THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

FINANCIAL STATEMENT

FOR THE YEAR ENDED
DECEMBER 31, 2023



LOYD GROUP, LLC

Certified Public Accountants

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

For the Year Ended December 31, 2023

BOARD OF DIRECTORS

Mary Evans Chairman	Jocelyn Woodson Treasurer	Nan Hawver Vice Chairman
Martha Fee Director	Amanda Smith Director	Susan Richardson Director
Jeff Roberson Director	Greg Wamsley Secretary	

LIBRARY OFFICIALS

Gregg Wamsley Library Director	Tina Knowles Business Manager	John B. Swearer Attorney

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

For the Year Ended December 31, 2023

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LOYD GROUP, LLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hutchinson Public Library
Hutchinson, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Hutchinson Public Library, Kansas (Library), a Municipality, as of and for the year ended December 31, 2023 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 Library as of December 31, 2023, 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 Library as of December 31, 2023, 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 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 summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts, expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are 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 previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Hutchinson Public Library, Kansas as of and for the year ended December 31, 2022 (not presented herein), and have issued their report thereon dated March 7, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and their 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/oar/municipalservices. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 2 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 2022 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 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 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, 2022, on the basis of accounting described in Note 1.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
March 6, 2024

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2023

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	$ 161,276	$ 1,978,165	$ 2,019,848	$ 119,593	$ 7,720	$ 127,313
SPECIAL PURPOSE FUNDS:						
Employee Benefits Fund	80,024	449,305	414,065	115,264	-	115,264
Billing Fines and Fees Fund	-	36,619	35,650	969	-	969
SCKLS Allocation Fund	78,261	150,666	156,339	72,588	-	72,588
Capital Improvement Fund	383,933	77,000	82,150	378,783	39,150	417,933
State Grants in Aid Fund	-	11,196	11,196	-	-	-
Expendable Gift Fund	3,336,861	1,310,057	1,413,669	3,233,249	41,137	3,274,386
Total Special Purpose Funds	3,879,079	2,034,843	2,113,069	3,800,853	80,287	3,881,140
TRUST FUND:						
Nonexpendable Gift Fund	942,736	-	-	942,736	-	942,736
Total Reporting Entity	$ 4,983,091	$ 4,013,008	$ 4,132,917	$ 4,863,182	$ 88,007	$ 4,951,189

COMPOSITION OF CASH	
Petty Cash	$ 200
Checking and savings accounts	981,253
CD	398,717
Federated money market funds	805,294
	2,185,464
PRIVATE GIFT MONIES INVESTED BY AUTHORITY OF K.S.A. 12-1225	
Equity pool at community foundation	617,476
Stocks and bonds at local financial institution	2,148,249
	2,765,725
Total Reporting Entity	$ 4,951,189

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The Hutchinson Public Library is a municipal corporation governed by a seven-member board. This financial statement presents the Hutchinson Public Library (the municipality) and does not include any related municipal entities.

(b) Regulatory Basis Fund Types

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 regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

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.).

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, county treasurer tax collection accounts, etc.).

(c) Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (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.

(d) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the Library is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The Library did hold a revenue neutral rate hearing for the year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for Capital Project Funds, Agency Funds, Trust Funds and certain Special Purpose Funds as noted in the presentation of the appropriate Schedule 2.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

(e) Cash and Investments

Cash includes amounts in demand and time deposits at financial institutions. Investments are governed by Kansas Statutes (K.S.A.). K.S.A. 12-1675 governs the investing of public funds. K.S.A. 12-1225 governs the investing of private gift money given to the Library. K.S.A. 12-1675 authorizes the Library to invest public funds in U.S. Treasury bills and notes, repurchase agreements, the State Municipal Investment Pool, and others. K.S.A. 12-1225 authorizes the Library Board to invest private gift monies in the manner to best serve the interests of the Library. Investments relating to private gift money consist of U.S. Treasury obligations, federal agency obligations, common stocks, various other bond instruments, and others.

Investments are reported at cost on the books of the Library. The fair value of these investments are reflected in footnote 3. Fair value of U.S. Treasury obligations, federal agency obligations, stocks, and bonds are determined by published market quotes. The fair value of funds at the community foundation is based on the value of the pooled investments as determined by the Hutchinson Community Foundation manager. The Hutchinson Community Foundation is a nonprofit organization that pools money for investment purposes.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

No statutory violations were noted in 2023.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2023, the Library had the following investments and maturities under K.S.A. 12-1225.

Investment Type	Fair Value	Investment Maturities (in Yrs) Less than 1	1-5	Rating U.S.
Investments managed by outside financial institution:				
Federated money market fund	$ 805,294	$ 805,294	$ -	N/A
Mutual funds	1,996,112	1,996,112	-	N/A
Common stock	152,137	152,137	-	N/A
Certificate of Deposit	398,717	398,717	-	N/A
Investments managed by outside community foundation:				
Balanced pool	617,476	617,476	-	N/A
Total Fair Value	$ 3,969,736	$ 3,969,736	$ -	

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 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. The rating of the Library's investments is noted above.

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. However, as discussed in the Investment Policy for Private Funds, not all investments using private funds are required to be secured. The Library's allocation of investments of private funds, as of December 31, 2023, is as follows:

Investment Type	Percentage of Investments
Federated money market fund	25.28%
Federal agencies	0.00%
Common stock	4.09%
Mutual fund	29.28%
Corporate bonds	23.75%
Certificate of deposit	10.37%
HCF Balance pool	7.23%

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, 2023.

3. DEPOSITS AND INVESTMENTS (CONT.)

At December 31, 2023, the Library's carrying amount of deposits was $981,453 and the bank balance was $1,011,200. The bank balance was held by three banks with the majority of the funds located in one bank, resulting in a concentration of credit risk. Of the bank balance, $260,135 was covered by federal depository insurance and the remaining $751,065 was collateralized with 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 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. There are exceptions related to investments of private funds as discussed below.

Investment Policy for Private Funds

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligations. Through the investment policies of the outside financial institution, the Library limits its investments in commercial paper and corporate bonds. The rating of the Library's investments is noted above.

Concentration of credit risk - This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Library's investments are diversified among various issuers and industry types. The percentage attributable to any one single issuer within the investment types, averages less than 5%.

Custodial credit risk - investments - Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of investments that are in the possession of an outside party. The Library's investments held at the community foundation and in trust may be subject to this risk as the underlying investments are held by the community foundation and outside financial institution. The amount at risk is approximately $3,969,736.

4. CAPITAL ASSETS

The presentation of the financial statement in accordance with the regulatory basis of accounting does not include the capital assets of the Library. The Library continues to maintain records on capital assets. The balances and activity stated at cost with no depreciation, are as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Land	$ 305,942	$ -	$ -	$ 305,942
Building	3,365,671	-	-	3,365,671
Mobile equipment	50,772	-	-	50,772
Furniture	813,956	2,888	24,231	792,613
Electronic equipment	325,450	57,798	55,430	327,818
	$ 4,861,791	$ 60,686	$ 79,661	$ 4,842,816

5. LONG-TERM LIABILITIES

There were no long-term liabilities as of the year ended December 31, 2023.

6. DEFINED BENEFIT PENSION PLAN

Plan Description. The Library 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.

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 of 6.00% 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% for the Death and Disability Program) and the statutory contribution rate was 8.43% for the fiscal year ended December 31, 2023. Contributions to the pension plan from the Library were $116,149 for the year ended December 31, 2023.

Net Pension Liability. At December 31, 2023, the Library's proportionate share of the collective net pension liability reported by KPERS was $1,269,442. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. 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 non-employer 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.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

As provided by K.S.A. 12-5040, the Library 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 this financial statement.

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.

(b) Other Post Employment Benefits - KPERS Death and Disabilities

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, 2023.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

(c) Other Employee Benefits

Vacation: The Library provides all regular full-time employees and eligible regular part-time employees with pay as follows:

1. Employees from Hire to 3 years of service will accumulate 6.67 hours monthly of accrued vacation (2 weeks of vacation). 3/4 time employees will accumulate 5 hours monthly of accrued vacation and 3.33 hours accrued vacation.

2. Employees with 3 years of service up to 6 years of service will accumulate 10 hours monthly of accrued vacation (3 weeks of vacation). 3/4 time employees will accumulate 6.67 hours accrued vacation and 5.00 hours accrued vacation.

3. Employees with 6 years of service up to 15 years of service will accumulate 13.33 hours monthly of accrued vacation (4 weeks of vacation). 3/4 time employees will accumulate 10 hours accrued vacation and 6.67 hours of accrued vacation.

4. Employees with 15 years or more of service will accumulate 16.66 hours monthly of accrued vacation (5 weeks of vacation). 3/4 time employees will accumulate 13.33 hours accrued vacation and 10 hours of accrued vacation.

Vacation leave in excess of accumulated maximum limits shall be forfeited as of December 25 of each year. No employee shall take more than two weeks vacation at one time, except when approved by the supervisor and the Library Director. Unearned vacation cannot be taken in advance. Vacation is to be recorded in 15 minute intervals. When reported, any fraction of a quarter hour will be rounded to the next quarter hour. Vacation is to be scheduled in order not to disrupt the continuity of library service. No employee may take earned vacation without prior approval from his/her supervisor. Forms for requesting or recording annual leave are available from the employee's supervisor or the Business Office. The Business Office keeps a record of all absences, and employee leave balances are noted monthly on paycheck stub.

Sick Leave: Full-time employees earn sick leave beginning with the month of employment at the rate of 6.67 hours per month or 80 hours per year. Full-time employees may accrue up to 320 hours. Part-time employees earn sick leave beginning with the month of employment at the rate of 5 hours per month for ¾ time employees and 3.33 hours per month for ½ time employees. ¾ time employees may accrue up to 240 hours and ½ time employees may accrue up to 160 hours. Sick leave with pay is granted only after it has been earned and for the following reasons:

1. For the absence of the employee due to his/her own illness, injury, medical confinement or quarantine or as a result of childbirth, and recovery or related complications.

2. For the absence of the employee due to illness or injury of someone in the employee's immediate family, for which the employee's presence is needed. Immediate family is defined to mean a spouse, parent, child, grandparent or person for whom you have legal responsibility.

3. Medical or dental appointments. Part-time employees are encouraged to make appointments on their own time, if possible.

Once an employee has been absent for a period of five consecutive working days, the employee must obtain a doctor's certification to return to work. Vacation must be used for sick leave purposes after accrued sick leave is exhausted. Sick leave is to be recorded in 15 minute intervals. Forms for reporting sick leave are available from and must be approved by the employee's supervisor. Upon approval, the form should be forwarded to the Business Office. Scheduled appointments should be requested before appointment time on the Sick/Vacation form available from the employee's supervisor or the business office. Any employee who uses less than 25% of their sick leave earned annually will receive on extra day of vacation in January of the following year.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

Sick Leave Pool: All employees working 20 hours or more are eligible to participate in the Library sick leave pool program. The purpose of the program is to contribute sick leave hours to a pool for use when members of the pool have exhausted their accumulated vacation and sick leave, and a physician states that they are unable to work.

(c) Other Employee Benefits (Cont.)

Normal maternity delivery and illness of other family members are not covered by the program. New employees may join in their first month of employment. There will be open enrollment each year between December 1 and December 15. Employees who wish to discontinue participation in the sick leave pool program may do so at any time by notifying the Library Director in writing. Employees who withdraw are not eligible to re-enroll and the hours they have contributed will remain in the pool. At the time an employee retires or leaves employment, they may contribute up to 40 hours of accrued sick leave to the pool. A form for that purpose is available in the business office.

8. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Improvement Fund	KSA 12-1,118	$ 77,000

9. CLAIMS AND JUDGMENTS

The Library participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Library may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the Library believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Library.

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2022 to 2023 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the Library is a party to various claims, legal actions and complaints. It is the opinion of the Library's management and legal counsel that these matters are not anticipated to have a material impact on the Library.

10. SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

REGULATORY – REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2023

SCHEDULE 1

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2023

Funds	Certified Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUND:			
General Fund	$ 2,115,039	$ 2,019,848	$ (95,191)
SPECIAL PURPOSE FUNDS:			
Employee Benefits Fund	486,989	414,065	(72,924)
Billing Fines & Fees Fund	52,017	35,650	(16,367)
SCKLS Allocation Fund	158,870	156,339	(2,531)
Capital Improvement Fund	398,181	82,150	(316,031)

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes-local	$ 1,847,807	$ 1,966,916	$ 1,969,641	$ (2,725)
Earnings on investments	5,727	11,249	300	10,949
Total Receipts	1,853,534	1,978,165	$ 1,969,941	$ 8,224
Expenditures				
Audit and budget	12,650	12,913	$ 13,000	$ (87)
Library materials	56,089	31,083	91,000	(59,917)
Online services	62,412	39,579	49,000	(9,421)
OCLC	20,878	21,574	35,000	(13,426)
Equipment and maintenance	6,339	26,324	25,000	1,324
Insurance	24,280	29,901	30,000	(99)
Periodicals	24,155	26,237	35,000	(8,763)
Postage	10,939	14,544	15,000	(456)
Public relations	11,952	20,345	16,000	4,345
Contractual services	38,625	41,794	40,000	1,794
Building maintenance	47,361	51,351	40,000	11,351
Salaries	1,252,349	1,378,754	1,412,655	(33,901)
Supplies	23,498	32,051	26,000	6,051
Travel	-	2,523	3,000	(477)
Utilities	105,146	105,109	105,000	109
Computer services	79,870	108,766	75,000	33,766
Cash carry forward	-	-	94,384	(94,384)
Transfer to Capital Improvement Fund	150,000	77,000	10,000	67,000
Total Expenditures	1,926,543	2,019,848	$ 2,115,039	$ (95,191)
Receipts over (under) Expenditures	(73,009)	(41,683)		
Unencumbered Cash, Beginning	234,285	161,276		
Unencumbered Cash, Ending	$ 161,276	$ 119,593		

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

SPECIAL PURPOSE FUND

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes - local	$ 418,045	$ 449,317	$ 444,735	$ 4,582
Miscellaneous	-	(12)	-	(12)
Total Receipts	418,045	449,305	$ 444,735	$ 4,570
Expenditures				
Workers' compensation	4,709	4,719	$ 9,000	$ (4,281)
Social security and medicare	91,945	101,714	100,132	1,582
KPERS	122,911	129,636	127,389	2,247
Health insurance	168,253	168,164	200,000	(31,836)
Unemployment insurance	1,128	1,248	9,883	(8,635)
Life insurance	5,931	6,826	6,217	609
Cafeteria plan management	1,658	1,758	1,891	(133)
Total Expenditures	396,535	414,065	$ 486,989	$ (72,924)
Receipts Over (Under) Expenditures	21,510	35,240		
Unencumbered Cash, Beginning	58,514	80,024		
Unencumbered Cash, Ending	$ 80,024	$ 115,264		

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

SPECIAL PURPOSE FUND

BILLING FINES AND FEES FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Fines and fees	$ 22,052	$ 25,606	$ 50,000	$ (24,394)
Investment income	4,343	11,013	-	11,013
Total Receipts	26,395	36,619	$ 50,000	$ (13,381)
Expenditures				
Operating	15,338	13,660	$ 25,000	$ (11,340)
Equipment and maintenance	-	-	5,000	(5,000)
Copier	7,083	8,404	9,500	(1,096)
Microfilm	12	4,916	4,500	416
Supply	1,410	1,406	2,000	(594)
Travel/Training	1,000	-	2,000	(2,000)
Cash carry forward	-	-	4,017	(4,017)
Total Expenditures	26,412	35,650	$ 52,017	$ (16,367)
Receipts Over (Under) Expenditures	(17)	969		
Unencumbered Cash, Beginning	17	-		
Unencumbered Cash, Ending	$ -	$ 969		

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

SPECIAL PURPOSE FUND

SCKLS ALLOCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Allocation from SCKLS	$ 156,033	$ 150,666	$ 125,000	$ 25,666
Expenditures				
Library materials	74,131	48,928	$ 106,664	$ (57,736)
Equipment and maintenance	12,471	39,472	5,000	34,472
Salaries	2,400	10,400	4,530	5,870
Travel	7,685	15,867	10,000	5,867
Contractual services	18,630	41,672	15,000	26,672
Operating	7,855	-	12,000	(12,000)
Cash carry forward	-	-	5,676	(5,676)
Total Expenditures	123,172	156,339	$ 158,870	$ (2,531)
Receipts over (under) Expenditures	32,861	(5,673)		
Unencumbered Cash, Beginning	45,400	78,261		
Unencumbered Cash, Ending	$ 78,261	$ 72,588		

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

SPECIAL PURPOSE FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

		2023		
	2022 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfer from General Fund	$ 150,000	$ 77,000	$ 10,000	$ 67,000
Expenditures				
Equipment and maintenance	243,081	82,150	$ 138,833	$ (56,683)
Cash carry forward	-	-	259,348	(259,348)
Total Expenditures	243,081	82,150	$ 398,181	$ (316,031)
Receipts over (under) Expenditures	(93,081)	(5,150)		
Unencumbered Cash, Beginning	477,014	383,933		
Unencumbered Cash, Ending	$ 383,933	$ 378,783		

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

SPECIAL PURPOSE FUND

STATE GRANTS IN AID FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
State aid	$ 11,515	$ 11,196
Expenditures		
Library materials	11,515	11,196
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

SPECIAL PURPOSE FUND

EXPENDABLE GIFT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Contributions	$ 156,114	$ 129,552
Earnings on investments	-	1,180,505
Total Receipts	156,114	1,310,057
Expenditures		
Library materials	174,660	239,809
Online services	-	9,685
Miscellaneous operations	500	430,562
Loss on investments	730,706	730,706
Contractual services	-	1,570
Operating	2,981	1,337
Total Expenditures	908,847	1,413,669
Receipts over (under) Expenditures	(752,733)	(103,612)
Unencumbered Cash, Beginning	4,089,594	3,336,861
Unencumbered Cash, Ending	$ 3,336,861	$ 3,233,249

THE HUTCHINSON PUBLIC LIBRARY
HUTCHINSON, KANSAS

TRUST FUND

NONEXPENDABLE GIFT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Totals for the Prior Year Ended December 31, 2022)

	2022 Actual	2023 Actual
Receipts		
Contributions	$ -	$ -
Expenditures		
Operating	11,388	-
Receipts over (under) Expenditures	(11,388)	-
Unencumbered Cash, Beginning	954,124	942,736
Unencumbered Cash, Ending	$ 942,736	$ 942,736