NORTHWEST KANSAS LIBRARY SYSTEM
Norton, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
January 1, 2021 to December 31, 2021

MAPES & MILLER
Certified Public Accountants
Norton, Kansas

NORTHWEST KANSAS LIBRARY SYSTEM
Norton, Kansas
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Report
January 1, 2020 to December 31, 2020

TABLE OF CONTENTS

	Page Number
Independent Auditor's Report	1
Financial Section	
STATEMENT 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Composition of Cash	4
Notes to the Financial Statement	5
Regulatory-Required Supplementary Information	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	12
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget	
General	13
Employee Benefits	15
Schedule of Receipts and Expenditures – Actual	
State Aid	16
FY 2019-2020 Blind & Physically Handicapped Grant	17
FY 2020-2021 Blind & Physically Handicapped Grant	18
KHC Grant	19
6 X 6 Replacement	20
Capital Improvement	21
KLA Contract	22
3D Printer	23
ARPA Grant	24
Sharp Grant	25
Smart Grant	26
Memorial Fund	27
SCHEDULE 3	
Summary of Receipts and Cash Disbursements – Agency Funds	28

Mapes & Miller LLP
Certified Public Accountants

418 E. Holme, Norton, KS 67654-1412
Phone: 785-877-5833 Email: mmcpas@ruraltel.net

Members of the American Institute of Certified Public Accountants
and the Kansas Society of Certified Public Accountants

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

JOHN D. MAPES, CPA, CHTD
DENIS W. MILLER, CPA, PA
THOMAS B. CARPENTER, CPA, PA
DON E. TILTON, CPA, PA
BRIAN S. THOMPSON, CPA, PA
REBECCA A. LIX, CPA, PA
STEPHANIE M. HEIER, CPA, PA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northwest Kansas Library System
Norton, KS 67654

Adverse and Unmodified Opinions
We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Northwest Kansas Library System, Norton, Kansas, a Municipal Financial Reporting Entity as of and for the year ended December 31, 2021, 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 Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the 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 Northwest Kansas Library System, Norton, Kansas, as of December 31, 2021, 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 financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Northwest Kansas Library System, Norton, Kansas, as of December 31, 2021, 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 Northwest Kansas Library System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our adverse and unmodified 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 Northwest Kansas Library System 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 System's ability to continue as a

going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Generally Accepted Auditing Standards (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

1) Exercise professional judgment and maintain professional skepticism throughout the audit.
2) 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.
3) 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 Northwest Kansas Library System's internal control. Accordingly, no such opinion is expressed.
4) 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.
5) Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwest Kansas Library System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, individual fund schedules of regulatory basis receipts and expenditures-actual and budget and regulatory basis summary of receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for 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 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 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.

Mapes & Miller LLP

Certified Public Accountants

Norton, Kansas
October 21, 2022

NORTHWEST KANSAS LIBRARY SYSTEM
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General Funds							
General	$ 20,407	0	592,836	567,260	45,983	0	45,983
Special Purpose Funds							
Employee Benefits	9,702	0	82,411	84,676	7,437	4,013	11,450
State Aid	0	0	50,088	50,088	0	0	0
Blind & Physically Handicapped							
FY 2020-2021	7,022	0	0	7,022	0	0	0
KHC Grant	712	0	3,500	3,981	231	0	231
6 X 6 Replacement	2,319	0	0	0	2,319	0	2,319
Capital Improvement Fund	22,123	0	0	9,950	12,173	0	12,173
KLA Contract	0	0	13,336	13,336	0	0	0
3D Printer	5,000	0	0	3,952	1,048	0	1,048
ARPA Grant	0	0	22,618	22,618	0	0	0
Sharp Grant	0	0	5,440	0	5,440	0	5,440
Smart Grant	0	0	17,000	17,000	0	0	0
Trust Funds							
Memorial	46,563	0	2,000	837	47,726	0	47,726
Total Reporting Entity (Excluding Agency Funds)	$ **113,848**	**0**	**789,229**	**780,720**	**122,357**	**4,013**	**126,370**

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

NORTHWEST KANSAS LIBRARY SYSTEM
Composition of Cash
Regulatory Basis
For the Year Ended December 31, 2021

Solutions North Bank, Norton, Kansas		
NOW Account	$	69,582
Equity Bank, Norton, Kansas		
Certificates of Deposit		56,301
Cash on Hand		487
Total Cash and Investments		126,370
Less Agency Funds - Schedule 3		0
Total Reporting Entity per Statement 1, Page 1	$	**126,370**

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

l. Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Northwest Kansas Library System, Norton, Kansas is organized under K.S.A. 75-2547, et. seq., to operate as a regional system of cooperating libraries for twelve counties in Northwest Kansas for the purpose of improving library service to all citizens in the Northwest Kansas area and to otherwise promote library interest in the State of Kansas. The System accomplishes this by providing various books and materials to libraries and citizens within the region; providing consulting, education and training services to library personnel, trustees and volunteers; providing assistance in the coordination of information on resources available within the region and the State of Kansas and access by citizens to those resources; and the provision of system service grants to member libraries. The System is governed by a System Board and an Executive Committee. The System Board is comprised of one representative from the Board of Trustees of each participating library and the County's appointee from each participating county. The System Board adopts the annual budget and plan of services, approves officers elected by the Executive Committee and amends the bylaws. The Executive Committee consists of one member from each county in the System that levies a system tax as provided under K.S.A. 75-2551. At least one member of the Executive Committee must be a County's appointee. The Executive Committee is empowered to conduct all affairs of the System not reserved for the System Board.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the System for the year 2021:

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.

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 (payroll clearing fund, county treasurer tax collection accounts, etc.).

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 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.

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 adoption of the legal annual operating budget:

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 final budget on or before August 25th.

If the municipality 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 municipality did not hold a revenue neutral rate hearing for this 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 projects funds, trust funds, and the following funds:

State Aid
FY 2020-2021 Blind & Physically Handicapped
KHC Grant
6 X 6 Replacement
Capital Improvement
KLA Contract
3D Printer
ARPA Grant
Sharp Grant
Smart Grant

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.

2. **Stewardship, Compliance and Accountability**

Compliance with Kansas Statutes. No statutory violations noted in 2021.

3. **Deposits and Investments**

K.S.A. 9-1401 establishes the depositories which may be used by the System. The statute requires banks eligible to hold the System's funds have a main or branch bank in the county in which the System 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 System has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the System'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 System has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the System 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 System's deposits may not be returned to it. State statutes require the System'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, except during designated "peak periods" when required coverage is 50%. The System's designated "peak periods" are from February 15 through April 16. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the System's carrying amount of deposits was $146,756 and the bank balance was $141,143. The bank balance was held by two banks resulting in a concentration of credit risk. All of the bank balance was covered by federal depository insurance.

4. **Other Long-Term Obligations from Operations**

Other Post Employment Benefits
As provided by K.S.A. 12-5040, the System allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually; the System 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 System 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.

Compensated Absences

Sick Pay. Full and regular part-time employees who work at least twenty hours per week are allowed paid sick leave. Sick leave is earned at the rate of 1/26th of the annual amount of thirteen normal working days each pay period. Sick leave accumulates to a maximum of sixty working days. Unused sick leave is not paid upon termination of the employee.

Vacation Pay. Annual vacation time with pay is granted to all full-time employees and regular part-time employees who work at least twenty hours per week. Nonprofessionals shall accumulate, from the beginning of employment, 1/26th of their annual amount per pay period to a maximum of thirteen days with less than five years of service and to a maximum of nineteen and one-half days with five or more years of service. Professionals shall accumulate, from the beginning of employment, 1/26th of their annual amount per pay period to a maximum of nineteen and one-half days with less than five years of service and to a maximum of twenty-six days with five or more years of service. Upon termination an employee will be compensated for all unused vacation days.

5. Defined Benefit Pension Plan

Plan Description

Northwest Kansas Library System 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, Kansas 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 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from Northwest Kansas Library System were 27,220 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the Northwest Kansas Library System's proportionate share of the collective net pension liability reported by KPERS was $169,230. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The Northwest Kansas Library System's proportion of the net pension liability was based on the ratio of the Northwest Kansas Library System'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.

6. **Claims and Judgments**

The System 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 System may be required to reimburse the grantor government. As of the date of this report, the grant expenditures have not been audited, but the System believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect of any of the individual government funds or the overall financial position of the System.

The System 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 system has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2020 to 2021 and there were no settlements that exceeded insurance coverage in the past three years.

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

7. **Operating Leases**

Building

On April 6, 2011, the System entered into an agreement with the City of Norton to lease space in a building commonly known as Washington Square. The agreement calls for ten annual rental payments of $12,204, to be paid in quarterly installments, through December 2021. Unless the System notifies the City of its intent not to renew the lease at least six months prior to the end of the ten year lease period, the lease will automatically be extended for an additional lease term of one year. At the end of that one year period, the lease will automatically renew for subsequent one year renewals, unless notice is given by the System to the City of its intent not to renew the lease. The lease will also terminate if the City ceases to use the building as the Norton City Library. Total payments made during the year ending December 31, 2021 were $12,204.

On November 10, 2021, the System entered into an updated five year lease agreement with the City of Norton. The agreement calls for an annual rental payment of $12,204, to be paid in quarterly installments, for 2022. The agreement calls for an annual rental payment for the subsequent four years of $18,306, to be paid in quarterly installments. Unless the System notifies the City of its intent not to renew the lease at least six months prior to the end of the five year lease period, the lease will automatically be extended for an additional lease term of one year. At the end of that one year period, the lease will automatically renew for subsequent one year renewals, unless notice is given by the System to the City of its intent not to renew the lease. The lease will also terminate if the City ceases to use the building as the Norton City Library.

Copy Machine

On May 20, 2019, the System entered into an agreement with Xerox for the lease of six copy machines. The agreement and supplemental agreement calls for sixty monthly rental payments of $946, plus a copy charge of $0.0113 per copy and a copy charge of $.099 per copy for color copies. Total payments made

during the year ending December 31, 2021 were $20,763.68. The amounts due under this agreement in future periods are as follows:

Year	Payment
2022	11,352
2023	11,352
2024	4,730

8. **Comparative Data for 2020**

The amounts shown for 2020 in the accompanying financial statements are included, where practicable, only to provide a basis for comparison with 2021, and are not intended to present all information necessary for a fair presentation. Certain amounts for 2020 may have been restated to conform with the presentation of similar amounts for 2021.

9. **Interfund Transactions**

There were no operating transfers made in 2021.

10. **COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. THe full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the System's financial condition, liquidity, and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021.

As a result of COVID-19, the State of Kansas has received Coronoavirus State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan Act (ARPA). The SLFRF was received from the U.S. Department of Treasury. The System received SLFRF in the amount of $22,618 during 2021. The SLFRF are to be used to strengthen and improve infrastructure and continue to support the recovery related to the public health emergency. Additional information and updates on ARPA SLFRF, which includes audit requirements, can be found at https://home.treasury.gov.

10. **Subsequent Events**

Management has evaluated the effects on 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.

NORTHWEST KANSAS LIBRARY SYSTEM
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

NORTHWEST KANSAS LIBRARY SYSTEM SCHEDULE 1

Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Types:					
General	593,992	0	593,992	567,260	(26,732)
Special Revenue Funds:					
Employee Benefits	95,000	0	95,000	84,676	(10,324)

NORTHWEST KANSAS LIBRARY SYSTEM
GENERAL
Schedule of Receipts and Expenditures
Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over (Under)
Receipts:				
Taxes	$ 593,306	570,485	572,792	(2,307)
Other Income	694	28	0	28
Interest on idle funds	1,258	557	1,200	(643)
Reimbursed Expenses	0	21,766	0	21,766
Total Receipts	595,258	592,836	573,992	18,844
Expenditures:				
Salaries	230,902	262,395	225,042	37,353
Health Insurance	8,111	0	20,000	(20,000)
KPERS	11,799	13,000	13,000	0
Kansas unemployment tax	1,142	1,200	1,200	0
Audio-visual	7,220	6,163	13,000	(6,837)
Bibliograhic service	6,640	6,371	6,400	(29)
Books	48,487	75,958	87,700	(11,742)
Building cost	17,287	20,726	21,500	(774)
Capital outlay	5,362	0	0	0
Computer support	38,183	28,471	35,600	(7,129)
Contractual services	1,063	3,112	3,000	112
Education	1,315	2,760	4,000	(1,240)
Grants to member libraries	109,132	92,400	96,000	(3,600)
Insurance	12,492	12,486	9,800	2,686
Maintenance	2,108	2,362	2,000	362
Marketing	3,285	1,689	2,000	(311)
Miscellaneous	2,132	2,440	2,700	(260)
Periodicals	29,717	402	500	(98)
Postage	3,317	322	4,250	(3,928)
Printing	3,329	4,543	5,000	(457)
Required fees	6,040	6,115	6,300	(185)
Supplies	7,298	2,415	5,000	(2,585)
Telephone	2,620	3,815	3,000	815
Travel	10,230	14,383	20,000	(5,617)
Workshops	7,627	3,732	5,000	(1,268)
Transfer to Capital Improvement	10,000	0	2,000	(2,000)
Total Expenditures	586,838	567,260	**593,992**	**(26,732)**

NORTHWEST KANSAS LIBRARY SYSTEM
GENERAL
Schedule of Receipts and Expenditures
Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over (Under)
Receipts Over (Under) Expenditures	$ 8,420	25,576		
Unencumbered Cash, Beginning	11,987	20,407		
Unencumbered Cash, Ending	$ **20,407**	**45,983**		

NORTHWEST KANSAS LIBRARY SYSTEM
EMPLOYEE BENEFITS
Schedule of Receipts and Expenditures
Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over (Under)
Receipts:				
Taxes	$ 88,231	82,411	**89,000**	**(6,589)**
Expenditures:				
Employee Benefits	84,529	84,676	**95,000**	**(10,324)**
Receipts Over (Under) Expenditures	3,702	(2,265)		
Unencumbered Cash, Beginning	6,000	9,702		
Unencumbered Cash, Ending	$ **9,702**	**7,437**		

NORTHWEST KANSAS LIBRARY SYSTEM
STATE AID
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Prior Year Actual	Current Year Actual
Receipts:			
Grant - state aid	$	50,088	50,088
Expenditures:			
Books		13,044	13,044
Computer Support		5,000	5,000
Grants		14,044	14,044
Salaries		18,000	18,000
Total Expenditures		50,088	50,088
Receipts Over (Under) Expenditures		0	0
Unencumbered Cash, Beginning		0	0
Unencumbered Cash, Ending	$	**0**	**0**

NORTHWEST KANSAS LIBRARY SYSTEM
FY 2019-2020 BLIND & PHYSICALLY HANDICAPPED GRANT
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts:		
Grant - state aid	$ 0	0
Expenditures:		
Salaries	7,022	0
Receipts Over (Under) Expenditures	(7,022)	0
Unencumbered Cash, Beginning	7,022	0
Unencumbered Cash, Ending	$ **0**	**0**

NORTHWEST KANSAS LIBRARY SYSTEM
FY 2020-2021 BLIND & PHYSICALLY HANDICAPPED GRANT
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts:		
Grant - state aid	$ 14,043	0
Expenditures:		
Salaries	7,021	7,022
Receipts Over (Under) Expenditures	7,022	(7,022)
Unencumbered Cash, Beginning	0	7,022
Unencumbered Cash, Ending	$ **7,022**	**0**

NORTHWEST KANSAS LIBRARY SYSTEM
KHC GRANT
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts:		
Grant	$ 3,500	3,500
Expenditures:		
Postage	1,044	1,500
Supplies	0	250
Salaries	2,000	1,962
Books	244	269
Total Expenditures	3,288	3,981
Receipts Over (Under) Expenditures	212	(481)
Unencumbered Cash, January 1	500	712
Unencumbered Cash, December 31	$ **712**	**231**

NORTHWEST KANSAS LIBRARY SYSTEM
6 X 6 REPLACEMENT
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts:		
Transfer from 6 X 6 Kits	$ 0	0
Transfer from 6 X 6 Backpacks	0	0
Total Receipts	0	0
Expenditures:		
Supplies	0	0
Miscellaneous	62	0
Total Expenditures	62	0
Receipts Over (Under) Expenditures	(62)	0
Unencumbered Cash, January 1	2,381	2,319
Unencumbered Cash, December 31	$ **2,319**	**2,319**

NORTHWEST KANSAS LIBRARY SYSTEM
CAPITAL IMPROVEMENT
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts:		
Transfer from General	$ 10,000	0
Expenditures:		
Capital Outlay	17,400	9,950
Receipts Over (Under) Expenditures	(7,400)	(9,950)
Unencumbered Cash, January 1	29,523	22,123
Unencumbered Cash, December 31	$ **22,123**	**12,173**

NORTHWEST KANSAS LIBRARY SYSTEM
KLA Contract
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Prior Year Actual	Current Year Actual
Receipts:			
KLA Contract Income	$	20,004	13,336
Expenditures:			
Salaries		21,671	13,336
Total Expenditures		21,671	13,336
Receipts Over (Under) Expenditures		(1,667)	0
Unencumbered Cash, January 1		1,667	0
Unencumbered Cash, December 31	$	**0**	**0**

NORTHWEST KANSAS LIBRARY SYSTEM
3D Printer
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Prior Year Actual	Current Year Actual
Receipts:			
Grant	$	5,000	0
Expenditures:			
Capital Outlay		0	3,952
Total Expenditures		0	3,952
Receipts Over (Under) Expenditures		5,000	(3,952)
Unencumbered Cash, January 1		0	5,000
Unencumbered Cash, December 31	$	**5,000**	**1,048**

NORTHWEST KANSAS LIBRARY SYSTEM
ARPA Grant
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

	Prior Year Actual	Current Year Actual
Receipts:		
Grant	$ 0	22,618
Expenditures:		
Capital Outlay	0	22,618
Total Expenditures	0	22,618
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	0	0
Unencumbered Cash, December 31	$ **0**	**0**

NORTHWEST KANSAS LIBRARY SYSTEM
Sharp Grant
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Prior Year Actual	Current Year Actual
Receipts:			
Grant	$	0	5,440
Expenditures:			
Capital Outlay		0	0
Total Expenditures		0	0
Receipts Over (Under) Expenditures		0	5,440
Unencumbered Cash, January 1		0	0
Unencumbered Cash, December 31	$	**0**	**5,440**

NORTHWEST KANSAS LIBRARY SYSTEM
Smart Grant
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Prior Year Actual	Current Year Actual
Receipts:			
Grant	$	0	17,000
Expenditures:			
Capital Outlay		0	17,000
Total Expenditures		0	17,000
Receipts Over (Under) Expenditures		0	0
Unencumbered Cash, January 1		0	0
Unencumbered Cash, December 31	$	**0**	**0**

NORTHWEST KANSAS LIBRARY SYSTEM
MEMORIAL FUND
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		Prior Year Actual	Current Year Actual
Receipts:			
Donations	$	2,050	2,000
Expenditures:			
Postage & Marketing		0	0
Supplies		0	0
Computer Support		475	837
BPH Materials & Supplies		490	0
Grants		0	0
Miscellaneous		0	0
Total Expenditures		965	837
Receipts Over (Under) Expenditures		1,085	1,163
Unencumbered Cash, January 1		45,478	46,563
Unencumbered Cash, December 31	$	**46,563**	**47,726**

NORTHWEST KANSAS LIBRARY SYSTEM SCHEDULE 3

AGENCY FUNDS

Summary of Receipts and Cash Disbursements

Regulatory Basis

For the Year Ended December 31, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disburse-ments	Ending Cash Balance
Sales Tax	$ **0**	**83**	**83**	**0**