,185.26</b>   | <b>1,340,820.00</b> | <b>-499,634.74</b>   | <b>62.74%</b> |
| <b>Net Pass-thru Income</b>            | <b>421,817.10</b>   | <b>-311,300.00</b>  | <b>733,117.10</b>    |               |
| <b>Net Income</b>                      | <b>1,733,493.62</b> | <b>115,930.00</b>   | <b>1,617,563.62</b>  |               |

## IFLS Library System Balance Sheet As of April 30, 2026

|  | <u>IFLS</u>                | <u>MORE</u>              | <u>2026 TOTAL</u>          | <u>2025 TOTAL</u>          |
|--|----------------------------|--------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>  |                            |                          |                            |                            |
| <b>Current Assets</b>                                  |                            |                          |                            |                            |
| <b>Checking/Savings</b>                                |                            |                          |                            |                            |
| 1010 · Bank Mutual - Ecomm Checking                    | 22,222.24                  |                          | 22,222.24                  | 19,597.62                  |
| 1040 · Bank Mutual - Checking                          | 368,949.42                 |                          | 368,949.42                 | 49,621.45                  |
| 1050/1106 · Investments/Bank Mutual & States PIF       | 1,973,652.61               | 785,877.70               | 2,759,530.31               | 2,798,180.90               |
| <b>Total Checking/Savings &amp; Investments</b>        | <u>2,364,824.27</u>        | <u>785,877.70</u>        | <u>3,150,701.97</u>        | <u>2,867,399.97</u>        |
| <b>Accounts Receivable</b>                             |                            |                          |                            |                            |
| 1200 · Accounts Receivable                             | 7,622.86                   |                          | 7,622.86                   | 14,502.68                  |
| <b>Total Accounts Receivable</b>                       | <u>7,622.86</u>            | <u>0.00</u>              | <u>7,622.86</u>            | <u>14,502.68</u>           |
| <b>Other Current Assets</b>                            |                            |                          |                            |                            |
| 1110 · Petty Cash Funds                                | 75.00                      |                          | 75.00                      | 75.00                      |
| 1150 · Prepaid Insurance                               | 634.14                     |                          | 634.14                     | 382.00                     |
| 1499 · Undeposited Funds                               | 0.00                       |                          | 0.00                       | 76,045.71                  |
| 1510/1511 · 2025-2026 Prepaid Expenses                 | 0.00                       | 0.00                     | 0.00                       | 0.00                       |
| <b>Total Other Current Assets</b>                      | <u>709.14</u>              | <u>0.00</u>              | <u>709.14</u>              | <u>76,502.71</u>           |
| <b>Total Current Assets</b>                            | <u>2,373,156.27</u>        | <u>785,877.70</u>        | <u>3,159,033.97</u>        | <u>2,958,405.36</u>        |
| <b>TOTAL ASSETS</b>                                    | <u><u>2,373,156.27</u></u> | <u><u>785,877.70</u></u> | <u><u>3,159,033.97</u></u> | <u><u>2,958,405.36</u></u> |
| <b>LIABILITIES &amp; EQUITY</b>                        |                            |                          |                            |                            |
| <b>Liabilities</b>                                     |                            |                          |                            |                            |
| <b>Current Liabilities</b>                             |                            |                          |                            |                            |
| <b>Accounts Payable</b>                                |                            |                          |                            |                            |
| 2000 · Accounts Payable                                | 17,489.35                  | 11,716.35                | 29,205.70                  | 105,370.38                 |
| 2011 · Credit Card - Associated                        | 0.00                       |                          | 0.00                       | 535.62                     |
| <b>Total Accounts Payable</b>                          | <u>17,489.35</u>           | <u>11,716.35</u>         | <u>29,205.70</u>           | <u>105,906.00</u>          |
| <b>Other Current Liabilities</b>                       |                            |                          |                            |                            |
| 2100 · Payroll Liabilities                             | 11,926.25                  |                          | 11,926.25                  | 13,988.21                  |
| 2201 · Accrued Payroll                                 | 0.00                       |                          | 0.00                       | 0.00                       |
| 2800 · Deferred Revenue                                | 0.00                       |                          | 0.00                       | 0.00                       |
| 2900 · Unavailable Revenue                             | 0.00                       |                          | 0.00                       | 0.00                       |
| <b>Total Other Current Liabilities</b>                 | <u>11,926.25</u>           | <u>0.00</u>              | <u>11,926.25</u>           | <u>13,988.21</u>           |
| <b>Total Current Liabilities</b>                       | <u>29,415.60</u>           | <u>11,716.35</u>         | <u>41,131.95</u>           | <u>119,894.21</u>          |
| <b>Total Liabilities</b>                               | <u>29,415.60</u>           | <u>11,716.35</u>         | <u>41,131.95</u>           | <u>119,894.21</u>          |
| <b>Equity</b>  |                            |                          |                            |                            |
| 3000 · Equity/Reserves & Committed (Beginning of Year) | 485,000.00                 | 224,000.00               | 709,000.00                 | 1,269,489.14               |
| 3000 · Equity/Uncommitted Funds (Beginning of Year)    | 612,234.51                 | 63,173.89                | 675,408.40                 | 0.00                       |
| Current Year Income Less Expense                       | 1,246,506.16               | 486,987.46               | 1,733,493.62               | 1,569,022.01               |
| <b>Total Equity (End of Year)</b>                      | <u>2,343,740.67</u>        | <u>774,161.35</u>        | <u>3,117,902.02</u>        | <u>2,838,511.15</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>                  | <u><u>2,373,156.27</u></u> | <u><u>785,877.70</u></u> | <u><u>3,159,033.97</u></u> | <u><u>2,958,405.36</u></u> |

**IFLS Library System**  
**Revenue and Expense Statement**  
 January through April 2026

|   | <u>Jan - Apr 26</u> | <u>Jan - Apr 25</u> |
|---|---------------------|---------------------|
| <b>Ordinary Income/Expense</b>          |                     |                     |
| <b>Income</b>                           |                     |                     |
| 5100 · Current Year State Aids          | 1,874,535.00        | 1,799,593.00        |
| 5200 · Interest Income/General Funds    | 32,455.96           | 32,653.93           |
| 5263 · MORE Management Income           | 186,672.00          | 177,564.00          |
| 5264 · Catalog/Processing Income        | 106,930.00          | 100,274.90          |
| 5280 · Technology Income                | 4,063.28            | 2,628.29            |
| 5300 · Miscellaneous Income             | -12,933.43          | 89.08               |
| <b>Total Income</b>                     | <u>2,191,722.81</u> | <u>2,112,803.20</u> |
| <b>Expense</b>                          |                     |                     |
| 6500 · Salaries/Wages & Benefits        | 502,688.59          | 516,456.43          |
| 6580 · Leave Payouts at Retirement      | 0.00                | 14,696.19           |
| 66900 · Reconciliation Discrepancies    | 0.00                | -5.82               |
| 7000 · Employee Assistance Program      | 2,566.00            | 2,566.00            |
| 8070 · New Furnishings/Equipment <\$500 | 0.00                | 451.22              |
| 8530 · Bank & Direct Deposit Fees       | 181.66              | 0.00                |
| 8540 · Annual Audit                     | 1,575.00            | 6,720.00            |
| 8620 · Collection/Electronic Resources  | 32,583.52           | 31,594.50           |
| 8630 · Wis Pub Lib Consortium Membshp   | 8,387.00            | 8,112.00            |
| 8670 · Professional Memberships         | 1,626.85            | 1,432.28            |
| 8690 · Librarian Prof. Development      | 10,043.93           | 5,924.68            |
| 8700 · CE/Collaboration Projects        | 1,120.38            | 278.10              |
| 8714 · Accessibility Audits             | 0.00                | 599.62              |
| 8716 · Community Engagement Support     | 7,716.00            | 6,050.00            |
| 8720 · IFLS Staff Dvlpmt & Prof Mtgs    | 3,346.00            | 2,466.53            |
| 8735 · Library Consulting Expenses      | 392.46              | 372.00              |
| 8740 · Field Visits                     | 2,873.20            | 1,785.58            |
| 8741 · Field Visits - Tech Support      | 169.93              | 127.91              |
| 8755 · Programming Kits                 | 515.17              | 406.24              |
| 8812 · ILL Fees & Verification Sources  | 5,485.14            | 6,907.76            |
| 8850 · Delivery Service                 | 111,192.95          | 87,717.71           |
| 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    | 161,300.00          | 148,500.00          |
| 8971 · Web Development                  | 1,437.78            | 1,436.54            |
| 9010 · IFLS Committee Meetings          | 317.98              | 583.39              |
| 9020 · Professional Materials           | 904.49              | 820.04              |
| 9030 · Postage                          | 95.96               | 627.18              |
| 9050 · Telephone                        | 795.08              | 899.71              |
| 9060 · Supplies                         | 507.11              | 420.00              |

**IFLS Library System**  
**Revenue and Expense Statement**  
 January through April 2026

|  | <u>Jan - Apr 26</u>        | <u>Jan - Apr 25</u>        |
|--|----------------------------|----------------------------|
| 9080 · Marketing & Advocacy PR         | 0.00                       | 185.32                     |
| 9123 · Building Overhead Expenses      | 6,286.91                   | 5,500.94                   |
| 9140 · Photocopier Costs               | 216.09                     | 258.95                     |
| 9160 · Computers                       | 919.02                     | 426.87                     |
| 9190 · System Vehicle Expenses         | 276.06                     | 257.08                     |
| 9220 · Insurance                       | 3,979.09                   | 3,893.00                   |
| 9240 · Contingency                     | 580.94                     | 5,150.00                   |
| 9245 · Capital Expenditures            | 2,500.00                   | 23,081.15                  |
| <b>Total Expense</b>                   | <u>880,046.29</u>          | <u>894,165.10</u>          |
| <b>Net Ordinary Income</b>             | 1,311,676.52               | 1,218,638.10               |
| <b>Pass-thru Income/Expense</b>        |                            |                            |
| <b>Pass-thru Income</b>                |                            |                            |
| 5476 · LSTA 2024 Income                | 0.00                       | 13,782.75                  |
| 5670 · MORE Shared System Income       | 1,190,820.00               | 1,122,281.00               |
| 5702 · Billable Project Income         | 72,182.36                  | 40,296.60                  |
| <b>Total Pass-thru Income</b>          | <u>1,263,002.36</u>        | <u>1,176,360.35</u>        |
| <b>Pass-thru Expense</b>               |                            |                            |
| 8830 · Shared Cataloging Service       | 968.61                     | 3,188.73                   |
| 8940 · Projects Billable to Libraries  | 135,549.84                 | 107,200.94                 |
| 9500 · MORE Shared Automation Expenses | 703,832.54                 | 707,787.31                 |
| 9982 · LSTA 2024 Grant Expenses        | 834.27                     | 7,799.46                   |
| <b>Total Other Expense</b>             | <u>841,185.26</u>          | <u>825,976.44</u>          |
| <b>Net Pass-thru Income</b>            | <u>421,817.10</u>          | <u>350,383.91</u>          |
| <b>Net Income</b>                      | <u><u>1,733,493.62</u></u> | <u><u>1,569,022.01</u></u> |

**My Online Resource (MORE)**  
**Balance Sheet**  
As of April 30, 2026

|   | <b>MORE</b>          |
|---|----------------------|
| <b>ASSETS</b>                             |                      |
| <b>Current Assets</b>                     |                      |
| 1105 · Investment Funds - MORE            | \$ 785,877.70        |
| 1200-1 · Accts Receivable-MORE            | -                    |
| 1511-1 · 2026 Prepaid Expense-MORE        | -                    |
|   | -                    |
| <b>TOTAL ASSETS</b>                       | <b>\$ 785,877.70</b> |
| <br><b>LIABILITIES &amp; EQUITY</b>       |                      |
| <b>Liabilities</b>                        |                      |
| 2000-1 · Accounts Payable-MORE            | 11,716.35            |
|   | 11,716.35            |
| <b>Total Liabilities</b>                  | 11,716.35            |
| <b>Equity</b>                             |                      |
| MORE Reserved Fund Balance on 1/1/2026    | 224,000.00           |
| MORE Committed Fund Balance on 1/1/2026   | -                    |
| MORE Uncommitted Fund Balance on 1/1/2026 | 63,173.89            |
| Current Year Income less Expense          | 486,987.46           |
| <b>Total Equity/MORE Fund Balance</b>     | 774,161.35           |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>     | <b>\$ 785,877.70</b> |

**IFLS Library System**  
**Revenue less Expense - MORE**  
 January through April 30, 2026

|  | <b>Mar. - Apr. '26</b> | <b>Mar. - Apr. '25</b> |
|--|------------------------|------------------------|
| <b>MORE Income/Expense</b>                             |                        |                        |
| <b>MORE Income</b>                                     |                        |                        |
| 5670 · MORE Shared System Income                       |                        |                        |
| 5670-2 · MORE Operating Income                         | 1,190,820.00           | 1,127,881.00           |
| <b>Total MORE Income</b>                               | 1,190,820.00           | 1,127,881.00           |
| <b>MORE Expense</b>                                    |                        |                        |
| 9500 · MORE Shared Automation Expenses                 |                        |                        |
| 9500-11 · MORE/IFLS Management Charges                 | 187,181.70             | 177,728.38             |
| 9500-12 · MORE/III Annual Maintenance                  | 173,980.17             | 167,496.99             |
| 9500-16 · MORE/Bibliographic Utility                   | 23,915.81              | 22,955.46              |
| 9500-19 · MORE/Contingency                             | 0.00                   | 479.00                 |
| 9500-22 · MORE/High-demand Hold Project                | 2,081.28               | 832.22                 |
| 9500-25 · MORE/Subspts/Novelist,Covers                 | 6,627.56               | 9,676.88               |
| 9500-24 · MORE/Conferences                             | 8,624.03               | 6,700.77               |
| 9500-31 · MORE/New Products/                           | 0.00                   | 19,670.75              |
| 9500-44 · MORE/Statistical Analysis Tool               | 38,745.77              | 37,255.55              |
| 9500-40 · MORE/OverdriveAdvantageContent               | 17,513.57              | 23,708.30              |
| 9500-48 · MORE/PatronNotificationServices              | 16,779.33              | 12,395.51              |
| 9500-50 · MORE Discovery/App                           | 0.00                   | 54,023.67              |
| 9500-51 · MORE Discovery/App                           | 59,426.04              | 0.00                   |
| 9500-54 · MORE/NicheAcademy                            | 3,630.00               | 3,300.00               |
| 9500-5 · MORE/Publicity                                | 1,847.78               | 1,443.70               |
| 9500-6 · MORE/Database Cleanup/Maint                   | 1,863.50               | 1,221.41               |
| 9500-41 · MORE/E-Content                               | 161,616.00             | 155,203.00             |
| <b>Total 9500 · MORE Shared Automation Expenses</b>    | 703,832.54             | 694,091.59             |
| <b>Total MORE Expense</b>                              | 703,832.54             | 700,779.09             |
| <b>Year-to-date MORE Income less Expense</b>           | 486,987.46             | 426,826.16             |
| <br><b>Year-to-date MORE Income less Expense</b>       | <br><b>486,987.46</b>  | <br><b>426,826.16</b>  |
| <br><b>Plus 12/31/25 MORE Uncommitted Fund Balance</b> | <br><b>63,173.89</b>   |                        |
| <b>Plus 12/31/25 MORE Reserve/Committed Balance</b>    | <b>224,000.00</b>      |                        |
| <br><b>MORE Fund Balance</b>                           | <br><b>774,161.35</b>  |                        |

**LEAN WISCONSIN**  
*Budget Report - April 2026*

| Account #                                   | Account                                  | Appropriation       | Curr. Dist.                                | Total Dist.                      | Receipts/Reimb.                          | Balance             |
|---|--|---------------------|--|----------------------------------|--|---------------------|
| 6-6100                                      | HR - SALARIES/WAGES                      | \$56,972.86         | \$0.00                                     | \$0.00                           | \$0.00                                   | \$56,972.86         |
| 6-6130                                      | HR - BENEFITS and OTHER                  | \$38,860.37         | \$0.00                                     | \$0.00                           | \$0.00                                   | \$38,860.37         |
| 6-6210                                      | LICENSING AND SERVICES                   | \$298,006.00        | \$15,919.22                                | \$27,090.42                      | \$0.00                                   | \$270,915.58        |
| 6-6250                                      | TRAVEL                                   | \$3,000.00          | \$0.00                                     | \$0.00                           | \$0.00                                   | \$3,000.00          |
| 6-6290                                      | INSURANCE                                | \$3,000.00          | \$0.00                                     | \$0.00                           | \$0.00                                   | \$3,000.00          |
| 6-6360                                      | MAINTENANCE                              | \$2,100.00          | \$0.00                                     | \$0.00                           | \$0.00                                   | \$2,100.00          |
| 6-6650                                      | LIFECYCLE \ LONG RANGE                   | \$43,200.00         | \$0.00                                     | \$7,200.00                       | \$0.00                                   | \$36,000.00         |
| 6-6800                                      | CAPITAL                                  | \$0.00              | \$0.00                                     | \$0.00                           | \$0.00                                   | \$0.00              |
| <b>TOTAL</b>                                |  | <b>\$445,139.23</b> | <b>\$15,919.22</b>                         | <b>\$34,290.42</b>               | <b>\$0.00</b>                            | <b>\$410,848.81</b> |
|   |  |                     |  |                                  |  |                     |
| <b>Beginning April 2026 Balance</b>         |  | <b>\$574,748.65</b> |  | <b>Beginning 2026 Balance</b>    |  | <b>\$586,519.85</b> |
|   | Receipts\Transfers - Partner Shares      | \$16,500.00         |  |                                  | Receipts - Partner Shares                | \$23,100.00         |
|   | Receipts - HR Shares                     | \$0.00              |  |                                  | Receipts - HR Shares                     | \$0.00              |
|   | Receipts - CPA                           | \$300.00            |  |                                  | Receipts - HR Shares                     | \$300.00            |
|   | Transfers - Expenses to 3-Grants / Other | \$0.00              |  |                                  | Transfers - Expenses to 3-Grants / Other | \$0.00              |
|   | Expenditures - 2026 Budget               | (\$15,919.22)       |  |                                  | Expenditures - 2026 Budget               | (\$34,290.42)       |
|   | Expenditures - 2026 Other                | \$0.00              |  |                                  | Expenditures - 2026 Other                | \$0.00              |
| <b>Ending April 2026 Balance</b>            |  | <b>\$575,629.43</b> |  | <b>2026 Year to Date Balance</b> |  | <b>\$575,629.43</b> |
|   |  |                     |  |                                  |  |                     |
| <b>Segregated Monies - Grants Awarded</b>   |  |                     | <b>Realized Technology Grant Transfers</b> |                                  |  |                     |
| <b>Account #</b>                            | <b>Name</b>                              | <b>Balance</b>      |  | <b>Account #</b>                 | <b>Name</b>                              | <b>Balance</b>      |
| 3-2027-251                                  | LSTA '25-'26 Core Services               | \$ 77,318.00        |  | 3-2026-251                       | LSTA '25-'26 Core Ser                    | \$ -                |
| 3-2027-???                                  | LSTA '25-'26 Accessibility               | \$ 30,000.00        |  | 3-2026-???                       | LSTA '25-'26 Accessib                    | \$ -                |
| 3-2027-251                                  | LSTA '26-'27 Core Services               |                     | *  | 3-2027-251                       | LSTA '26-'27 Core Ser                    |                     |
|   |  |                     |  |                                  |  |                     |
| <b>Segregated Monies - Prepaid Services</b> |  |                     | <b>Unrealized Receivables 6-0000-</b>      |                                  |  |                     |
| <b>Account #</b>                            | <b>Description</b>                       | <b>Balance</b>      |  | <b>Account #</b>                 | <b>Account</b>                           |                     |
| 6-6210                                      | CVTC RDC Rack 1                          | \$ -                |  | 100                              | Partner Shares                           | \$ 143,964.25       |
| 6-6210                                      | CVTC RDC Rack 2                          | \$ -                |  | 100                              | HR Shares                                | \$ 95,894.98        |
|   |  |                     |  |                                  |  |                     |
| <b>Lifecycle Reserves</b>                   |  |                     | <b>YTD Operating Summary</b>               |                                  |  |                     |
| <b>Account #</b>                            | <b>Account</b>                           | <b>Balance</b>      |  | <b>Beginning Balance</b>         |  | <b>\$586,519.85</b> |
| 6-6650                                      | Core Infrastructure                      | \$ 143,421.43       |  | <b>Encumbrances</b>              |  | \$ -                |
| 6-6650                                      | Licensing & Svcs                         | \$ 97,700.00        |  | <b>Receipts</b>                  |  | \$23,400.00         |
| 6-6650                                      | Infrastructure & Core Svc - IFLS         | \$ 4,900.00         |  | <b>Expenses</b>                  |  | \$ (34,290.42)      |
| 6-6650                                      | Infrastructure & Core Svc - NWLS         | \$ 3,920.00         |  | <b>Transfers</b>                 |  | \$ -                |
| 6-6650                                      | Infrastructure & Core Svc - WVLS         | \$ 64,545.68        |  | <b>Reserves</b>                  |  | \$ (383,689.11)     |
| 6-6650                                      | Contingency - D/R                        | \$ 69,202.00        |  | <b>Balance</b>                   |  | \$ 191,940.32       |

\* These LSTA 2026-2027 placeholders are for anticipated opportunities not yet formally announced by DPI

# Reporting and insights from the 2025 audit: IFLS Library System

December 31, 2025

# Executive summary

May 15, 2026

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, 2025, and have issued our report thereon dated May 15, 2026. 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.

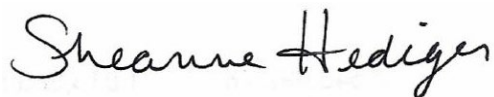
Additionally, we have included information on key risk areas IFLS should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

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

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

Sincerely,

Baker Tilly US, LLP



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

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.

## 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 auditors' 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  |
| Inadequate segregation of duties          | Incorporate unpredictability into audit procedures, emphasize professional skepticism, utilize audit team with industry expertise and performance of sufficient substantive procedures | Procedures identified provided sufficient evidence for our audit opinions |

## 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 are 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 System are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2025. 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 auditors' 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, as part of the financial statement preparation, 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>.



### Capital project oversight

Public sector capital projects face increasing pressure from cost escalation, supply chain disruption, regulatory complexity and heightened scrutiny around transparency and accountability. Strong planning, governance and controls are critical across the full project life cycle, from feasibility and funding strategy through execution and closeout.

Independent oversight helps chart a clear course from planning to delivery. Our teams work alongside leadership to strengthen governance, establish financial and contractual controls, align funding with project goals, and monitor performance throughout execution, helping projects stay on schedule, within budget, and aligned with community priorities.



### Succession planning

An aging workforce, rising retirement rates, and competition for specialized talent make succession planning a fiscal and operational a priority for public sector organizations.

By identifying critical roles, assessing workforce risk, building internal talent pipelines, and integrating succession planning with broader workforce strategies, Baker Tilly helps organizations preserve institutional knowledge and maintain continuity, today, and into the future.

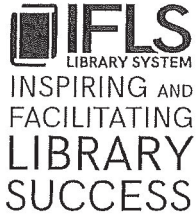


### Economic development

Successful economic development depends on disciplined planning, sound financial analysis and coordinated execution. Public sector leaders must balance incentives, infrastructure investment, funding opportunities and stakeholder priorities while maintaining fiscal responsibility.

Baker Tilly's supports local governments with strategic and financial planning, incentive structuring and negotiation, tax increment financing administration, project financing, grant strategy, and economic and fiscal impact analysis. This integrated approach helps leaders move from vision to action, strengthening communities and advancing sustainable, long-term growth.

# Management representation letter



1538 Truax Blvd, Eau Claire, WI 54703-1569  
715-839-5082 or 800-321-5427 • fax: 715-839-5151  
tellus@ifls.lib.wi.us • IFLSweb.org

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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, 2025 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 dated January 11, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America 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.

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

- 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 accounting principles generally accepted in the United States of America 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.
- 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 IFLS Library 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) As part of your audit, you assisted with the preparation of the financial statements. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements.
- 25) We have made all management decisions and performed all management functions in relation to the nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, as identified in the engagement letter or an addendum to the engagement letter. We have designated Adam Fuller, Business Manager, an employee with suitable skill, knowledge, and/or experience to oversee the services received. Furthermore, we have established and maintained internal controls, including monitoring activities related to the nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, and we have evaluated and accept responsibility for the adequacy and results of the nonattest services received.

The nonattest services provided by Baker Tilly US, LLP or Baker Tilly Advisory Group, LP, are listed below.

a) Financial statement preparation

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

- 26) 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.
- 27) 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.
- 28) 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.
- 29) The financial statements properly classify all funds and activities.
- 30) 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.
- 31) 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.
- 32) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 33) 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.
- 34) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 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 reviewed our employment agreements and personnel policy related to compensated absences and believe our calculation of compensated absences is in alignment with the requirements of GASB Statement No. 101.
- 38) 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.
- 39) 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.
- 40) 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.
- 41) We believe that the actuarial assumptions and methods used to measure OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 42) 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.
- 43) We have reviewed existing contracts and determined there are no items requiring accounting or reporting as leases/subscriptions.
- 44) We have evaluated our ongoing operations and determined there are no concentrations or constraints meeting the requirements for disclosure under GASB Statement No. 102.

45) 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: John Duke

Dated: May 15, 2026

# Accounting changes relevant to the IFLS Library System

## Future accounting standards update

| GASB Statement Number | Description                            | Potentially impacts you | Effective date |
|-----------------------|--|-------------------------|----------------|
| 103                   | Financial reporting model improvements | ✓                       | 12/31/26       |
| 104                   | Disclosure of certain capital assets   | ✓                       | 12/31/26       |
| 105                   | Subsequent events                      | ✓                       | 12/31/27       |

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

## 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.

## Revisions to disclosures for certain capital assets

Governments are required to provide information on capital assets in the footnotes to the financial statements as outlined in GASB Statement No. 34. Recent standards have impacted the accounting and reporting for capital assets and as a result GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* to provide enhanced disclosures for certain capital assets, including:

- (a) Lease assets reported under Statement No. 87, intangible right-to-use assets reported under Statement No. 94 and subscription assets reported under Statement No. 96 should all be disclosed separately, and by major class of underlying asset. In addition, if there are any other intangible assets reported they should also be disclosed separately.
- (b) Capital assets that are held for sale should have the ending balance with separate disclosure for historical cost and related accumulated depreciation as well as any outstanding debt for which the asset is pledged as collateral disclosed by major class of asset. Assets held for sale are defined as those for which the government has decided to pursue the sale, and it is probable that the sale will be finalized within one year of the financial statement date.

While these changes are focused on footnote disclosures it is important to plan ahead to ensure the required information is available for implementation.

## Updated guidance for the financial reporting of subsequent events

GASB Statement No. 105, *Subsequent Events, which supersedes GASB Statement No. 56*, is intended to enhance consistency in the application of requirements for subsequent events.

The Statement defines subsequent events as transactions or other events that occur after year end but before the date the financial statements are available to be issued. The date the financial statements are available to be issued is the date at which (a) the financial statements are complete in a form and format that complies with generally accepted accounting principles (GAAP) and (b) approvals necessary for issuance have been obtained, or typically the opinion date. The definition of subsequent events in this Statement modifies the subsequent events time frame throughout the GASB literature.

The Statement also clarifies:

- The different types of subsequent events (recognized and nonrecognized events)
- When note disclosures are required
- The information that should be included in those note disclosures

# Uncorrected misstatements

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

# 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 auditors' 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.

# **IFLS Library System**

Financial Statements and  
Supplementary Information

December 31, 2025

# 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, 2025, 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 accompanying 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, 2025 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 (*Government Auditing Standards*). 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 *Government Auditing Standards* 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 *Government Auditing Standards*, 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 15, 2026 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 15, 2026

# **IFLS Library System**

Management's Discussion and Analysis (Unaudited)  
Year Ending December 31, 2025

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## **Management's Discussion and Analysis**

This Management's Discussion and Analysis for the IFLS Library System (IFLS or System) financial performances provides an overview of IFLS' financial activities for the fiscal year January 1, 2025, to December 31, 2025.

### **Financial Highlights**

- IFLS state aids increased by \$149,884 in 2025 to \$1,799,593
- Total expenditures and transfers (excluding capital) from state aid and state aid carryover increased \$206,549 from \$2,151,863 to \$2,358,413 or 10%. An increase in Salaries and Fringes, \$126,504, was due to the hiring of new employees to replace those retired and or resigned.
- Total ordinary revenue increased \$183,238 from \$2,354,603 to \$2,537,841 or 8%. State aid increased \$149,884 from \$1,649,709 to \$1,799,593 or 9%. Interest earned on idle funds decreased \$20,187 or 17%. Tech revenue increased \$1,327 or 17%. 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 \$12,628
- The Materials Processing Service is 100% billable to 4 libraries participating in 2025 - Rice Lake, New Richmond, Amery and Menomonie.
- In 2025, IFLS reported a \$75,853 WRS net pension liability compared to a \$69,188 net pension liability in 2024. 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.

# IFLS Library System

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Management's Discussion and Analysis (Unaudited)  
Year Ending December 31, 2025

## 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**

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Management's Discussion and Analysis (Unaudited)  
Year Ending December 31, 2025

### **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 2025 Other Income/Expenditures Fund accounts for revenue and expenditures were for grants. The grant funds were for:

- Professional Learning Scholarships \$12,628

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 2025, IFLS' net position totaled \$1,653,753, a increase of \$80,575 or 5%.

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. \$202,289 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 \$287,175 and \$1,164,289 in unrestricted funds, which are available for other future spending.

# IFLS Library System

Management's Discussion and Analysis (Unaudited)  
Year Ending December 31, 2025

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

## Statement of Net Position December 31, 2025 and 2024

|                                  | <u>2025</u>         | <u>2024</u>         |
|----------------------------------|---------------------|---------------------|
| Assets:                          |                     |                     |
| Current assets                   | \$ 2,873,709        | \$ 2,777,880        |
| Investment in joint venture      | 201,218             | 195,487             |
| Capital assets, net              | <u>202,289</u>      | <u>210,416</u>      |
| Total assets                     | <u>3,277,216</u>    | <u>3,183,783</u>    |
| Deferred outflows of resources   | <u>486,756</u>      | <u>659,613</u>      |
| Liabilities:                     |                     |                     |
| Current liabilities              | 86,449              | 172,345             |
| Long-term liabilities            | <u>311,763</u>      | <u>299,727</u>      |
| Total liabilities                | <u>398,212</u>      | <u>472,072</u>      |
| Deferred inflows of resources    | <u>1,712,007</u>    | <u>1,798,146</u>    |
| Net position:                    |                     |                     |
| Net investment in capital assets | 202,289             | 210,416             |
| Restricted, MORE                 | 287,175             | 313,030             |
| Unrestricted                     | <u>1,164,289</u>    | <u>1,049,732</u>    |
| Total net position               | <u>\$ 1,653,753</u> | <u>\$ 1,573,178</u> |

Net position Increased by \$80,575 from 2024 to 2025. 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, 2025

### Change in Net Position December 31, 2025 and 2024

|                                | <u>2025</u>         | <u>2024</u>         |
|--------------------------------|---------------------|---------------------|
| Revenues:                      |                     |                     |
| Program revenues:              |                     |                     |
| Charges for services:          |                     |                     |
| MORE shared system             | \$ 973,781          | \$ 902,527          |
| IFLS billable services         | <u>300,610</u>      | <u>279,898</u>      |
| Total charges for services     | <u>1,274,391</u>    | <u>1,182,425</u>    |
| Grants and contributions:      |                     |                     |
| State aids                     | 1,799,593           | 1,649,709           |
| Federal grants                 | <u>12,628</u>       | <u>29,360</u>       |
| Total grants and contributions | <u>1,812,221</u>    | <u>1,679,069</u>    |
| General revenues:              |                     |                     |
| Interest income                | 95,646              | 115,833             |
| Other                          | <u>9,641</u>        | <u>8,334</u>        |
| Total general revenues         | <u>105,287</u>      | <u>124,167</u>      |
| Expenses:                      |                     |                     |
| IFLS library services          | 2,111,689           | 1,745,653           |
| MORE shared system             | <u>999,635</u>      | <u>921,201</u>      |
| Total expenses                 | <u>3,111,324</u>    | <u>2,666,854</u>    |
| Change in net position         | 80,575              | 318,807             |
| Net position, beginning        | <u>1,573,178</u>    | <u>1,254,371</u>    |
| Net position, ending           | <u>\$ 1,653,753</u> | <u>\$ 1,573,178</u> |

# IFLS Library System

Management's Discussion and Analysis (Unaudited)  
Year Ending December 31, 2025

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## Fund Statements

### Revenues

IFLS state aids increased by \$149,884 in 2025 to \$1,799,593. Additional revenues included interest on state aid, grants and miscellaneous funds. Interest income decreased in 2025 by \$20,187. Federal/LSTA/Other grant funds decreased in 2025 to \$12,628 from \$29,360 in 2024. Technology Income increased to \$9,303 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 6.5%.

The MORE shared system became an IFLS service in 2005. In 2025, MORE libraries paid \$1,082,744 for operating, startup and miscellaneous expenses and IFLS provided a subsidy for MORE operating expenses totaling \$40,750 for a total of \$1,123,494.

### Expenditures

2025 expenditures totaled \$3,076,981 and increased \$242,077 or 9% from the 2024 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 2025 in the amount of \$14,696.
- IFLS Management costs paid by MORE libraries increased for 2025 in the amount of \$43,034.
- While virtual meetings and visits are continuing additional funding was allocated for more in-person field visits in 2025.
  - 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 2025, CE Grants for librarians included \$12,628 from federal grant funds, a decrease of \$9,925.
- 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 decreased from \$85,896 in 2024 to \$65,673 in 2025 or 24%. 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**

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Management's Discussion and Analysis (Unaudited)  
Year Ending December 31, 2025

- Total Delivery costs for 2025 were \$393,154, this increased \$41,608 or 12%.
  - In-system delivery costs increased \$36,013 or 11%.
  - Cost of the statewide delivery service increased by \$4,891.
  - Cost of supplies and damaged items increased by \$704.
- The IFLS subsidy to MORE libraries was \$148,500 in 2025. This includes a \$15,000 subsidy for the Cataloging Partners. This is a \$12,582 increase over 2024.
- Building overhead expenses were \$18,324, a decrease of \$1,404 or 7%.
- Capital expenses: In 2025, were \$46,998 due to interior and exterior building maintenance.

### **Fund Balance**

\$152,717 has been Restricted and \$134,458 is classified as nonspendable for the MORE Consortium. \$244,000 is reserved for future MORE Projects, \$20,000 has been designated to the 2025 MORE Budget to offset costs. \$23,175 will be designated for future MORE use.

\$316,530 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;
- \$50,000 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
- \$31,530 for the 2026 Budget.

\$727,840 were unassigned funds at the end of 2025. These funds will be moved to reserves or will be reassigned during 2026.

# IFLS Library System

Management's Discussion and Analysis (Unaudited)  
Year Ending December 31, 2025

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## Economic Factors and Next Year's Budget and Rates

The state aid for 2025 increased over 2024 by \$149,884 with a projected increase in 2026 to \$1,874,535.

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 |
| 2025      |    | 1,799,593 |

The System is scheduled to see additional state aid for 2026 and 2027. Funding from Federal grants beyond 2026 is uncertain at this time due to potential changes at the Federal level. Staff retention and maintaining services will be the priority for upcoming budget years. With potential retirements 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 2025. Wisconsin Valley is serving as the fiscal agent for that position. Additional collaborations may be considered for 2026.

## 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, 2025

## Assets and Deferred Outflows of Resources

### Assets

#### Current:

|                      |                  |
|----------------------|------------------|
| Cash and investments | \$ 2,659,477     |
| Accounts receivable  | 26,910           |
| Prepaid items        | 187,322          |
| Total current assets | <u>2,873,709</u> |

#### Noncurrent:

|   |                  |
|---|------------------|
| Investment in joint venture               | 201,218          |
| Capital assets:                           |                  |
| Land                                      | 50,000           |
| Other capital assets, net of depreciation | 152,289          |
| Total noncurrent assets                   | <u>403,507</u>   |
| Total assets                              | <u>3,277,216</u> |

### Deferred Outflows of Resources

|                                      |                |
|--------------------------------------|----------------|
| Pension related amounts              | 448,089        |
| OPEB related amounts                 | 38,667         |
| Total deferred outflows of resources | <u>486,756</u> |

## Liabilities, Deferred Inflows of Resources and Net Position

### Liabilities

#### Current:

|   |               |
|---|---------------|
| Accounts payable                        | 40,469        |
| Accrued payroll and related liabilities | 42,930        |
| Current portion of compensated absences | 3,050         |
| Total current liabilities               | <u>86,449</u> |

#### Noncurrent:

|                              |                |
|------------------------------|----------------|
| Compensated absences         | 151,992        |
| Net pension liability        | 75,853         |
| Net OPEB liability           | 83,918         |
| Total noncurrent liabilities | <u>311,763</u> |
| Total liabilities            | <u>398,212</u> |

### Deferred Inflows of Resources

|                                     |                  |
|-------------------------------------|------------------|
| Pension related amounts             | 223,492          |
| OPEB related amounts                | 82,614           |
| Unearned revenue                    | 1,405,901        |
| Total deferred inflows of resources | <u>1,712,007</u> |

### Net Position

|                                  |                     |
|----------------------------------|---------------------|
| Net investment in capital assets | 202,289             |
| Restricted for:                  |                     |
| MORE consortium                  | 287,175             |
| Unrestricted                     | 1,164,289           |
| Total net position               | <u>\$ 1,653,753</u> |

See notes to financial statements

**IFLS Library System**

Statement of Activities

Year Ended December 31, 2025

| <u>Functions/Programs</u>        | <u>Expenses</u>     | <u>Program Revenues</u>         |   | <u>Net (Expenses)<br/>Revenue and<br/>Changes in<br/>Net Position</u> |   |
|----------------------------------|---------------------|---------------------------------|---|---|---|
|                                  |                     | <u>Charges for<br/>Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> |   | <u>Capital<br/>Grants and<br/>Contributions</u> |
| Library services                 | \$ 2,111,689        | \$ 300,610                      | \$ 1,812,221                                      | \$ -  | \$ 1,142  |
| MORE                             | 999,635             | 973,781                         | -   | -   | (25,854)  |
|                                  | <u>\$ 3,111,324</u> | <u>\$ 1,274,391</u>             | <u>\$ 1,812,221</u>                               | <u>\$ -</u>   | <u>(24,712)</u>                                 |
| <b>General Revenues</b>          |                     |                                 |   |   |   |
| Interest and investment earnings |                     |                                 |   |   | 95,646  |
| Miscellaneous                    |                     |                                 |   |   | 9,641   |
| Total general revenues           |                     |                                 |   |   | <u>105,287</u>                                  |
| Change in net position           |                     |                                 |   |   | 80,575  |
| <b>Net Position, Beginning</b>   |                     |                                 |   |   | <u>1,573,178</u>                                |
| <b>Net Position, Ending</b>      |                     |                                 |   |   | <u>\$ 1,653,753</u>                             |

See notes to financial statements

# IFLS Library System

Balance Sheet - Governmental Fund

December 31, 2025

## Assets

|                      |                     |
|----------------------|---------------------|
| Cash and investments | \$ 2,659,477        |
| Accounts receivable  | 26,910              |
| Prepaid items        | <u>187,322</u>      |
| Total assets         | <u>\$ 2,873,709</u> |

## Liabilities, Deferred Inflows of Resources and Fund Balances

### Liabilities

|                     |               |
|---------------------|---------------|
| Accounts payable    | \$ 40,469     |
| Accrued liabilities | <u>42,930</u> |
| Total liabilities   | <u>83,399</u> |

### Deferred Inflows of Resources

|                                     |                  |
|-------------------------------------|------------------|
| Unearned revenue                    | <u>1,405,901</u> |
| Total deferred inflows of resources | <u>1,405,901</u> |

### Fund Balances

|   |                     |
|---|---------------------|
| Nonspendable:   |                     |
| Prepaid items   | 52,864              |
| MORE consortium prepaid items   | 134,458             |
| Restricted for:   |                     |
| MORE consortium   | 152,717             |
| Assigned  | 316,530             |
| Unassigned  | <u>727,840</u>      |
| Total fund balances   | <u>1,384,409</u>    |
| Total liabilities, deferred inflows of resources<br>and fund balances | <u>\$ 2,873,709</u> |

See notes to financial statements

**IFLS Library System**Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
December 31, 2025

|  |                  |                     |
|--|------------------|---------------------|
| <b>Total Fund Balances, Governmental Fund</b>  |                  | \$ 1,384,409        |
| 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>(446,018)</u> | 202,289             |
| 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  |                  | 224,597             |
| OPEB related amounts   |                  | (43,947)            |
| Investments in joint ventures are not financial resources and, therefore, are not reported in the fund.  |                  |                     |
|  |                  | 201,218             |
| 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  | (75,853)         |                     |
| Net OPEB liability   | (83,918)         |                     |
| Compensated absences   | <u>(155,042)</u> | <u>(314,813)</u>    |
| <b>Total Net Position, Governmental Activities</b>   |                  | <u>\$ 1,653,753</u> |

*See notes to financial statements*

## IFLS Library System

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund  
Year Ended December 31, 2025

### Revenues

|                                  |           |
|----------------------------------|-----------|
| Federal grants                   | \$ 12,628 |
| State library system aid         | 1,799,593 |
| MORE consortium income           | 973,781   |
| Shared cataloging service income | 100,275   |
| Investment income                | 95,646    |
| Other income                     | 209,976   |
|                                  | <hr/>     |
| Total revenues                   | 3,191,899 |

### Expenditures

|                                |           |
|--------------------------------|-----------|
| Administration                 | 255,492   |
| Billable/cooperative purchases | 186,310   |
| Consult/continuing education   | 249,107   |
| Delivery service               | 466,214   |
| Library collection development | 33,766    |
| Library services to youth      | 65,537    |
| MORE consortium                | 999,635   |
| Public information             | 55,984    |
| Reference/Interlibrary loan    | 119,604   |
| Services to special users      | 51,445    |
| Shared system                  | 213,954   |
| Technology                     | 332,935   |
| Capital                        | 46,998    |
|                                | <hr/>     |
| Total expenditures             | 3,076,981 |

Net change in fund balance 114,918

**Fund Balance, Beginning** 

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 1,269,491

**Fund Balance, Ending** 

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 \$ 1,384,409

## 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, 2025

|  |                         |
|--|-------------------------|
| <b>Net Change in Fund Balances, Total Governmental Fund</b>  | <b>\$ 114,918</b>       |
| 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.  | 5,731                   |
| 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   | (1,131)                 |
| Change in net OPEB liability (and OPEB related deferred outflows and deferred inflows of resources)  | (3,687)                 |
| Change in net pension liability (and pension related deferred outflows and deferred inflows of resources)  | (27,129)                |
| <b>Change in Net Position of Governmental Activities</b>   | <b><u>\$ 80,575</u></b> |

# IFLS Library System

Index to Notes to Financial Statements  
December 31, 2025

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# **IFLS Library System**

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Notes to Financial Statements  
December 31, 2025

## **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**

### **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, 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.

# IFLS Library System

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Notes to Financial Statements  
December 31, 2025

## 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, 2025, 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.

# IFLS Library System

Notes to Financial Statements  
December 31, 2025

## 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.

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.

# IFLS Library System

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Notes to Financial Statements  
December 31, 2025

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, 2025 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.

# IFLS Library System

Notes to Financial Statements

December 31, 2025

## 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:

|                                | <u>Carrying Value</u>       | <u>Bank Balance</u>         | <u>Associated Risks</u> |
|--------------------------------|-----------------------------|-----------------------------|-------------------------|
| Demand deposits                | \$ 1,548,561                | \$ 1,593,390                | Custodial credit        |
| LGIP                           | 1,110,841                   | 1,110,841                   | Credit                  |
| Petty cash                     | 75                          | -                           | N/A                     |
|                                | <u>                    </u> | <u>                    </u> |                         |
| Total deposits and investments | <u>\$ 2,659,477</u>         | <u>\$ 2,704,231</u>         |                         |

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 non-interest 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, 2025, the bank had obtained a collateral confirmation in the amount of \$1,382,451 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

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Notes to Financial Statements  
December 31, 2025

## 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>     |
|---------------------------------|---------------------|
| 2026 state aid received in 2025 | <u>\$ 1,405,901</u> |

# IFLS Library System

Notes to Financial Statements  
December 31, 2025

## Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|---|------------------------------|-------------------|------------------|---------------------------|
| 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   | (199,940)                    | (8,127)           | -                | (208,067)                 |
| 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>(437,891)</u>             | <u>(8,127)</u>    | <u>-</u>         | <u>(446,018)</u>          |
| Capital assets being depreciated/amortized net of depreciation/amortization | <u>\$ 160,416</u>            | <u>\$ (8,127)</u> | <u>\$ -</u>      | <u>\$ 152,289</u>         |

Depreciation/amortization expense was charged to functions as follows:

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

# IFLS Library System

Notes to Financial Statements  
December 31, 2025

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2025 was as follows:

|                       | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending<br/>Balance</u> | <u>Amounts<br/>Due Within<br/>One Year</u> |
|-----------------------|------------------------------|------------------|------------------|---------------------------|--|
| Compensated absences* | <u>\$ 153,911</u>            | <u>\$ 1,131</u>  | <u>\$ -</u>      | <u>\$ 155,042</u>         | <u>\$ 3,050</u>                            |

\*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, 2025 include the following:

### Assigned

General fund:

|   |                   |
|---|-------------------|
| Building                                  | \$ 65,000         |
| Shared services program/building expenses | 50,000            |
| Vehicle replacement                       | 50,000            |
| 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            |
| 2026 budget                               | 31,530            |
| Total                                     | <u>\$ 316,530</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 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.

# IFLS Library System

Notes to Financial Statements  
December 31, 2025

## 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> |
|--------------|-----------------------------|---------------------------------|
| 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)                          |
| 2024         | 3.6                         | 15.0                            |

# IFLS Library System

Notes to Financial Statements

December 31, 2025

## 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 \$65,899 in contributions from the System.

Contribution rates for the plan year reported as of December 31, 2025, are:

| <u>Employee Category</u>                   | <u>Employee</u> | <u>Employer</u> |
|--|-----------------|-----------------|
| General (executives and elected officials) | 6.90 %          | 6.90 %          |

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

At December 31, 2025, the System reported a liability of \$75,853 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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 liability was based on the System's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the System's proportion was 0.00461632%, which was a decrease of 0.00003715% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the System recognized pension expense (revenue) of \$93,028.

At December 31, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Differences between projected and actual experience   | \$ 235,567                                    | \$ 221,359                                   |
| Changes in assumptions  | 22,507  | -  |
| Net differences between projected and actual earnings on pension plan investments                             | 115,264                                       | -  |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 601   | 2,133  |
| Employer contributions subsequent to the measurement date   | 74,150  | -  |
| Total   | <u>\$ 448,089</u>                             | <u>\$ 223,492</u>                            |

# IFLS Library System

Notes to Financial Statements  
December 31, 2025

\$74,150 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                           | <b>Deferred<br/>Outflows of<br/>Resources and<br/>Deferred Inflows<br/>of Resources<br/>(Net)</b> |
|---------------------------|---|
| Years ending December 31: |   |
| 2026                      | \$ 45,379   |
| 2027                      | 156,587   |
| 2028                      | (39,356)  |
| 2029                      | (12,163)  |

## Actuarial Assumptions

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

|  |  |
|--|--|
| Actuarial Valuation Date:                          | December 31, 2023  |
| Measurement Date of Net Pension Liability (Asset): | December 31, 2024  |
| Experience Study:                                  | January 1, 2021 – December 31, 2023<br>Published November 19, 2024 |
| 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%-5.7%  |
| 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. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

## IFLS Library System

Notes to Financial Statements  
December 31, 2025

### 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, 2024

| <b>Core Fund Asset Class</b> | <b>Asset Allocation %</b> | <b>Long-Term<br/>Expected Nominal<br/>Rate of Return %</b> | <b>Long-Term<br/>Expected Real<br/>Rate of Return %**</b> |
|------------------------------|---------------------------|--|---|
| Public Equity                | 38%                       | 7.0%   | 4.3%  |
| Public Fixed Income          | 27                        | 6.1  | 3.4   |
| Inflation Sensitive          | 19                        | 4.8  | 2.1   |
| Real Estate                  | 8                         | 6.5  | 3.8   |
| Private Equity/Debt          | 20                        | 9.5  | 6.7   |
| Leverage***                  | (12)                      | 3.7  | 1.1   |
| Total Core Fund***           | 100                       | 7.5  | 4.8   |
| <b>Variable Fund Asset</b>   |                           |  |   |
| U.S. Equities                | 70                        | 6.5  | 3.8   |
| International Equities       | 30                        | 7.4  | 4.7   |
| Total Variable Fund          | 100                       | 6.9  | 4.2   |

\* 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: 2.6%

\*\*\* 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 is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08%. (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). 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:

|   | <b>1% Decrease to<br/>Discount Rate<br/>(5.8%)</b> | <b>Current<br/>Discount Rate<br/>(6.8%)</b> | <b>1% Increase to<br/>Discount Rate<br/>(7.8%)</b> |
|---|--|---|--|
| The System's proportionate share of the net pension liability (asset) | \$ 771,607   | \$ 75,853                                   | \$ (375,830)                                       |

**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, 2025, 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 members.

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, 2025

Contribution rates for the plan year reported as of December 31, 2025 are:

| <u>Coverage Type</u>        | <u>Employer Contribution</u> |
|-----------------------------|------------------------------|
| 50% Postretirement Coverage | 40% of member contribution   |
| 25% Postretirement 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

| <u>Attained Age:</u> | <u>Basic</u> | <u>Supplemental</u> |
|----------------------|--------------|---------------------|
| 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 \$451 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, 2025, the System reported a liability of \$83,918 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. 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 liability was based on the System's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the System's proportion was 0.02145000%, which was an increase of 0.00182700% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the System recognized OPEB expense (revenue) of \$3,687.

## IFLS Library System

Notes to Financial Statements  
December 31, 2025

At December 31, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences between expected and actual experience   | \$ -  | \$ 8,730                                     |
| Net differences between projected and actual earnings<br>on plan investments                                     | 1,152   | -  |
| Changes in actuarial assumptions   | 20,591  | 47,068                                       |
| Changes in proportion and differences between employer<br>contributions and proportionate share of contributions | 16,426  | 26,816                                       |
| Employer contributions subsequent to the measurement date  | 498   | -  |
| Total  | <u>\$ 38,667</u>                              | <u>\$ 82,614</u>                             |

\$498 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

|                           | <b>Deferred<br/>Outflows of<br/>Resources and<br/>Deferred Inflows<br/>of Resources<br/>(Net)</b> |
|---------------------------|---|
| Years ending December 31: |   |
| 2026                      | \$ (3,318)  |
| 2027                      | (7,999)   |
| 2028                      | (13,220)  |
| 2029                      | (13,658)  |
| 2030                      | (4,572)   |
| Thereafter                | (1,678)   |

# IFLS Library System

Notes to Financial Statements  
December 31, 2025

## 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, 2024  |
| 2022 Measurement Date of Net OPEB Liability (Asset) | December 31, 2024  |
| Experience Study:                                   | January 1, 2021 – December 31, 2023<br>Published November 19, 2024 |
| Actuarial Cost Method:                              | Entry Age Normal   |
| 20 Year Tax-Exempt Municipal Bond Yield*            | 4.08%  |
| Long-Term Expected Rate of Return:                  | 4.25%  |
| Discount Rate:                                      | 4.09%  |
| Salary Increases:                                   |  |
| Wage Inflation                                      | 3.00%  |
| Seniority/Merit                                     | 0.10%-5.7%   |
| Mortality:  | 2020 WRS Experience Mortality Table                                |

\*Based on the 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total OPEB Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 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, 2024

| 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%            | 2.41%  |
| U.S. Mortgages                    | Bloomberg U.S. MBS            | 60.00%            | 2.71%  |
| Inflation                         |                               |                   | 2.30%  |
| Long-Term Expected Rate of Return |                               |                   | 4.25%  |

# IFLS Library System

Notes to Financial Statements

December 31, 2025

## Single Discount Rate

A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. 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, 2037.

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 4.09%, 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 (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

|  | <u>1% Decrease to<br/>Discount Rate<br/>(3.09%)</u> | <u>Current<br/>Discount Rate<br/>(4.09%)</u> | <u>1% Increase to<br/>Discount Rate<br/>(5.09%)</u> |
|--|---|--|---|
| The System's proportionate share of the net OPEB liability | \$ 112,168  | \$ 83,918                                    | \$ 62,149   |

At December 31, 2025, 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 \$48,813 in 2025. The System's equity interest in LEAN WI at December 31, 2025, is \$201,218.

## Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

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, 2025

|                                  | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Variance With<br/>Final Budget</u> |
|----------------------------------|-------------------------|---------------------|---------------------|---------------------------------------|
|                                  | <u>Original</u>         | <u>Final</u>        |                     |                                       |
| <b>Revenues</b>                  |                         |                     |                     |                                       |
| Federal grants                   | \$ -                    | \$ 37,144           | \$ 12,628           | \$ (24,516)                           |
| State library system aid         | 1,799,593               | 1,799,593           | 1,799,593           | -                                     |
| MORE consortium income           | 974,994                 | 974,994             | 973,781             | (1,213)                               |
| Shared cataloging service income | 100,275                 | 100,275             | 100,275             | -                                     |
| Investment income                | 8,000                   | 80,000              | 95,646              | 15,646                                |
| Other income                     | 156,500                 | 156,500             | 209,976             | 53,476                                |
| Total revenues                   | <u>3,039,362</u>        | <u>3,148,506</u>    | <u>3,191,899</u>    | <u>43,393</u>                         |
| <b>Expenditures</b>              |                         |                     |                     |                                       |
| Administration                   | 240,716                 | 246,518             | 255,492             | (8,974)                               |
| Billable/cooperative purchases   | 150,000                 | 150,000             | 186,310             | (36,310)                              |
| Consult/continuing education     | 244,411                 | 282,619             | 249,107             | 33,512                                |
| Delivery service                 | 493,510                 | 493,528             | 466,214             | 27,314                                |
| Library collection development   | 33,862                  | 33,866              | 33,766              | 100                                   |
| Library services to youth        | 69,854                  | 70,417              | 65,537              | 4,880                                 |
| MORE consortium                  | 994,994                 | 994,994             | 999,635             | (4,641)                               |
| Public information               | 57,395                  | 61,917              | 55,984              | 5,933                                 |
| Reference/interlibrary loan      | 122,725                 | 122,759             | 119,604             | 3,155                                 |
| Inclusive services               | 55,317                  | 55,881              | 51,445              | 4,436                                 |
| Shared system                    | 284,874                 | 314,590             | 213,954             | 100,636                               |
| Technology                       | 421,124                 | 419,999             | 332,935             | 87,064                                |
| Capital                          | 50,000                  | 50,000              | 46,998              | 3,002                                 |
| Total expenditures               | <u>3,218,782</u>        | <u>3,297,088</u>    | <u>3,076,981</u>    | <u>217,105</u>                        |
| Net change in fund balance       | (179,420)               | (148,582)           | 114,918             | 260,498                               |
| <b>Fund Balance, Beginning</b>   | <u>1,269,491</u>        | <u>1,269,491</u>    | <u>1,269,491</u>    | <u>-</u>                              |
| <b>Fund Balance, Ending</b>      | <u>\$ 1,090,071</u>     | <u>\$ 1,120,909</u> | <u>\$ 1,384,409</u> | <u>\$ 260,498</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, 2025

| WRS Fiscal<br>Year End Date<br>(Measurement<br>Date) | System's<br>Proportion<br>of the Net<br>Pension<br>Asset (Liability) | System's<br>Proportionate<br>Share of the<br>Net Pension<br>Asset (Liability) | System's<br>Covered<br>Payroll | System's Proportionate<br>Share of the<br>Net Pension Asset<br>(Liability) as a<br>Percentage of<br>Covered Payroll | Plan Fiduciary<br>Net Position<br>as a Percentage<br>of the Total<br>Pension Liability |
|--|--|---|--------------------------------|---|--|
| 12/31/24   | 0.00461632%  | \$ (75,853)   | \$ 955,059                     | 7.94%   | 98.79%   |
| 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%   |

Schedule of Employer Contributions

Wisconsin Retirement System (WRS)

Year Ended December 31, 2025

| System's Fiscal<br>Year End Date | Contractually<br>Required<br>Contributions | Contributions in<br>Relation to the<br>Contractually<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions<br>as a Percentage<br>of Covered<br>Payroll |
|----------------------------------|--|---|--|--------------------|---|
| 12/31/25                         | \$ 74,150                                  | \$ 74,150   | \$ -                                   | \$ 1,066,911       | 6.95%   |
| 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%   |

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, 2025

| 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 |
|---|---|--|--------------------------|---|---|
| 12/31/24                                      | 0.02145000%                                   | \$ 83,918  | \$ 868,000               | 9.67%   | 37.20%  |
| 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, 2025

| 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 |
|-------------------------------|--------------------------------------|---|----------------------------------|-----------------|--|
| 12/31/25                      | \$ 498                               | \$ 498  | \$ -                             | \$ 1,066,911    | 0.05%  |
| 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**

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Notes to Required Supplementary Information  
Year Ended December 31, 2025

### **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

## IFLS Library System

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Notes to Required Supplementary Information  
Year Ended December 31, 2025

### 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

## **SUPPLEMENTARY INFORMATION**

**IFLS Library System**

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2025

| 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 |
|---|---------------------------|---------------------|------------------------|-------------------------|---------------------------------------|------------------|------------------|------------------------------------|
| <b>Institute of Museum and Library Services</b> |                           |                     |                        |                         |                                       |                  |                  |                                    |
| <b>Grants to States</b>                         | 45.310                    |                     |                        |                         |                                       |                  |                  |                                    |
| LSTA - Professional Learning Support            |                           | WI DPI              | N/A                    | \$ 24,158               | \$ (11,530)                           | \$ 24,158        | \$ 12,628        | \$ -                               |
| Total federal awards                            |                           |                     |                        | <u>\$ 24,158</u>        | <u>\$ (11,530)</u>                    | <u>\$ 24,158</u> | <u>\$ 12,628</u> | <u>\$ -</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, 2025

| <u>State Agency/Program Title</u>                 | <u>State ID Number</u> | <u>Program or Award Amount</u> | <u>(Accrued)/ Deferred Beginning Balance</u> | <u>Cash Received</u> | <u>Expenditures</u> | <u>Accrued/ (Deferred) Ending Balance</u> |
|---|------------------------|--------------------------------|--|----------------------|---------------------|---|
| <b>Wisconsin Department of Public Instruction</b> |                        |                                |  |                      |                     |   |
| Public Library Systems Aid                        | 255.002                | \$ 1,799,593                   | \$ 1,349,695                                 | \$ 1,855,799         | \$ 1,799,593        | \$ (1,405,901)                            |
| Total state awards                                |                        | <u>\$ 1,799,593</u>            | <u>\$ 1,349,695</u>                          | <u>\$ 1,855,799</u>  | <u>\$ 1,799,593</u> | <u>\$ (1,405,901)</u>                     |

See notes to schedules of expenditures of federal and state awards

## **IFLS Library System**

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Notes to Schedules of Expenditures of Federal and State Awards  
December 31, 2025

### **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, 2025. 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

**OTHER AUDITORS' REPORTS**

**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 (*Government Auditing Standards*), 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, 2025, 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 15, 2026.

**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 identified a 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 2025-001 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 2025-002 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 the response.

## 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.

*Baker Tilly US, LLP*

Eau Claire, Wisconsin  
May 15, 2026

# IFLS Library System

Schedule of Findings and Responses  
Year Ended December 31, 2025

## 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 2025-001: Financial Statement Close Process

#### Repeat of Prior Year Finding 2024-001

*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 2025-002: Internal Control Environment

### Repeat of Prior Year Finding 2024-002

*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.

# Resource Sharing and Collection Consultant's Report

Cecelia Cole, March 2026 - IFLS Board of Trustees

## Updates & Project Highlights:

- **Artificial Intelligence in Library Collections:** A [new resource page](#) for library staff is now available on the IFLS website. This page outlines IFLS recommendations for AI materials including definitions, identification, policies, and procedures.
- **New E-content Subscription Packages:** Wisconsin's Digital Library has gained several thousand new titles in 2026 through the purchase of several simultaneous use subscriptions, funded by the WPLC. These titles are accessible to all libraries in Wisconsin via Libby for one year and have no holds/no waits. The packages are highlighted on the Libby app homepage and include:
  - All Access Comics with over 5000 titles.
  - 75 Blackstone Audio Titles
  - 100 Tantor Audio Titles
  - BiblioBoard Booklife Best of 25 Titles
  - BiblioBoard Indie Author Project 25 Titles

## Consultation Highlights:

- **New Director Orientation:** Clear Lake PL, February 2026
- **Interlibrary Loan:** Phillips PL, February 2026
- **New Director Orientation:** Park Falls PL, February 2026
- **Collection Development:** Cumberland PL, February 2026
- **OverDrive Selection & Budgets:** Eau Claire PL, February 2026
- **Diversity Audit:** Hudson PL, March 2026
- **WISCAT & Libby Basics:** Chetek PL, March 2026

## Committee Meetings:

- **ILL Coordinators (DPI):** February 2026
- **MORE Resource Sharing & Collection Development Committee:** February & March 2026
- **WPLC Selection Committee:** March 2026
- **WISCAT User Group:** March 2026
- **IFLS Intellectual Freedom Working Group:** March 2026

## Professional Development:

- **Webinar:** *Responding to ICE at the Library: Real World Approaches*, Public Library Association, February 2026

# IT Director Report

*IFLS Board of Trustees, May 2026*

*Kris Schwartz, IT Director*

## Cybersecurity:

As system IT Director, I want to clearly explain that cybersecurity—protecting our computers and patron information—is becoming one of the most important challenges facing libraries across Wisconsin. Our libraries are part of a statewide network of over 300 locations, many of which are small and operate with limited technology staff. Recent planning documents from Wisconsin library systems show a growing awareness that cyberattacks are not a distant possibility but an expected risk, with systems actively developing protections. The most common threat is something called “ransomware,” where criminals lock up a library’s computer systems and demand payment, and these attacks have been increasing sharply in recent years. Because libraries provide public computers and free internet access, they are often seen as easier targets than large corporations.

The Lean Wisconsin partners are training staff to recognize suspicious emails and improving backups so data can be restored if something goes wrong. However, the reality is that cybersecurity requires ongoing investment—both in technology and in staff training—and it is not something we can “fix once and forget.” For the systems and libraries, this means continuing to budget for security improvements and supporting staff education, so services to the public can continue even during an incident. In simple terms: just like we lock the doors at night, we must now also “lock the digital doors” every day to protect our community.

## New Backup Solution:

The Lean Wisconsin partners recently implemented an important upgrade to better protect the library’s computer systems and data. We installed a new backup system called the Unitrends Recovery Series Backup Appliance that automatically saves copies of our important files and systems at scheduled intervals. These backups help ensure that if a computer fails or something is accidentally deleted, we can quickly restore the information. We also added Immutable Cloud Backup, which safely stores an additional copy of our backups in the cloud where the data cannot be changed or erased. This extra protection helps keep our information safe even if there is a serious problem such as a ransomware attack.

## PR & Advocacy, Rebecca Kilde, May 2026

### Time for Passports!

I can't believe it's almost summer! This year Explore MORE Passport Program, Find Your Treasure at the Library, starts June 1. Pick up your passport at any MORE-area library and start exploring our system libraries and their beautiful communities. Visit seven libraries to earn an entry form for prizes. [All the details are on the Explore MORE webpage.](#)



### Work is ongoing to make our website and documents meet new accessibility standards.

We are committed to ensuring that there are as few barriers as possible to accessing the information on our website. The IFLS website has 27 pages, almost 200 training resource articles, and about 2,000 blog posts, so this is a big update! Luckily, the deadline for completion has been extended for an additional year.

We're working in partnership with LeanWI website services to make sure all of our libraries' websites are also compliant.

### IMLS funding reinstated

This is good news. We now have our sights on next year's funding. We'll keep you posted. If you'd like to read more, the [American Library Association has a good article about IMLS funding.](#)

# Professional Development and Public Services Consultant Report

Submitted May 19, 2026

Leah Langby

## Continuing Education

### IFLS Projects

Webinar on May 13 with Cecelia Cole: *Artificial Intelligence in Collection Development, an IFLS Perspective*, 25 attended live, 5 have viewed the recording so far.

Public Library Association Conference in Minneapolis:

- Coordinated 8 scholarships, see reports on the [IFLS Learning Loop](#) blog
- Coordinated coach bus for one day, unfortunately canceled due to ice storm
- Coordinated pre-conference orientation meetings for anyone interested
- Coordinated after-conference session for people who attended to share/debrief experience
- Developed a [tip sheet to help people navigate the exhibit hall](#)

### Statewide Projects

Developing a **Collaborating for Community Success** series of webinars with partners from the Bureau of Libraries and the University of Wisconsin-Madison Extension's Local Government Education program to help local elected officials and municipal employees and public library staff and boards collaborate more effectively to serve their communities. Two webinars scheduled for June (check the [IFLS calendar](#) for more updates).

Working with a team of other CE consultants to evaluate and choose a statewide Learning Management System to make sharing statewide training opportunities more user-friendly and seamless.

## Consulting Highlights

- Management/planning/HR consulting with two directors
- Youth Services and Inclusive Services introductory consulting with new director in Clear Lake
- New director meeting and mentor pairing in Fall Creek
- Mentor pairing for new youth services librarian in New Richmond
- Teen behavior issues and teen spaces consulting
- Assessing training and other support needed for 2 libraries not part of LEANWI website program to help them meet accessibility standards (WCAG 2.1 AA)

- Assisting Northern Waters Library Service with hiring process for Consulting Librarian Position

## Continuing Education for me

- Public Library Association Conference March 31-April 3. Highlights:
  - Hot Takes session: 2 hour session featuring short 5 minute talks on hot-button issues, followed by 10 minutes of discussion at tables. I'm interested in trying out this format at upcoming IFLS events.
  - Attended several sessions about teen services, some of which I used the week I got back to the office to help answer consulting questions!
  - Sessions on staff well-being: a session on protecting queer and trans staff, which was also relevant for protecting all staff; a session on boundaries (which several librarians attended and wanted more of!); a session on neurodivergent library employees.
  - A session on a pop-up sensory museum for teens and adults, considering creating a kit to support this in our libraries.
  - A session on faith communities partnering with libraries to support freedom of religion and speech, a new initiative from ALA that I'm very interested in learning more about and sharing with our libraries.
  - The keynote sessions with Bryan Stephenson and Chef Sean Sherman were incredible and gave me reminders of some practical things to do to support the well-being of communities, and things libraries are already doing in this regard.
- CommUnity Conference April 27, a UW Madison Extension hybrid conference on civic engagement that gave me some resources and ideas to follow-up on when/if I have time. I will be looking at the IFLS resource Civic Labs that I created several years ago to add some resources to it.
- Professional Coaching course continues, with monthly assignments plus coaching practice and reflection. I am learning a lot and am trying to remember to use some of the techniques in regular consulting conversations when appropriate.

# MORE Administrator's Report

Lori Roholt

May 2026 – IFLS Board of Trustees

## MORE ILS Evaluation

MORE is in the midst of evaluating the staff-facing software in use by all libraries in the consortium. Since 2012, MORE has used Sierra, an ILS (integrated library system) from vendor Innovative. Other ILS products are available for library consortia, including in the state of Wisconsin. An ILS Task Force made up of library staff, library directors, and IFLS staff has been meeting regularly. The group has:

- Explored the current ILS landscape
- Conducted a survey on Sierra among library staff and director
- Distributed requests for information and received responses from 3 companies about 4 ILS products: ByWater Solutions (Koha), SirsiDynix (Symphony), and Innovative, a Clarivate company (Sierra and Polaris)

Next, the Task Force will analyze RFI responses, organize product demos, evaluate products, and ultimately make a recommendation about MORE's ILS use in the future to MORE Directors Council by this fall.

Task Force members have dedicated significant time and expertise to this project already, and staff and directors across MORE provided valuable input via the Sierra survey.

## MORE Database Updates

After 7 years with IFLS and many more with several school and public libraries in the area, MORE Database Specialist Bonnie Clausen is retiring at the end of the month. We are so appreciative of Bonnie's expertise, diligence, and warmth, and we wish her the best in retirement!

Jodi Kiffmeyer has been hired as the new part-time MORE Database Specialist. Jodi is currently a staff member at Chippewa Falls Public Library, and has also worked at Rice Lake Public Library and the Chippewa Valley Museum in Eau Claire.

## Innovative Users Group Conference

In April, MORE staff attended the Innovative Users Group (IUG) Conference in Chicago, but missed the PLA Conference in Minneapolis due to icy roads.

As expected, MORE's ILS Evaluation project informed a good portion of my information-gathering and meetings with vendors at IUG. I attended several sessions focused on the Polaris ILS, another ILS product from our Sierra vendor, Innovative, under consideration in MORE's ILS evaluation. I came away with a good impression of the Polaris development and support team, and users seem just as willing to collaborate and share ideas as Sierra users have been. I also attended sessions where ILS migrations and evaluation processes were discussed. It was particularly enlightening to hear from consortia using Sierra but considering (or recently considering) an ILS change.

My IFLS colleagues Deb Faulhaber, MORE Database Manager, Jackee Johnson, MORE Support Specialist, and Julia Reid, MORE Database Specialist also attended IUG. They primarily attended technical service-focused sessions and made connections with colleagues in Wisconsin, Illinois, and beyond. An unexpected conference highlight was running into our retired IFLS colleague Kathy Setter, a past chair of IUG who came to town for a chairs' dinner.

## Public Services Consultant Report

Katelyn Dubiel

### I. Consulting

Strategic Planning – Amery (consultation and survey prep); Bruce (consultation, timeline creation)

Policy – Programming, Displays, Bulletin Boards

Library Law – Board appointments

### II. Library Visits

Park Falls (03/30) – New Director Visit

Spring Valley (04/14) - New Director Visit

Clear Lake (04/20) - New Director Visit

### III. Collaborations/Adult Services

*Adult Services Check-In* - 05/20, at the time of writing, this has not occurred yet but there are a good number of attendees registered! Working with WVLS and turning this into a joint check-in has been very beneficial for our libraries to hear from similar peers.

*Policy of the Month* – In April we covered unattended children, May was meeting rooms and June will be social media. I've been seeing a number of our libraries following along with the policy review we put out, which is wonderful!

*New Director Orientation* – I am migrating our process to a more interactive format on Niche Academy. Still in the building phase, but hope to have it completed by the fall.

### IV. Committee Meetings

COLAND DOC Subcommittee (04/06, 05/04)

Director Check-In (04/17)

Policy of the Month Club (04/21, 05/04, 05/19)

WPLC Annual Meeting & Feedback Session (04/10, 04/22)

WPLC Board Meeting (04/27)

COLAND (05/08)

Director's Council (05/15)

### V. Delivery

We conducted our spring delivery study in April!

Sorters have caught up and kept on top of the volume, which is a great thing as we head into the busy summer months. Several of our libraries are moving to new locations as well, and Purple Mountain has been very easy to work with when pausing and holding bins and transitioning to new locations. Finally, costs have been up lately as fuel prices have drastically risen. It's impossible to say what prices will be like in the coming months, but hopefully they begin to trend downward soon.

## Director's Report

### Agenda Items

#### 9. (12:45 pm)\* 2025 Audit Report and Presentation

The auditor will be joining us virtually to share their report on our 2025. Please review the enclosed report/presentation for any questions you may have.

#### 12. \* Report from IFLS Personnel Committee

The Personnel Committee will be meeting in the morning before the board meeting. They will be selecting a chair and discussing the Director evaluation process. They will be providing a report at the board meeting.

Election of Chair

Director Evaluation Process/Timeline

#### 13. \* Building Remodeling Phase 2 (Parking lot, siding, windows, doors)

As our building continues to age, we need to continue to update/maintain the building. The building was constructed in 1996/97 and is nearly 30 years old. We are proposing allocating up to \$150,000 from undesignated carryover/fund balance to crack seal and restripe the parking lot, replace the original siding, gutters and windows; and several of the original doors. Adam has received 3 quotes on each of these items and we should be able to complete all the work for under that amount. We have built in a contingency in case something is uncovered during demolition.

### Monthly Activities

#### July Mid-Year Budget Revisions

We will be bringing some revisions to the 2026 budget to our July meeting. Rising fuel costs are significantly increasing our courier fuel surcharges. We also purchased a bulk order of computers to hedge against rising RAM costs.

#### Wisconsin Public Library Standards Revision

The Steering Committee continues to meet monthly to create the 7<sup>th</sup> edition of the standards. Links to the committee meetings and documents is available at <https://dpi.wi.gov/libraries/public-libraries/planning-evaluation/pl-standards-7th-ed>.

#### Public Library Association Conference

The national Public Library Association conference was held April 1-3 in Minneapolis. The PLA conference held in Minneapolis was in 2008. It was a great opportunity for our region to attend the conference. Unfortunately, the day our bus trip was planned an ice event occurred in part of the area resulting in the bus being canceled.

I attended a full day of sessions on Wednesday and a full day meeting with various vendors to discuss innovations in library technology, library furniture, architectural services, and others. Friday was a mix of sessions and vendor discussions.



Library wayfinding Robot



Outdoor musical instruments

### **Building**

Hammond is scheduled to be open on June 1<sup>st</sup>. The July IFLS Board meeting will be held in Hammond. Cadott should be open during July while both Fall Creek and Stanley will most likely occur in September.

### **Director Update**

Brandon Hardin, Milltown, started on May 15<sup>th</sup>. He had prior experience as a director in Withee.

### **Wisconsin Association of Public Libraries Conference (April 27-29)**

I presented as part of two panels – One on the public library standards revision and the other on library planning. Attending sessions fundraising and workplace culture.

### **Consulting**

Space Planning, Library Law, Trustee Orientation – Powers and Duties, Policy Development, Personnel Manual revisions, Exclusive Control of library funds, and Budgeting.

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*John Thompson (May 18, 2026)*

## 2026 IFLS Board of Trustees

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### Vacancy

Dunn County Board Member  
(Term Exp: 12/2028)

### Vacancy

Dunn County Citizen Member  
(Term Exp: 12/2026)

### Vacancy

Pepin County  
(Term Exp: 12/2027)

### Vacancy

Pierce County  
(Term Exp: 12/2028)



Executive Committee



Personnel Committee



1538 Truax Blvd, Eau Claire, WI 54703-1569  
715-839-5082 or 800-321-5427  
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## IFLS Board of Trustees 2026 Meeting Dates

|                               |            |                                |
|-------------------------------|------------|--------------------------------|
| Wednesday, January 28, 2026   | 12:30 p.m. | Via Zoom Meeting               |
| Wednesday, March 25, 2026     | 12:30 p.m. | Via Zoom Meeting               |
| Wednesday, May 27, 2026       | 12:30 p.m. | New Richmond Community Library |
| Wednesday, July 22, 2026      | 12:30 p.m. | Hammond Community Library      |
| Wednesday, September 23, 2026 | 12:30 p.m. | Cadott Community Library       |
| Wednesday, November 18, 2026  | 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](mailto:gardner@ifls.lib.wi.us)

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