CHANUTE PUBLIC LIBRARY

Chanute, Kansas

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2022

CHANUTE PUBLIC LIBRARY
Chanute, Kansas

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Chanute Public Library
Chanute, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Chanute Public Library, as of and for the year ended December 31, 2022 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 Chanute Public Library as of December 31, 2022, 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 Chanute Public Library as of December 31, 2022, 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 Chanute 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.

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 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 Chanute Public Library as of and for the year ended December 31, 2021 (not presented herein), and have issued our report thereon dated April 08, 2023, which contained an unmodified opinion on the basic financial statement. The 2021 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/local-government/municipal-services. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2022 (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 2021 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 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 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, 2021, on the basis of accounting described in Note 1.

Jarred, Gilmore & Phillips, PA

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

April 08, 2023
Chanute, Kansas

CHANUTE PUBLIC LIBRARY
Chanute, Kansas
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Cash Balances December 31, 2022
General	$ 516,092.30	$ 508,030.26	$ 535,708.61	$ 488,413.95	$ 10,795.46	$ 499,209.41
Special Purpose Funds:						
Contingent	170,046.72	346.30	286.95	170,106.07	-	170,106.07
Capital Improvement	218,445.50	426.57	426.57	218,445.50	-	218,445.50
Trust Funds:						
Friends of Chanute Library	164,177.50	8,991.98	9,332.94	163,836.54	-	163,836.54
Greve Memorial	21,615.84	106.97	106.97	21,615.84	-	21,615.84
Maxine Koch Diver Estate	18,500.00	111.00	111.00	18,500.00	-	18,500.00
Rotary Endowment	5,000.00	420.72	420.72	5,000.00	-	5,000.00
Nantz & Farmer Estate	83,180.41	374.31	-	83,554.72	-	83,554.72
Total Reporting Entity	$ 1,197,058.27	$ 518,808.11	$ 546,393.76	$ 1,169,472.62	$ 10,795.46	$ 1,180,268.08

Composition of Cash	
Cash on Hand	$ 265.30
Operating Account	20,055.03
Savings Account	411,319.98
Money Market	28,801.34
Certificates of Deposit	588,968.16
Edward Jones	130,858.27
Total Cash	$ 1,180,268.08

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

CHANUTE PUBLIC LIBRARY
Chanute, Kansas

Notes to Financial Statement
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the Chanute Public Library, Chanute, Kansas, 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 Chanute 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 Chanute, Kansas. The Library is a related municipal entity of the City of Chanute, 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).

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 Chanute Public Library, for the year of 2022:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

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

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.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 revenues 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 municipality 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 municipality to use the regulatory basis of accounting.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than revenues. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as receipts when received by the library treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

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 laws as they are not the primary taxing authority for the Library Board. The City of Chanute 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
Mutual Funds	$ 130,858.27	N/A

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.

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.

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, 2022.

At year-end, the Library's carrying amount of deposits was $1,049,144.51 and the bank balance was $1,053,748.09. The bank balance was held by five banks resulting in a concentration of credit risk. Of the bank balance, $1,039,477.45 was covered by FDIC insurance, and $14,270.64 was collateralized with pledged securities held by the pledging financial institutions' agents in the Library's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality 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.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

4. DEFINED BENEFIT PENSION PLAN (Continued)

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 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the Library were $18,106.73 for the year ended December 31, 2022.

Net Pension Liability
At December 31, 2022, the Library's proportionate share of the collective net pension liability reported by KPERS was $214,888. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The Library's proportion of the net pension liability was based on the ratio of the Library's contributions to KPERS, relative to the total employer and nonemployer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

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, 2022.

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

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.

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:

After One Full Year of Employment - 10 Days
After Ten Full Years of Employment - 15 Days
Library Director, with Master of Library Science Degree:
After One Full Year of Employment - 20 Days

Employees must use vacation within calendar year.

Full time employees earn and accumulate sick leave from the beginning of employment at the rate of 8 hours per month of service. Sick leave may be accumulated to a maximum of 30 days. Any unused sick leave at date of termination is lost, unless eligible for retirement under KPERS, in which case the employee shall be paid for all accumulated sick leave.

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 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. INTERFUND TRANSFERS

Operating transfers were as follows:

From Fund:	To Fund:	Statutory Authority	Amount
Capital Improvement	General	K.S.A. 12-1258	$ 426.57
Contingent	General	K.S.A. 12-1225	286.95
Greve Memorial	General	K.S.A. 12-1225	106.97
Maxine Koch Diver Estate	General	K.S.A. 12-1225	111.00
Rotary Endowment	General	K.S.A. 12-1225	420.72

8. SUBSEQUENT EVENTS

The Library evaluated events and transactions occurring subsequent 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

CHANUTE PUBLIC LIBRARY
Chanute, Kansas
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Taxes and Shared Receipts				
SEK Library Association	$ 20,957.00	$ 22,936.00	$ 21,000.00	$ 1,936.00
City of Chanute	468,881.54	441,877.57	509,000.00	(67,122.43)
State Aid	2,570.23	2,574.77	3,000.00	(425.23)
Federal Grants - APRA	25,000.00	-	-	-
Use of Money and Property				
Interest Income	3,135.93	3,612.19	3,000.00	612.19
Other Receipts				
Fines and Fees	8,597.02	8,069.20	12,000.00	(3,930.80)
Grants - SEKLS	2,357.23	5,499.33	-	5,499.33
Gifts and Donations	7,367.43	14,361.84	-	14,361.84
Miscellaneous	3,425.80	7,747.15	-	7,747.15
Operating Transfers from:				
Contingent Fund	310.19	286.95	-	286.95
Capital Improvement Fund	457.52	426.57	-	426.57
Greve Memorial Fund	124.74	106.97	-	106.97
Maxine Koch Diver Estate Fund	111.00	111.00	-	111.00
Rotary Endowment Fund	381.26	420.72	-	420.72
Total Receipts	543,676.89	508,030.26	$ 548,000.00	$ (39,969.74)
Expenditures				
Culture and Recreation				
Personal Services	326,605.93	326,198.52	$ 353,000.00	$ (26,801.48)
Contractual Services	66,235.28	74,851.94	69,000.00	5,851.94
Commodities	67,027.73	74,250.65	82,000.00	(7,749.35)
Capital Outlay	32,213.38	60,407.50	56,000.00	4,407.50
Operating Transfers to				
Capital Improvement Fund	25,000.00	-	-	-
Total Expenditures	517,082.32	535,708.61	$ 560,000.00	$ (24,291.39)
Receipts Over(Under) Expenditures	26,594.57	(27,678.35)		
Unencumbered Cash, Beginning	489,497.73	516,092.30		
Unencumbered Cash, Ending	$ 516,092.30	$ 488,413.95		

CHANUTE PUBLIC LIBRARY
Chanute, Kansas
CONTINGENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 310.19	$ 346.30
Total Receipts	310.19	346.30
Expenditures		
Operating Transfers to		
General Fund	310.19	286.95
Total Expenditures	310.19	286.95
Receipts Over(Under) Expenditures	-	59.35
Unencumbered Cash, Beginning	170,046.72	170,046.72
Unencumbered Cash, Ending	$ 170,046.72	$ 170,106.07

CHANUTE PUBLIC LIBRARY
Chanute, Kansas
CAPITAL IMPROVEMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 554.95	$ 426.57
Operating Transfers from		
General Fund	25,000.00	-
Total Receipts	25,554.95	426.57
Expenditures		
Operating Transfers to		
General Fund	457.52	426.57
Total Expenditures	457.52	426.57
Receipts Over(Under) Expenditures	25,097.43	-
Unencumbered Cash, Beginning	193,348.07	218,445.50
Unencumbered Cash, Ending	$ 218,445.50	$ 218,445.50

CHANUTE PUBLIC LIBRARY
Chanute, Kansas
FRIENDS OF CHANUTE LIBRARY FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Book Sales	$ 2,463.35	$ 3,401.71
Interest Income	6,394.06	5,490.27
Miscellaneous Income	100.00	100.00
Total Receipts	8,957.41	8,991.98
Expenditures		
Culture and Recreation		
Commodities	1,649.70	3,404.74
Capital Outlay	119.88	5,928.20
Total Expenditures	1,769.58	9,332.94
Receipts Over(Under) Expenditures	7,187.83	(340.96)
Unencumbered Cash, Beginning	156,989.67	164,177.50
Unencumbered Cash, Ending	$ 164,177.50	$ 163,836.54

CHANUTE PUBLIC LIBRARY
Chanute, Kansas
GREVE MEMORIAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 124.74	$ 106.97
Total Receipts	124.74	106.97
Expenditures		
Operating Transfers to		
General Fund	124.74	106.97
Total Expenditures	124.74	106.97
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	21,615.84	21,615.84
Unencumbered Cash, Ending	$ 21,615.84	$ 21,615.84

CHANUTE PUBLIC LIBRARY
Chanute, Kansas
MAXINE KOCH DIVER ESTATE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 111.00	$ 111.00
Total Receipts	111.00	111.00
Expenditures		
Operating Transfers to		
General Fund	111.00	111.00
Total Expenditures	111.00	111.00
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	18,500.00	18,500.00
Unencumbered Cash, Ending	$ 18,500.00	$ 18,500.00

CHANUTE PUBLIC LIBRARY
Chanute, Kansas
ROTARY ENDOWMENT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 381.26	$ 420.72
Total Receipts	381.26	420.72
Expenditures		
Operating Transfers to		
General Fund	381.26	420.72
Total Expenditures	381.26	420.72
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	5,000.00	5,000.00
Unencumbered Cash, Ending	$ 5,000.00	$ 5,000.00

CHANUTE PUBLIC LIBRARY
Chanute, Kansas
NANTZ & FARMER ESTATE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2022
(With Comparative Actual Amounts For the Year Ended December 31, 2021)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest Income	$ 372.63	$ 374.31
Total Receipts	372.63	374.31
Expenditures		
Operating Transfers to		
General Fund	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	372.63	374.31
Unencumbered Cash, Beginning	82,807.78	83,180.41
Unencumbered Cash, Ending	$ 83,180.41	$ 83,554.72

Jarred Gilmore Phillips

Board of Trustees
Chanute Public Library

In planning and performing our audit of the financial statement of the Chanute Public Library as of and for the years ended December 31, 2022, 2021, and 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Chanute Public Library'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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Chanute Public Library's internal control. Accordingly, we do not express an opinion on the effectiveness of Chanute 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 material weaknesses.

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 Library's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in internal control to be material weaknesses:

Preparation of Financial Statement

Accounting standards states the client must be able to accept responsibility and be able to identify a material misstatement when reviewing the financial statement, including footnotes and supplemental information. This would also include knowing if a required footnote disclosure was missing or not correctly stated. Presently, the Library staff does not have the ability to process and prepare the required financial statement, including footnotes. The potential effects of this material weakness could be unrecognized errors on the financial statement. While we recognize that this condition is not unusual for a Library your size, it is important that you be aware of this condition for financial reporting purposes. Management and the Library Trustee should continually be aware of the financial reporting of the Library and changes in reporting requirements.

Segregation of Duties

An internal control structure is, quite simply, the procedures and policies in effect which ensure that the Library's financial activity is properly recorded, processed, summarized, and reported in the financial statement. A weakness in the control structure occurs when one person is responsible for all of the accounting activities such as performing billings, receipting cash, making deposits, reconciling the bank accounts, and having access to all books and records of the Library. Due to small staff size, it is not possible for reviews of daily work to take place, potentially resulting in errors in financial records and reports.

Payroll – Federal Form 941

During the audit library staff were unable to locate the Federal 941 forms for three (3) of the four (4) quarters for the year ended December 31, 2020. While we see no evidence they were not filed, the Internal Revenue Service is not always timely in the reconciliation of the Federal form 941's. We would recommend the Library call and verify the returns were filed, as penalties are significant and often not waived for non-filing.

This communication is intended solely for the information and use of management, Library Board of Trustees, and others within the Chanute 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
April 08, 2023