IOLA PUBLIC LIBRARY

Iola, Kansas

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2025

IOLA PUBLIC LIBRARY
Iola, Kansas

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Iola Public Library
Iola, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Iola Public Library, as of and for the year ended December 31, 2025, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Iola Public Library as of December 31, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Iola Public Library as of December 31, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Library, 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 adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the Iola Public Library on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library'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.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Library'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 statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library'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.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 1 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement, however is required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in

the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Iola Public Library as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated March 18, 2025, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2025 (Schedule 1 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2024, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

March 24, 2026
Chanute, Kansas

IOLA PUBLIC LIBRARY
Iola, Kansas
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2025

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Cash Balances December 31, 2025
General	$ 83,394.39	$ 345,616.62	$ 367,918.38	$ 61,092.63	$ 1,360.49	$ 62,453.12
Special Purpose Funds:						
Capital Improvement	39,613.73	1,920.54	1,917.00	39,617.27	-	39,617.27
Iola Reads	3,675.15	8,617.68	8,071.94	4,220.89	2,318.96	6,539.85
Marian Wilson Estate Bequest	111,689.62	671.99	-	112,361.61	-	112,361.61
Trust Funds:						
Special	84,579.44	18,263.10	16,553.80	86,288.74	50.97	86,339.71
Total Reporting Entity	$ 322,952.33	$ 375,089.93	$ 394,461.12	$ 303,581.14	$ 3,730.42	$ 307,311.56

Composition of Cash	
Cash on Hand	$ 50.00
Operating Account	62,403.12
Money Market Account	112,361.61
Other Checking Accounts	16,986.03
Capital Improvement Account	10,708.61
Certificates of Deposit	75,753.78
Investments	29,048.41
Total Cash	$ 307,311.56

The notes to the financial statement are
an integral part of this statement.

IOLA PUBLIC LIBRARY
Iola, Kansas

Notes to Financial Statement
December 31, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the Iola Public Library, have been prepared in order to show compliance with the cash basis laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies follow. Note 1 describes how the Library's accounting policies differ from generally accepted accounting policies.

Financial Reporting Entity
The Iola Public Library (Library) is a municipality of the State of Kansas organized under K.S.A. 12-1219, with a seven-member Board of Trustees appointed by the City of Iola, Kansas. The Library is a related municipal entity of the City of Iola, Kansas.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the Library exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the Library. Related municipal entities are not required to be included in the Library's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Friends of the Iola Library
The Friends of the Iola Library is operated independent of the Library's governing body. Officers are elected by its members. The Friends of the Iola Library was formed to promote and foster the purposes of the Library, and to create a fund to be used for any program, project or enterprise undertaken in the interest of the Library. Friends of the Iola Library acts largely as a fundraising organization, soliciting, receiving, managing, and disbursing contributions on behalf of the Library. Separate financial statements are prepared by the Friends of the Iola Library.

Regulatory Basis Fund Types
A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the Iola Public Library, for the year of 2025:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund. The following library funds: General, State Aid to Libraries, and the SEKLS Allocation are consolidated in the General Fund in the financial statement. All other library funds are separated out as special purpose funds.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Basis of Presentation – Regulatory Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The Library has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the Library to use the regulatory basis of accounting.

Reimbursed Expenses

The Library records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis accounting.

Pension Plan

Substantially all full-time Library employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer state-wide pension plan. The Library's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

Budgetary Information

The Library Board is not subject to the Kansas Budget Law, as they are not the primary taxing authority for the Library Board. The City of Iola holds the taxing authority for the Library Board. The Library Board adopts an annual budget for the General Fund for managerial purposes. The budget comparison on Schedule 1 reflects this internal managerial budget.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 has been prepared in order to show compliance with the cash basis laws of Kansas. As shown in Statement 1, the Library was in compliance with the cash basis laws of Kansas.

3. DEPOSITS AND INVESTMENTS

As of year-end, the Library has the following investments.

Investment Type	Cost	Rating
Vanguard- Stock	$ 29,048.41	N/A
Total Stocks	$ 29,048.41	

This investment is reflected at cost in these regulatory basis financial statements of the Library.

K.S.A. 9-1401 establishes the depositories which may be used by the Library. The statute requires banks eligible to hold the Library's funds have a main branch or branch bank in the county in which the Library is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Library has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Library's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Library has no investment policy that would further limit its investment choices.

K.S.A. 12-1225(h) allows the library to receive and accept gifts or donations to the library and administer the same in accordance with any provisions thereof. If no provisions are specified, the board shall have the power to hold, invest or reinvest the gift and any dividends, interest, rent or income derived from the gift in the manner the board deems will best serve the interests of the library.

Concentration of credit risk: State statutes place no limit on the amount the Library may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Library's allocation of investments as of December 31, 2025, is as follows:

Investments	Percentage of Investments
Stock Equities	100.00%

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. State statutes require the Library's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2025.

At year-end, the Library's carrying amount of deposits was $278,213.15 and the bank balance was $279,593.13. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $279,593.13 was covered by FDIC insurance.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The (non-school municipality) participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kspers.gov or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate (for the Death and Disability Program) and the statutory contribution rate was 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the Library were $21,998.49 for the year ended December 31, 2025. These contributions are paid by the City of Iola to the KPERS plan and the Library reimburses the City.

5. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Library manages these risks of loss through the purchase of various insurance policies.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2025.

Other Post-Employment Benefits:

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the Library is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Other Post-Employment Benefits (Continued):
Under the consolidated Omnibus Budget Reconciliation Act (COBRA), the Library makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The Premium is paid in full by the insured. There is no cost to the Library under this program.

Compensated Absences:
Regular employees earn and accumulate vacation leave as follows:

Less than five years of employment - 2 weeks annually
After five years of employment - 1 additional day per year up to 3 weeks annually
After twenty years of employment - 4 weeks annually

Full time employees earn and accumulate sick leave from the beginning of employment at the rate of 1 hour for every 20 hours worked to up a maximum of 12 days per year. Sick leave may be accumulated to a maximum of 125 days.

The Library accrues a liability for compensated absences which meet the following criteria:

1. The Library's obligation relating to employees rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the Library has estimated a liability for vacation pay, which has been earned, but not taken by Library employees of $636.50. The Library has not estimated a liability for sick leave earned, but not taken, by Library employees, as the amounts cannot be reasonably estimated at this time.

7. BENEFICIAL INTEREST IN ASSETS HELD AT THE YOUR COMMUNITY FOUNDATION

The Library has established a fund with Your Community Foundation (YCF) as a vehicle to increase returns on gifts received by the Library. Contributions are held at YCF, who will invest the funds and make distributions available upon request on an annual basis. If the income is not distributed in a particular calendar year, the undistributed net income for such year shall be added to the principal. The value of the funds held as Agency funds at December 31, 2025 is $227,947.69.

8. RELATED PARTY TRANSACTIONS

The Library has invested $227,947.69 with Your Community Foundation which the current Director is a board member of.

9. SUBSEQUENT EVENTS

The Library evaluated events and transactions occurring subsequent to year end, and there were no subsequent events requiring recognition in the financial statements. Additionally there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

IOLA PUBLIC LIBRARY
Iola, Kansas
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
SEK Library System	$ 16,763.96	$ 17,209.00	$ 17,729.00	$ (520.00)
City of Iola	264,541.02	260,079.42	263,075.00	(2,995.58)
State Aid	1,516.52	2,846.05	2,550.00	296.05
Use of Money and Property				
Interest Income	651.52	628.46	350.00	278.46
Rental Income	22,385.00	11,115.00	22,530.00	(11,415.00)
Other Receipts				
Fines and Fees	10,316.43	19,441.69	9,500.00	9,941.69
Grants	200.00	330.00	100.00	230.00
Gifts and Donations	36,375.25	33,967.00	37,920.00	(3,953.00)
Total Receipts	352,749.70	345,616.62	$ 353,754.00	$ (8,137.38)
Expenditures				
Culture and Recreation				
Personal Services	252,028.28	283,759.93	$ 303,000.00	$ (19,240.07)
Contractual Services	50,931.96	61,036.50	53,660.00	7,376.50
Commodities	21,677.12	23,121.95	25,250.00	(2,128.05)
Capital Outlay	2,186.22	-	2,300.00	(2,300.00)
Total Expenditures	326,823.58	367,918.38	$ 384,210.00	$ (16,291.62)
Receipts Over(Under) Expenditures	25,926.12	(22,301.76)		
Unencumbered Cash, Beginning	57,468.27	83,394.39		
Unencumbered Cash, Ending	$ 83,394.39	$ 61,092.63		

IOLA PUBLIC LIBRARY
Iola, Kansas
CAPITAL IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest and Dividend Income	$ 343.87	$ 1,920.54
Total Receipts	343.87	1,920.54
Expenditures		
Capital Projects		
Capital Outlay	6,488.21	1,917.00
Total Expenditures	6,488.21	1,917.00
Receipts Over(Under) Expenditures	(6,144.34)	3.54
Unencumbered Cash, Beginning	45,758.07	39,613.73
Unencumbered Cash, Ending	$ 39,613.73	$ 39,617.27

IOLA PUBLIC LIBRARY
Iola, Kansas
IOLA READS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Gifts and Donations	$ 8,635.16	$ 8,617.68
Total Receipts	8,635.16	8,617.68
Expenditures		
Culture and Recreation		
Contractual Services	995.41	731.40
Commodities	7,796.68	7,340.54
Total Expenditures	8,792.09	8,071.94
Receipts Over(Under) Expenditures	(156.93)	545.74
Unencumbered Cash, Beginning	3,832.08	3,675.15
Unencumbered Cash, Ending	$ 3,675.15	$ 4,220.89

IOLA PUBLIC LIBRARY
Iola, Kansas
MARIAN WILSON ESTATE BEQUEST FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest and Dividend Income	$ 2,091.09	$ 671.99
Total Receipts	2,091.09	671.99
Expenditures		
Culture and Recreation		
Contractual Services	1,422.96	-
Total Expenditures	1,422.96	-
Receipts Over(Under) Expenditures	668.13	671.99
Unencumbered Cash, Beginning	111,021.49	111,689.62
Unencumbered Cash, Ending	$ 111,689.62	$ 112,361.61

IOLA PUBLIC LIBRARY
Iola, Kansas
SPECIAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Amounts for the Prior Year Ended December 31, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest and Dividend Income	$ 724.70	$ 2,090.87
Other Receipts		
Gifts and Donations	11,002.20	16,172.23
Grants	2,660.00	-
Total Receipts	14,386.90	18,263.10
Expenditures		
Culture and Recreation		
Contractual Services	16,382.07	16,553.80
Commodities	1,270.16	-
Total Expenditures	17,652.23	16,553.80
Receipts Over(Under) Expenditures	(3,265.33)	1,709.30
Unencumbered Cash, Beginning	87,844.77	84,579.44
Unencumbered Cash, Ending	$ 84,579.44	$ 86,288.74

Jarred Gilmore Phillips

Board of Trustees
Iola Public Library
Iola, Kansas

In planning and performing our audit of the financial statement of the Iola Public Library as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Iola Public Library's system of 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Iola Public Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Iola Public Library'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 discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 misstatement 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 misstatements of the Library's financial statement will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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 following deficiencies in internal control to be significant deficiencies:

Preparation of Financial Statement

Professional standards require management to accept responsibility for the preparation and fair presentation of the financial statement, including related note disclosures. The Library engages the auditor to assist in drafting the financial statement in accordance with the Kansas Municipal Audit and Accounting Guide. The Library does not have personnel with specialized training in governmental financial reporting necessary to independently prepare the complete financial statement and related disclosures. Accordingly, management relies on the auditor for preparation of the financial statement. While this condition is common among smaller governmental entities and does not reflect on management's integrity or oversight, it represents a deficiency in internal control over financial reporting because the preparation of the financial statement is not performed by individuals independent of the audit process.

Management has reviewed and approved the financial statement and has accepted responsibility for them. We encourage management and the Board to continue their oversight of the financial reporting process and to remain informed of reporting requirements.

Segregation of Duties

Due to the limited number of personnel, complete segregation of duties is not achievable. As a result, certain internal control functions are necessarily performed by the same individual. Under auditing standards generally accepted in the United States, this condition represents a significant deficiency in internal control, as it increases the risk that errors or irregularities could occur and not be detected on a timely basis.

This comment is provided as a reminder to the Board of Trustees of its fiduciary oversight responsibilities, rather than as a recommendation for corrective action. Management and the Board are aware of this limitation and have determined that the costs associated with additional staffing or restructuring would outweigh the related benefits at this time.

Accordingly, the Board should continue to exercise diligent financial oversight, including active involvement in the review of financial information and monitoring of fiscal activities, to mitigate the risks inherent in this condition.

This communication is intended solely for the information and use of management, the Board of Trustees and others within the Iola Public Library, and is not intended to be and should not be used by anyone other than these specified parties.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
March 24, 2026