

**HAYS PUBLIC LIBRARY**

Primary Government Financial Statements  
With Independent Auditors' Report

For the Year Ended December 31, 2011

**HAYS PUBLIC LIBRARY**  
Primary Government Financial Statements With Independent Auditors' Report  
For the Year Ended December 31, 2011

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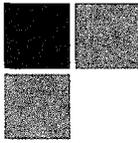
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Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**Hays Public Library**  
Hays, Kansas

We have audited the accompanying primary government financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Hays Public Library**, component unit of City of Hays, Kansas, as of and for the year ended December 31, 2011, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of **Hays Public Library's** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements do not include financial data for the Library's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the Library's primary government unless the Library also issues financial statements for the financial reporting entity that include the financial data for its component unit. The Library has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component unit would have been reported as \$152,865.

The financial statements do not include the required annual cost and long-term obligations of the Library's Other Postemployment Benefits as required by Governmental Auditing Standards Board Statements Number 43 and Number 45. Accounting principles generally accepted in the United States of America require the financial data for these Other Postemployment Benefits be reported in the primary government financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities and net assets of the primary government financial statements are not reasonably determinable and are presumed to be material.

In our opinion, because of the departures mentioned in the two preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component unit and the Other Postemployment Benefits of **Hays Public Library**, as of December 31, 2011, or the changes in financial position thereof for the year then ended.

**Hays Public Library**  
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In addition, in our opinion, except for the effects listed above, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of **Hays Public Library**, as of December 31, 2011, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 20 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **Hays Public Library's** financial statements as a whole. The introductory section and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, 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 financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Adams, Brown, Beran & Ball*  
**ADAMS, BROWN, BERAN & BALL, CHTD.**  
Certified Public Accountants

May 14, 2012

**HAYS PUBLIC LIBRARY**  
Management's Discussion and Analysis

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The discussion and analysis of **Hays Public Library's** financial performance provides an overview of the Library's financial activities for the year ended December 31, 2011. Please read in conjunction with the Library's financial statements, which begin after this report.

## **FINANCIAL HIGHLIGHTS**

### **Internet Changes**

In 2011, the Library received notice that part of a grant Nex-Tech received included providing free internet services to public libraries in its service area. The Library already had the required fiber needed to receive Nex-Tech service. The change has allowed the Library to provide faster internet service to its patrons and to discontinue an expensive KanRen subscription that provided less robust service. In addition to internet service, the Library switched to Nex-Tech for its telephone service, which has cut telephone bills nearly in half, while keeping the Library eligible for the Erate discount.

### **Catalog Changes**

The Library changed its online catalog subscription service with Sirsi. The Library had previously been paying a very high rate for a service better suited for a library system operating several branches. Sirsi allowed the Library to scale back to a more basic system that better suites the size of the Library with the option to look at additional enhancements in the future as the Library changes.

### **Paper Order**

The Library's copier paper is ordered in bulk through Unified School District #489 in order to get a discount for both entities. The more USD #489 orders, the lower the price per case. The Library pays for its cases at a discounted rate. In April 2010, the Library ordered 37 cases. The Library had 6 cases on hand when the 37 arrived, which totaled 43 cases of paper in July 2010. When it came time to reorder in April 2011, the Library had 31 cases of paper on hand. Due to switching a majority of overdue and fine notices to email, as well as distributing electronic board packets rather than paper packets, the Library has gone from using approximately 30 cases of paper over a 9 month period to approximately 12.

## **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and Statement of Activities on pages 7 through 8 provide information about the activities of the Library as a whole and present a longer-term view to the Library's finances. Fund financial statements start on page 20. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Library's operations in more detail than the government wide statements by providing information about the Library's most significant funds.

## **REPORTING THE LIBRARY AS A WHOLE**

### **The Statement of Net Assets and the Statement of Activities**

Our analysis of the Library as a whole begins on page 7. One of the most important questions asked about the Library's finances is "Is the Library as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Library as a whole and about its activities that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Library's net assets and changes in them. Think of the Library's net assets - the difference between assets and liabilities - as one way to measure the Library's financial health or financial position. Over time, increases or decreases in the Library's net assets are one indicator of whether financial health is improving or deteriorating.

**HAYS PUBLIC LIBRARY**  
Management's Discussion and Analysis

The Library has elected not to include the component unit in these financial statements. The notes to the financial statements contain more information concerning the entity that is considered a component unit of the Library. Financial statements of the component unit can be obtained by contacting the **Hays Public Library Director**.

**REPORTING THE LIBRARY'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

Analysis of the Library's major funds begins on page 9. The fund financial statements begin on page 20 and provide detailed information about the most significant funds, not the Library as a whole. However, the Library Board established other funds to help or control money for particular purposes or to show that it is meeting legal responsibility for using grants and other monies. The Library uses governmental funds.

The Library's services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can regularly be converted to cash. The governmental fund statements provide a short-term view of the Library's general government operations and the services it provides.

Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. We describe the relationship (or differences) between governmental activities (reported in a statement of net assets and the statement of activities) and the governmental funds in reconciliation at the bottom of the fund financial statements.

**THE LIBRARY AS A WHOLE**

**TABLE 1**  
**NET ASSETS**

	Governmental Activities and Total Primary Government	
	2011	2010
Current Assets	\$ <u>2,457,616</u>	<u>2,355,434</u>
Capital Assets	<u>3,666,559</u>	<u>3,767,329</u>
Total Assets	<u>6,124,175</u>	<u>6,122,763</u>
Current Liabilities	<u>1,430,441</u>	<u>1,460,257</u>
Other Liabilities	<u>137,357</u>	<u>132,638</u>
Total Liabilities	<u>1,567,798</u>	<u>1,592,895</u>
Invested in Capital Assets	<u>3,666,559</u>	<u>3,767,329</u>
Reserved	<u>677,032</u>	<u>570,401</u>
Unrestricted	<u>212,786</u>	<u>192,138</u>
<b>Total Net Assets</b>	<u>\$ <u>4,556,377</u></u>	<u><u>4,529,868</u></u>

**HAYS PUBLIC LIBRARY**  
Management's Discussion and Analysis

**TABLE 2**  
**STATEMENT OF ACTIVITIES**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Governmental Activities
					2011	2010
Primary Government						
Governmental Activities						
General Government	\$ 1,489,988	6,228	90,811	45,043	\$ (1,347,906)	(1,399,373)
<b>General Revenues, Special Items, and Transfers</b>						
					1,330,638	1,321,388
					3,397	5,859
					2,878	4,483
					18,073	16,953
					19,229	9,611
					200	-
					<b>1,374,415</b>	<b>1,358,294</b>
					Change in Net Assets	26,509 (41,079)
					Net Assets - Beginning of Year	4,529,868 4,570,947
					<b>Net Assets - End of Year</b>	<b>\$ 4,556,377 4,529,868</b>

**CAPITAL ASSET ADMINISTRATION**

At the end of 2011, the Library had \$3,666,559 invested in capital assets net of depreciation. Significant capital purchases for 2011 included a printer, computer software, a server, a Dell computer, an air conditioning motor, guttering, books and non-print items totaling \$249,375.

**TABLE 3**  
**CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)**

	Governmental Activities and Total Primary Government	
	2011	2010
Building	\$ 2,849,978	2,930,727
Equipment	65,049	69,499
Furniture and Fixtures	122,153	151,936
Books and Non Prints	629,379	615,167
<b>Total</b>	<b>\$ 3,666,559</b>	<b>3,767,329</b>

**HAYS PUBLIC LIBRARY**  
Management's Discussion and Analysis

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**CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Library's finances. The report is also designed to show the Library's accountability for the money it receives.

Further questions concerning this report or the financial status of the **Hays Public Library** should be directed to the Library Director's office at 1205 Main, Hays, Kansas (785) 625-9014.



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**Eric Norris**  
Library Director  
**Hays Public Library**

**HAYS PUBLIC LIBRARY**  
Statement of Net Assets  
December 31, 2011  
(With Comparative Totals at December 31, 2010)

	<b>Primary Government Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
<b><u>ASSETS</u></b>		
Cash	\$ 1,060,594	979,307
Apportionments Receivable		
Net of Allowance for Uncollectibles	1,381,115	1,359,200
Restricted Cash - Beach Donation	15,907	16,927
Capital Assets - Net of Depreciation		
Building	2,849,978	2,930,727
Equipment	65,049	69,499
Furniture and Fixtures	122,153	151,936
Books and Non Prints	629,379	615,167
<b>Total Assets</b>	<b>6,124,175</b>	<b>6,122,763</b>
<b><u>LIABILITIES</u></b>		
Accounts Payable	42,529	94,881
Accrued Payroll Liabilities	6,797	6,176
Deferred Revenue	1,381,115	1,359,200
Compensated Absences	137,357	132,638
<b>Total Liabilities</b>	<b>1,567,798</b>	<b>1,592,895</b>
<b><u>NET ASSETS</u></b>		
Invested in Capital Assets	3,666,559	3,767,329
Reserved for Beach Donation	677,032	570,401
Unrestricted	212,786	192,138
<b>Total Net Assets</b>	<b>\$ 4,556,377</b>	<b>4,529,868</b>

The notes to the financial statements are an integral part of these statements.

**HAYS PUBLIC LIBRARY**  
Statement of Activities  
For the Year Ended December 31, 2011  
(With Comparative Totals for the Year Ended December 31, 2010)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	
					2011	2010
Primary Government Governmental Activities						
General Government	\$ 1,489,988	6,228	90,811	45,043	\$ (1,347,906)	(1,399,373)
<b>General Revenues, Special Items, and Transfers</b>						
					1,330,638	1,321,388
					3,397	5,859
					2,878	4,483
					18,073	16,953
					19,229	9,611
					200	-
					<u>1,374,415</u>	<u>1,358,294</u>
					26,509	(41,079)
					<u>4,529,868</u>	<u>4,570,947</u>
					<u>\$ 4,556,377</u>	<u>4,529,868</u>

The notes to the financial statements are an integral part of these statements.

HAYS PUBLIC LIBRARY  
Balance Sheet  
Governmental Funds  
December 31, 2011  
(With Comparative Totals at December 31, 2010)

	General Fund	Library Employee Benefit Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds	
					2011	2010
<b>ASSETS</b>						
Cash	\$ 392,672	61,990	568,854	37,078	1,060,594	979,307
Apportionments Receivable - Net	1,211,529	169,586	-	-	1,381,115	1,359,200
Reserved Cash	15,907	-	-	-	15,907	16,927
<b>Total Assets</b>	<b>\$ 1,620,108</b>	<b>231,576</b>	<b>568,854</b>	<b>37,078</b>	<b>2,457,616</b>	<b>2,355,434</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 42,529	-	-	-	42,529	94,881
Accrued Payroll Liabilities	-	6,797	-	-	6,797	6,176
Deferred Revenues	1,211,529	169,586	-	-	1,381,115	1,359,200
<b>Total Liabilities</b>	<b>1,254,058</b>	<b>176,383</b>	<b>-</b>	<b>-</b>	<b>1,430,441</b>	<b>1,460,257</b>
<b>Fund Balance</b>						
Assigned	15,907	55,193	568,854	37,078	677,032	570,401
Unassigned	350,143	-	-	-	350,143	324,776
<b>Total Fund Balance</b>	<b>366,050</b>	<b>55,193</b>	<b>568,854</b>	<b>37,078</b>	<b>1,027,175</b>	<b>895,177</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,620,108</b>	<b>231,576</b>	<b>568,854</b>	<b>37,078</b>	<b>2,457,616</b>	<b>2,355,434</b>

The notes to the financial statements are an integral part of these statements.

HAYS PUBLIC LIBRARY  
Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Statement of Net Assets  
December 31, 2011

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Amounts reported for governmental activities in the Statement of Net Assets differ from the fund balances of Governmental Funds on the preceding balance sheet as shown in the following reconciliation:

Fund Balances of Governmental Funds from the Balance Sheet.	\$	1,027,175
Capital assets, net of depreciation, have not been included as financial resources in Governmental Fund activity on the Balance Sheet.		3,666,559
Compensated absences have not been included in the Governmental Fund activity on the Balance Sheet.		<u>(137,357)</u>
Net Assets of Governmental Activities as reported on the Statement of Net Assets (Statement 1).	\$	<u><u>4,556,377</u></u>

The notes to the financial statements are an integral part of these statements.

**HAYS PUBLIC LIBRARY**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2011  
(With Comparative Totals for the Year Ended December 31, 2010)

	General Fund	Library Employee Benefit Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds	
					2011	2010
<b>Revenues</b>						
Intergovernmental	\$ 1,178,738	151,900	-	45,043	1,375,681	1,372,365
FHSU Workstudy	19,229	-	-	-	19,229	9,611
Fines and Forfeitures	18,073	-	-	-	18,073	16,953
Charges for Services	6,228	-	-	-	6,228	6,369
Grants	8,928	-	-	-	8,928	12,716
Donations	81,883	-	-	-	81,883	961
Miscellaneous	2,878	-	-	-	2,878	4,483
Interest on Income	3,397	-	-	-	3,397	5,859
Gain on Disposal of Assets	200	-	-	-	200	-
<b>Total Revenues</b>	<b>1,319,554</b>	<b>151,900</b>	<b>-</b>	<b>45,043</b>	<b>1,516,497</b>	<b>1,429,317</b>
<b>Expenditures</b>						
General Government	952,839	147,846	-	-	1,100,685	1,082,551
Capital Outlay	237,418	-	-	46,396	283,814	329,916
<b>Total Expenditures</b>	<b>1,190,257</b>	<b>147,846</b>	<b>-</b>	<b>46,396</b>	<b>1,384,499</b>	<b>1,412,467</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>129,297</b>	<b>4,054</b>	<b>-</b>	<b>(1,353)</b>	<b>131,998</b>	<b>16,850</b>
<b>Other Financing Sources (Uses)</b>						
Transfers In	-	-	104,950	-	104,950	-
Transfers Out	(104,950)	-	-	-	(104,950)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(104,950)</b>	<b>-</b>	<b>104,950</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>24,347</b>	<b>4,054</b>	<b>104,950</b>	<b>(1,353)</b>	<b>131,998</b>	<b>16,850</b>
<b>Fund Balance - Beginning of Year</b>	<b>341,703</b>	<b>51,139</b>	<b>463,904</b>	<b>38,431</b>	<b>895,177</b>	<b>592,936</b>
<b>Fund Balance - End of Year</b>	<b>\$ 366,050</b>	<b>55,193</b>	<b>568,854</b>	<b>37,078</b>	<b>1,027,175</b>	<b>609,786</b>

The notes to the financial statements are an integral part of these statements.

HAYS PUBLIC LIBRARY  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2011

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Net Changes in Fund Balances - Total Governmental Funds (Statement 4).	\$ 131,998
Amounts reported for Governmental Activities in the Statement of Activities (Statement 2) are different because:	
<i>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$349,853) exceeded capital outlays (\$249,375) in the current period.</i>	(100,478)
Capital assets were retired during the current year. These losses on retirement are not accounted for in the General Governmental Funds; however, these changes are reflected in the Statement of Activities. This is the amount by which original asset costs (\$137,044) exceeded the accumulated depreciation (\$136,752) for the retired assets.	(292)
Compensated absences increased from the prior year. These balances are not accounted for in the General Governmental Funds; however, the changes are reflected in the Statement of Activities.	<u>(4,719)</u>
Change in Net Assets of Governmental Activities (Statement 2).	\$ <u><u>26,509</u></u>

The notes to the financial statements are an integral part of these statements.

**HAYS PUBLIC LIBRARY**  
Notes to Financial Statements  
December 31, 2011

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of **Hays Public Library**, relating to the funds included in the accompanying financial statements, conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governments (GASB 34 Edition), and by the Financial Accounting Standards Board, when applicable. The following is a summary of such significant policies:

**Reporting Entity**

The Library is organized under Kansas statutes in the City of Hays, Kansas, for the purpose of operating a public library for the residents of the City of Hays. A board consisting of seven members is appointed by the Hays City Commissioners. The Board elects an executive board and adopts rules and regulations for the administration of the Library as it deems necessary. The Library receives funding from local and state governmental sources and must comply with the requirement of these funding sources.

The Library is a component unit of the City of Hays, Kansas. The Library is controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. These financial statements include only the funds of the Library.

The Library is a primary government as defined in GASB #14 and further amended by GASB #39. The Library Board has the authority to make decisions, influence operations, and has the primary accountability in fiscal matters. The following is the component unit of the Library. The Library exercises significant influence or accountability based primarily on operational or financial relationships with the Library (as distinct from legal relationships).

The Library has the following component unit that has not been audited and is excluded from the financial reporting entity:

**Hays Public Library Trust**

The Hays Public Library Trust provides support in order to facilitate the goals and needs of the Library and to promote Library services. Contact the Library Director, Eric Norris, for information on how to obtain a copy of the financial statements.

**Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

**Government-wide and Fund Financial Statements**

The government-wide financial statements, the statement of net assets, and the statement of activities report financial information for the Library as a whole. Individual funds are not displayed, but the statements disclose governmental activities, generally supported by taxes, grants, and the Library's general revenues.

The statement of activities reports the direct expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment.

**HAYS PUBLIC LIBRARY**  
Notes to Financial Statements  
December 31, 2011

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Program revenues include charges for services which report fees, fines, and other charges to users of the Library's services, operating grants and contributions which finance annual operating activities including investment income, and capital grants which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net assets. The operating statements present increases and decreases in net total assets. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded when a liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for un-matured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The Library reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Library before it has legal claim to them, as when grant monies are received prior to incurring a qualifying expenditure. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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 Library reports the following major governmental funds:

**Governmental Fund Categories**

**General Fund** – to account for and report all financial resources not accounted for and reported in another fund.

**Capital Improvement Fund** – to account for financial resources to be used for improving, furnishing, equipping, remodeling, or making additions to the Library.

**HAYS PUBLIC LIBRARY**  
Notes to Financial Statements  
December 31, 2011

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Library reports the following non-major governmental fund:

**Special Revenue Funds** – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

**Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**Budgets**

The Library is not subject to the legal annual operating budget requirements, but is controlled by the use of an internal budget established by the governing body. The internal budget is the source of the budget amounts listed on Statement 5.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues 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.

**Inventories and Prepaid Items**

In both government-wide and fund financial statements, payments made to vendors for goods or services that will benefit periods beyond the current year are recorded as inventory or prepaid items when they are deemed material and it is considered appropriate.

**Accounting for Capital Assets and Depreciation**

Capital assets, which include property and equipment, are reported in the governmental column of the government-wide financial statements. Capital assets are defined by the Library as assets or a group of assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of three years. These assets are valued at historical cost, estimated historical cost if actual cost is not available, or estimated fair value on the date donated.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The sale or disposal of capital assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been provided over the estimated useful lives using the straight-line method for all items reported in the primary government. The estimated useful lives are as follows:

Building	40 years
Equipment	6 years
Furniture and Fixtures	10 years
Books and Nonprints	7 years

**HAYS PUBLIC LIBRARY**  
Notes to Financial Statements  
December 31, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Depreciable Capital Assets</b>				
Building	\$ 3,971,567	7,861	-	3,979,428
Equipment	458,997	24,171	(34,464)	448,704
Furniture and Fixtures	237,450	-	-	237,450
Books and Nonprints	2,994,817	217,343	(102,580)	3,109,580
<b>Total Depreciable Capital Assets</b>	<b>7,662,831</b>	<b>249,375</b>	<b>(137,044)</b>	<b>7,775,162</b>
Accumulated Depreciation	(3,895,502)	(349,853)	136,752	(4,108,603)
<b>Governmental Activities Capital Assets, Net of Accumulated Depreciation</b>	<b>\$ 3,767,329</b>	<b>(100,478)</b>	<b>(292)</b>	<b>3,666,559</b>

**Deposits and Investments**

The Library follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the combined balance sheet.

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 investments 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, except during designated "peak periods" when required coverage is 50%. The Library does not use "peak periods". All deposits were legally secured at December 31, 2011.

At December 31, 2011, the Library's carrying amount of deposits was \$1,076,501, and the bank balance was \$1,082,765. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$390,647 was covered by federal depository insurance and \$692,118 was collateralized with securities held by the pledging financial institutions' agents in the Library's name.

**HAYS PUBLIC LIBRARY**  
Notes to Financial Statements  
December 31, 2011

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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. The Library had no investments at December 31, 2011.

**Compensated Absences**

No vacation time is accumulated during the first six months of employment. At the end of the six month period, full-time employees will be given one day of vacation per month through December 31 of that year. Total vacation earned by an employee shall not exceed 20 working days per year. Employees are allowed to carry over no more than one year's accumulated vacation to the next year. Upon termination of employment, all vacation is forfeited.

A full-time employee is allowed one day sick leave per month. There is no limit to the amount of sick leave that can be earned. However, upon termination of employment, all sick leave is forfeited.

Employee hours worked beyond the normal 40 hours per week may be taken off in a timely fashion, with the approval of the employee's supervisor, in the form of compensatory time. Upon termination of employment, all compensatory time is forfeited.

The liability for vacation, compensatory time, and sick leave applicable to the governmental activities at December 31, 2011 has been recorded in the statement of net assets in the amount of \$137,357.

**Defined Benefit Pension Plan**

*Plan Description*

The Library contributes to 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.* KPERs provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

*Funding Policy*

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERs is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERs employers. The employer rate established for calendar year 2011 was 7.74%. The Library's employer contributions to KPERs for the years ending December 31, 2011, 2010 and 2009 were \$43,841, \$42,484, and \$34,943, respectively, equal to the required contributions for each year as set forth by the legislature.

**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 these financial statements.

**HAYS PUBLIC LIBRARY**  
Notes to Financial Statements  
December 31, 2011

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Library makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the Library under this program.

**Property Taxes and Apportionments Receivable**

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1<sup>st</sup> are due one-half by December 20<sup>th</sup> and one-half by May 10<sup>th</sup>. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operations of the Library; and therefore, are not susceptible to accrual. Accruals of uncollected current year property taxes are offset by deferred revenues.

**Restricted Assets**

Restricted cash balances are reported in various funds that are legally restricted for specified uses.

**Fund Balance**

The Library has, by Board action, established reserves to be used for assigned purposes. When an expense is incurred for which both assigned and unassigned net assets are available, it is the Library's policy to utilize unassigned net assets.

The assigned fund balance in the special revenue funds have been established for the following purposes:

Library Employee Benefit Fund	Employee Benefits
State Aid Fund	State Aid Grant
Central Kansas Library Service Fund	System Grant
Interlibrary Loan Development Program Fund	Resource ILDP Grant
Central Kansas Library Service Computer Grant Fund	Data Processing Grant
Capital Improvement Fund	Capital Improvements

**Reimbursements**

The Library records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

**NOTE 2 – LITIGATION**

**Hays Public Library** is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the Library.

**NOTE 3 – RISK MANAGEMENT**

**Hays Public Library** carries commercial insurance for risks of loss, including property, general liability, employee dishonesty, crime, and workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**HAYS PUBLIC LIBRARY**  
Notes to Financial Statements  
December 31, 2011

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**NOTE 4 – GRANTS AND SHARED REVENUES**

**Hays Public Library** participates in numerous state grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Library has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the Library, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

**NOTE 5 – COMPARATIVE DATA**

Comparative data for the prior year has been presented in the accompanying supplemental financial statements in order to provide an understanding of the changes in **Hays Public Library's** financial position and operations.

**HAYS PUBLIC LIBRARY**

Required Supplementary Information

HAYS PUBLIC LIBRARY  
General Fund  
Balance Sheets  
December 31, 2011 and 2010

<u>ASSETS</u>		
	<u>2011</u>	<u>2010</u>
<b>Cash</b>	\$ 392,672	419,657
<b>Receivables</b>		
Apportionments Receivable	1,211,529	1,204,019
<b>Other Asset</b>		
Reserved Cash - Beach Donation	15,907	16,927
<b>Total Assets</b>	<u>\$ 1,620,108</u>	<u>1,640,603</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<b>Liabilities</b>		
Accounts Payable	\$ 42,529	94,881
Deferred Revenues	1,211,529	1,204,019
<b>Total Liabilities</b>	<u>1,254,058</u>	<u>1,298,900</u>
<b>Fund Balance</b>		
Assigned	15,907	16,927
Unassigned	350,143	324,776
<b>Total Fund Balance</b>	<u>366,050</u>	<u>341,703</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,620,108</u>	<u>1,640,603</u>

See independent auditors' report.

HAYS PUBLIC LIBRARY  
General Fund

Summary Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2011  
(With Comparative Totals for the Year Ended December 31, 2010)

	2011		Variance Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
Intergovernmental	\$ 1,211,528	1,178,738	(32,790)	1,174,874
FHSU Workstudy	-	19,229	19,229	9,611
Fines and Forfeitures	23,740	18,073	(5,667)	16,953
Charges for Services	-	6,228	6,228	6,369
Grants	-	8,928	8,928	12,716
Donations	-	81,883	81,883	961
Miscellaneous	-	2,878	2,878	4,483
Interest on Income	6,000	3,397	(2,603)	5,859
Gain on Disposal of Assets	-	200	200	-
<b>Total Revenues</b>	<b>1,241,268</b>	<b>1,319,554</b>	<b>78,286</b>	<b>1,231,826</b>
<b>Expenditures</b>				
Salaries	755,000	676,610	78,390	729,693
Legal and Professional	5,800	6,090	(290)	5,460
Continuing Education	31,000	24,271	6,729	19,517
Program Expenditures	24,000	19,096	4,904	18,031
Bequests	-	71,020	(71,020)	885
Binding	300	-	300	-
Insurance	12,000	9,328	2,672	9,214
Library Promotion	3,000	2,622	378	4,076
Supplies	14,000	17,686	(3,686)	20,879
Maintenance and Repair	38,000	44,856	(6,856)	36,970
Periodicals	11,500	10,892	608	10,696
Telephone	4,000	3,011	989	3,442
Utilities	74,000	63,032	10,968	69,838
Postage	15,000	5,344	9,656	9,278
Refunds	1,000	(1,019)	2,019	440
Capital Outlay	252,668	237,418	15,250	237,095
(a) Adjustment for Qualifying Budget Credits	90,811	-	90,811	-
<b>Total Expenditures</b>	<b>1,332,079</b>	<b>1,190,257</b>	<b>141,822</b>	<b>1,175,514</b>

See independent auditors' report.

HAYS PUBLIC LIBRARY  
General Fund

Summary Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2011  
(With Comparative Totals for the Year Ended December 31, 2010)

	2011		Variance Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (90,811)	<b>129,297</b>	220,108	56,312
<b>Other Financing Sources (Uses)</b>				
Transfers Out	\$ -	<b>(104,950)</b>	(104,950)	-
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)</b>	(90,811)	<b>24,347</b>	115,158	56,312
<b>Fund Balance - Beginning of Year</b>	341,703	<b>341,703</b>	-	285,391
<b>Fund Balance - End of Year</b>	\$ <u>250,892</u>	<u><b>366,050</b></u>	<u>115,158</u>	<u>341,703</u>
<b>(a) Adjustment for Qualifying Budget Credits</b>				
Grants Over Amount Budgeted			\$ 8,928	
Donations Over Amount Budgeted			<u>81,883</u>	
<b>Total</b>			<u><u>\$ 90,811</u></u>	

See independent auditors' report.

HAYS PUBLIC LIBRARY  
Library Employee Benefit Fund  
Balance Sheets  
December 31, 2011 and 2010

<u>ASSETS</u>		
	<u>2011</u>	<u>2010</u>
Cash	\$ 61,990	57,315
Receivables		
Apportionments Receivable	<u>169,586</u>	<u>155,181</u>
<b>Total Assets</b>	<b>\$ <u>231,576</u></b>	<b><u>212,496</u></b>
<u>LIABILITIES AND FUND BALANCE</u>		
<b>Liabilities</b>		
Accrued Payroll Liabilities	\$ 6,797	6,176
Deferred Revenues	<u>169,586</u>	<u>155,181</u>
<b>Total Liabilities</b>	<b>176,383</b>	<b>161,357</b>
<b>Fund Balance</b>		
Assigned	<u>55,193</u>	<u>51,139</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>231,576</u></b>	<b><u>212,496</u></b>

See independent auditors' report.

**HAYS PUBLIC LIBRARY**  
**Library Employee Benefit Fund**  
Summary Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Year Ended December 31, 2011  
(With Comparative Totals for the Year Ended December 31, 2010)

	2011		Variance Positive (Negative)	2010 Actual
	Original and Final Budget	Actual		
<b>Revenues</b>				
Intergovernmental	\$ 151,900	151,900	-	146,514
<b>Expenditures</b>				
KPERs	49,400	43,841	5,559	42,484
Social Security	58,000	51,761	6,239	55,822
Unemployment Taxes	2,200	676	1,524	823
Workmen's Compensation	4,300	3,613	687	3,711
Health Insurance	38,000	47,955	(9,955)	41,292
<b>Total Expenditures</b>	151,900	147,846	4,054	144,132
<b>Excess of Revenues Over (Under) Expenditures</b>	-	4,054	4,054	2,382
<b>Fund Balance - Beginning of Year</b>	-	51,139	51,139	48,757
<b>Fund Balance - End of Year</b>	\$ -	55,193	55,193	51,139

See independent auditors' report.

HAYS PUBLIC LIBRARY  
State Aid Fund  
Balance Sheets  
December 31, 2011 and 2010

<u>ASSETS</u>		
	<u>2011</u>	<u>2010</u>
Cash	\$ -	-
<u>FUND BALANCE</u>		
Fund Balance Assigned	\$ -	-

**State Aid Fund**  
Summary Statements of Revenues, Expenditures and Changes in Fund Balance - Actual  
For the Year Ended December 31, 2011  
(With Comparative Totals for the Year Ended December 31, 2010)

	<u>Current Year Actual</u>	<u>Prior Year Actual</u>
<b>Revenues</b>		
Intergovernmental	\$ 10,006	11,440
<b>Expenditures</b>		
Capital Outlay	10,006	11,440
<b>Excess of Revenues Over (Under) Expenditures</b>	-	-
<b>Fund Balance - Beginning of Year</b>	-	-
<b>Fund Balance - End of Year</b>	\$ -	-

See independent auditors' report.

**HAYS PUBLIC LIBRARY**  
**Central Kansas Library Service Fund**  
 Balance Sheets  
 December 31, 2011 and 2010

	<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
<b>Cash</b>		\$ <u>28,667</u>	<u>28,467</u>
 <u>FUND BALANCE</u>  			
<b>Fund Balance Assigned</b>		\$ <u>28,667</u>	<u>28,467</u>

**Central Kansas Library Service Fund**  
 Summary Statements of Revenues, Expenditures and Changes in Fund Balance - Actual  
 For the Year Ended December 31, 2011  
 (With Comparative Totals for the Year Ended December 31, 2010)

	<u>Current Year Actual</u>	<u>Prior Year Actual</u>
<b>Revenues</b>		
Intergovernmental	\$ 17,537	17,037
<b>Expenditures</b>		
Capital Outlay	<u>17,337</u>	<u>17,037</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>200</b>	<b>-</b>
<b>Fund Balance - Beginning of Year</b>	<u>28,467</u>	<u>28,467</u>
<b>Fund Balance - End of Year</b>	\$ <u>28,667</u>	<u>28,467</u>

See independent auditors' report.

**HAYS PUBLIC LIBRARY**  
**Interlibrary Loan Development Program Fund**  
 Balance Sheets  
 December 31, 2011 and 2010

	<u>ASSETS</u>	
	2011	2010
Cash	\$ <u>          -</u>	\$ <u>          -</u>
	<u>FUND BALANCE</u>	
Fund Balance Assigned	\$ <u>          -</u>	\$ <u>          -</u>

**Interlibrary Loan Development Program Fund**  
 Summary Statements of Revenues, Expenditures and Changes in Fund Balance - Actual  
 For the Year Ended December 31, 2011  
 (With Comparative Totals for the Year Ended December 31, 2010)

	Current Year Actual	Prior Year Actual
<b>Revenues</b>		
Intergovernmental	\$           -	\$           -
<b>Expenditures</b>		
Capital Outlay	<u>          -</u>	<u>      3,164</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	-	(3,164)
<b>Fund Balance - Beginning of Year</b>	<u>          -</u>	<u>      3,164</u>
<b>Fund Balance - End of Year</b>	\$ <u>          -</u>	\$ <u>          -</u>

See independent auditors' report.

**HAYS PUBLIC LIBRARY**  
**Central Kansas Library Service Computer Grant Fund**  
 Balance Sheets  
 December 31, 2011 and 2010

	<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
<b>Cash</b>		\$ <u>8,411</u>	<u>9,964</u>
	<u>FUND BALANCE</u>		
<b>Fund Balance Assigned</b>		\$ <u>8,411</u>	<u>9,964</u>

**Central Kansas Library Service Computer Grant Fund**  
 Summary Statements of Revenues, Expenditures and Changes in Fund Balance - Actual  
 For the Year Ended December 31, 2011  
 (With Comparative Totals for the Year Ended December 31, 2010)

	<u>Current Year Actual</u>	<u>Prior Year Actual</u>
<b>Revenues</b>		
Intergovernmental	\$ 17,500	22,500
<b>Expenditures</b>		
Capital Outlay	<u>19,053</u>	<u>12,541</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(1,553)	9,959
<b>Fund Balance - Beginning of Year</b>	<u>9,964</u>	<u>5</u>
<b>Fund Balance - End of Year</b>	\$ <u>8,411</u>	<u>9,964</u>

See independent auditors' report.

**HAYS PUBLIC LIBRARY**  
**Capital Improvement Fund**  
 Balance Sheets  
 December 31, 2011 and 2010

	<u>ASSETS</u>	<u>2011</u>	<u>2010</u>
Cash		\$ <u>568,854</u>	<u>463,904</u>
	<u>FUND BALANCE</u>		
Fund Balance Assigned		\$ <u>568,854</u>	<u>463,904</u>

**Capital Improvement Fund**  
 Summary Statements of Revenues, Expenditures and Changes in Fund Balance - Actual  
 For the Year Ended December 31, 2011  
 (With Comparative Totals for the Year Ended December 31, 2010)

	<u>Current Year Actual</u>	<u>Prior Year Actual</u>
<b>Expenditures</b>		
Capital Outlay	\$ -	48,639
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	-	(48,639)
<b>Other Financing Sources (Uses)</b>		
Transfers In	<u>104,950</u>	-
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)</b>	104,950	(48,639)
<b>Fund Balance - Beginning of Year</b>	<u>463,904</u>	<u>512,543</u>
<b>Fund Balance - End of Year</b>	\$ <u>568,854</u>	<u>463,904</u>

See independent auditors' report.