

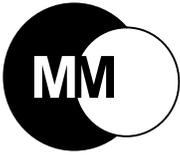
NORTHWEST KANSAS LIBRARY SYSTEM
Norton, Kansas
Financial Statement with Independent Audit Report
January 1, 2012 to December 31, 2012

MAPES & MILLER
Certified Public Accountants
Norton, Kansas

NORTHWEST KANSAS LIBRARY SYSTEM
 Norton, Kansas
 Financial Statement with Independent Auditor's Report
January 1, 2012 to December 31, 2012

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Mapes & Miller LLP

Certified Public Accountants

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

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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, Kansas 67654

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Northwest Kansas Library System, Norton Kansas, as of and for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility 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 to meet the financial reporting requirements of the State of Kansas. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement 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 and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by Northwest Kansas Library System, to meet the requirements of the State of Kansas 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 the accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 Northwest Kansas Library System, as of December 31, 2012, or changes in financial position and cash flows thereof for the year then ended.

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 Northwest Kansas Library System, as of December 31, 2012, 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.

Report on 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 cash receipts and expenditures-actual and budget and regulatory basis summary of cash receipts and cash 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
December 11, 2013

NORTHWEST KANSAS LIBRARY SYSTEM

STATEMENT 1

Norton, Kansas

Page 1

Summary of Cash Receipts, Expenditures and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2012

| Funds | Beginning Unencumbered Cash Balance | Prior Year Cancelled Encumbrances | Cash Receipts | Expenditures | Ending Unencumbered Cash Balance | Add Outstanding Encumbrances and Accounts Payable | Ending Cash Balance |
|--|---|---|------------------|----------------|--|---|------------------------|
| Governmental Fund Types: | | | | | | | |
| General | \$ 74,272 | 0 | 387,848 | 420,561 | 41,559 | 0 | 41,559 |
| Special Revenue Funds: | | | | | | | |
| Employee Benefits | 7,691 | 0 | 57,605 | 59,868 | 5,428 | 0 | 5,428 |
| State Aid | 0 | 0 | 74,164 | 74,164 | 0 | 0 | 0 |
| Blind & Physically Handicapped | | | | | | | |
| FY 2011-2012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FY 2012-2013 | 0 | 0 | 25,175 | 25,175 | 0 | 9,429 | 9,429 |
| FY 2011-2012 Library Services & Technology Grant | 0 | 0 | 6,700 | 6,700 | 0 | 0 | 0 |
| Kan Ed Broadband Subsidy Grant | (546) | | 1,584 | 1,038 | 0 | 0 | 0 |
| Hansen Grant | 154 | 0 | 10,000 | 10,154 | 0 | 0 | 0 |
| Gates Foundation Grant | 10,000 | 0 | 0 | 6,676 | 3,324 | 0 | 3,324 |
| 6 X 6 Grant | 1,250 | 0 | 0 | 1,250 | 0 | 0 | 0 |
| 6 X 6 Kits | 0 | 0 | 87,000 | 4,271 | 82,729 | 1,102 | 83,831 |
| KHC Grant Fund | 3,500 | 0 | 3,500 | 1,282 | 5,718 | 0 | 5,718 |
| Author Visit | 0 | 0 | 2,670 | 2,670 | 0 | 0 | 0 |
| KLCY-LSTA | 16,819 | 0 | 37,500 | 20,421 | 33,898 | 4,670 | 38,568 |
| Fiduciary Type Funds: | | | | | | | |
| Private Purpose Trust Funds: | | | | | | | |
| Memorial | 13,149 | 0 | 3,420 | 2,190 | 14,379 | 0 | 14,379 |
| Total Reporting Entity (Excluding Agency Funds) | \$ 126,289 | 0 | 697,166 | 636,420 | 187,035 | 15,201 | 202,236 |

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

NORTHWEST KANSAS LIBRARY SYSTEM

Norton, Kansas
Composition of Cash
Regulatory Basis

STATEMENT 1

Page 2

For the Year Ended December 31, 2012

| | | |
|--|----|-----------------------|
| First Security Bank and Trust Co., Norton, Kansas NOW Account | \$ | 149,015 |
| Almena State Bank, Norton, Kansas Certificates of Deposit | | <u>53,221</u> |
| Total Cash and Investments | | 202,236 |
| Less Agency Funds - Schedule 3 | | <u>0</u> |
| Total Reporting Entity per Statement 1, Page 1 | \$ | <u><u>202,236</u></u> |

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

NORTHWEST KANSAS LIBRARY SYSTEM

Norton, Kansas

Notes to the Financial Statement

December 31, 2012

I. 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 Governor'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 Governor'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 Northwest Kansas Library System for the year 2012:

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the System for the year 2012:

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

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

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

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

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

Agency fund—funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, etc.)

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 revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

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 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.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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. No funds were amended in this manner for 2012.

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, 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.

A legal operating budget is not required for capital projects funds, trust funds, and the following funds:

State Aid Grant
 FY 2011-2012 Blind & Physically Handicapped Grant
 FY 2012-2013 Blind & Physically Handicapped Grant
 Library Services & Technology Act Grant
 Kan Ed Broadband Subsidy Grant
 Hansen Grant
 6 X 6 Grant
 Gates Foundation Grant
 6 X 6 Kits
 KHC Grant
 Author Visit
 KLCY-LSTA

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. 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 the 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, 2012.

At December 31, 2012, the System's carrying amount of deposits was \$202,236 and the bank balance was \$233,747. 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.

3. 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. 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 South Kansas Avenue, Suite 100; Topeka, Kansas 66603-3803) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. 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. Kansas law sets a limitation on annual increases in the employer contribution rates.

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. Each retiree would pay the full amount of the applicable premium, conceptually; the System would be subsidizing the retirees because each participant would be charged a level 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. There is no cost to the System under this program.

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 and therefore, the cost of accumulated sick leave has not been computed by the library system as of December 31, 2011.

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. The cost of accumulated vacation pay as of December 31, 2012 was \$10,818.

5. **Risk Management**

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. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

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.

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.

Copy Machine

On September 15, 2011, the System entered into an agreement with Xerox for the lease of a copy machine. The agreement calls for sixty monthly rental payments of \$295.19, plus a copy charge of \$0.0107 per copy and a copy charge of \$.0687 per copy for color copies. Total payments made during the year ending December 31, 2012 were 4,464.40. The amounts due under this agreement in future periods are as follows:

| <u>Year</u> | <u>Payment</u> |
|-------------|-------------------------|
| 2013 | 3,542 |
| 2014 | 3,542 |
| 2015 | 3,542 |
| 2016 | <u>2,657</u> |
| Total | <u>\$ 13,283</u> |

Integrated Mailing System

On January 27, 2011, the System entered into an agreement with Pitney Bowes, Inc. for the lease of an integrated mailing system. The agreement is effective for April 1, 2011 and calls for twenty quarterly rental payments of \$180 through March 31, 2016. Payments totaling \$720 were made during the year ended December 31, 2012. The amounts due under this agreement in future periods are as follows:

| <u>Year</u> | <u>Payment</u> |
|-------------|-----------------|
| 2013 | 720 |
| 2014 | 720 |
| 2015 | 720 |
| 2016 | <u>180</u> |
| Total | <u>\$ 2,340</u> |

8. Comparative Data for 2011

The amounts shown for 2011 in the accompanying financial statements are included, where practicable, only to provide a basis for comparison with 2012, and are not intended to present all information necessary for a fair presentation. Certain amounts for 2011 may have been restated to conform with the presentation of similar amounts for 2012.

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 1

Norton, Kansas

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

| Funds | Certified Budget | Adjustment for Qualifying Budget Credits | Total Budget for Comparison | Expenditures Chargeable to Current Year | Variance Over (Under) |
|--|---------------------|--|-----------------------------------|---|-----------------------------|
| Governmental Fund Types: | | | | | |
| General | \$ 431,970 | 0 | 431,970 | 420,561 | (11,409) |
| Special Revenue Funds: | | | | | |
| Employee Benefits | 60,800 | 0 | 60,800 | 59,868 | (932) |
| State Aid Grant | 74,164 | 0 | 74,164 | 74,164 | * |
| FY 2011-2012 Blind & Physically Handicapped Grant | 26,628 | 0 | 26,628 | 0 | * |
| FY 2012-2013 Blind & Physically Handicapped Grant | 25,175 | 0 | 25,175 | 25,175 | * |
| FY 2011-2012 Library Services & Technology Grant | 6,700 | 0 | 6,700 | 6,700 | * |
| Kan Ed Broadband Subsidy Grant | 1,584 | 0 | 1,584 | 1,038 | * |

* Grants provided for informational purpose and not subject to budget law per K.S.A. 12-1663 and/or K.S.A.12-16,111.

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 2

Norton, Kansas

Page 1

GENERAL FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year | | Variance- Over (Under) |
|----------------------------|-------------------------|----------------|----------------|------------------------------|
| | | Actual | Budget | |
| Cash Receipts: | | | | |
| Taxes | \$ 360,012 | 387,614 | 389,970 | (2,356) |
| Interest on idle funds | 227 | 234 | 1,000 | (766) |
| Miscellaneous | 200 | 0 | 0 | 0 |
| Total Cash Receipts | <u>360,439</u> | <u>387,848</u> | <u>390,970</u> | <u>(3,122)</u> |
| Expenditures: | | | | |
| Salaries | 100,402 | 155,849 | 144,620 | 11,229 |
| Health Insurance | 0 | 20,782 | 35,000 | (14,218) |
| KPERS | 20,976 | 13,248 | 15,000 | (1,752) |
| 125 benefit plan | 24,065 | 0 | 0 | 0 |
| Kansas unemployment tax | 122 | 235 | 1,000 | (765) |
| Other benefits | 9,060 | 0 | 0 | 0 |
| Audio-visual | 5,240 | 7,076 | 8,000 | (924) |
| Bibliographic service | 5,000 | 0 | 7,000 | (7,000) |
| Books | 30,452 | 37,119 | 32,000 | 5,119 |
| Building cost | 17,737 | 14,398 | 23,000 | (8,602) |
| Capital outlay | 1,150 | 16,000 | 16,000 | 0 |
| Computer support | 7,338 | 689 | 2,500 | (1,811) |
| Contractual services | 11,855 | 18,017 | 20,000 | (1,983) |
| Education | 451 | 130 | 500 | (370) |
| Grants to member libraries | 68,302 | 68,209 | 72,000 | (3,791) |
| Insurance | 7,214 | 5,775 | 8,000 | (2,225) |
| Maintenance | 635 | 962 | 1,000 | (38) |
| Miscellaneous | 2,477 | 6,261 | 4,000 | 2,261 |
| Online Service | 49 | 0 | 300 | (300) |
| Periodicals | 1,515 | 1,331 | 2,300 | (969) |
| Postage | 3,716 | 1,977 | 7,500 | (5,523) |
| Printing | 3,633 | 4,548 | 5,000 | (452) |
| Required fees | 182 | 6,924 | 6,000 | 924 |
| Supplies | 10,171 | 17,885 | 4,500 | 13,385 |
| Telephone | 862 | 1,927 | 750 | 1,177 |
| Travel | 17,188 | 18,427 | 14,000 | 4,427 |
| Workshops | 870 | 2,792 | 2,000 | 792 |
| Total Expenditures | <u>350,662</u> | <u>420,561</u> | <u>431,970</u> | <u>(11,409)</u> |

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 2

Norton, Kansas

Page 2

GENERAL FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year | | Variance- Over Under |
|---|-------------------------|---------------|--------|----------------------------|
| | | Actual | Budget | |
| Cash Receipts Over (Under) Expenditures | \$ 9,777 | (32,713) | | |
| Unencumbered Cash, Beginning | <u>64,495</u> | <u>74,272</u> | | |
| Unencumbered Cash, Ending | \$ <u>74,272</u> | <u>41,559</u> | | |

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 2

Norton, Kansas

Page 3

EMPLOYEE BENEFITS FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year | | Variance- Over (Under) |
|---|-------------------------|---------------|---------------|------------------------------|
| | | Actual | Budget | |
| Cash Receipts: | | | | |
| Taxes | \$ <u>21,847</u> | <u>57,605</u> | <u>58,537</u> | <u>(932)</u> |
| Expenditures: | | | | |
| Employee Benefits | <u>16,419</u> | <u>59,868</u> | <u>60,800</u> | <u>(932)</u> |
| Cash Receipts Over (Under) Expenditures | 5,428 | (2,263) | | |
| Unencumbered Cash, Beginning | <u>2,263</u> | <u>7,691</u> | | |
| Unencumbered Cash, Ending | \$ <u>7,691</u> | <u>5,428</u> | | |

NORTHWEST KANSAS LIBRARY SYSTEM

Norton, Kansas

STATE AID GRANT FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year | | Variance- Over (Under) |
|---|-------------------------|---------------|---------------|------------------------------|
| | | Actual | *Budget | |
| Cash Receipts: | | | | |
| Grant - state aid | \$ <u>82,829</u> | <u>74,164</u> | <u>74,164</u> | <u>0</u> |
| Expenditures: | | | | |
| Salaries | <u>82,829</u> | <u>74,164</u> | <u>74,164</u> | <u>0</u> |
| Cash Receipts Over (Under) Expenditures | 0 | 0 | | |
| Unencumbered Cash, Beginning | <u>0</u> | <u>0</u> | | |
| Unencumbered Cash, Ending | \$ <u>0</u> | <u>0</u> | | |

* Exempt from budget law per K.S.A. 12-16,111.

NORTHWEST KANSAS LIBRARY SYSTEM

Norton, Kansas

SCHEDULE 2

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2011-2012 BLIND & PHYSICALLY HANDICAPPED GRANT FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year | | Variance- Over Under |
|---|-------------------------|--------------|---------|----------------------------|
| | | Actual | *Budget | |
| Cash Receipts: | | | | |
| Grant - state aid | \$ 26,628 | 0 | 26,628 | (26,628) |
| Total Cash Receipts | 26,628 | 0 | 26,628 | (26,628) |
| Expenditures: | | | | |
| Salaries | 9,756 | 16,872 | 26,628 | (9,756) |
| Subtotal - Cash Expenditures | 9,756 | 16,872 | 26,628 | (9,756) |
| Encumbrance - Grant carryover | 16,872 | (16,872) | 0 | (16,872) |
| Total Expenditures | 26,628 | 0 | 26,628 | (26,628) |
| Cash Receipts Over (Under) Expenditures | 0 | 0 | | |
| Unencumbered Cash, Beginning | 0 | 0 | | |
| Unencumbered Cash, Ending | \$ 0 | 0 | | |

* Exempt from budget law per K.S.A. 12-16,111 and 12-1663.

NORTHWEST KANSAS LIBRARY SYSTEM

Norton, Kansas

SCHEDULE 2

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2012-2013 BLIND & PHYSICALLY HANDICAPPED GRANT FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year | | Variance- Over (Under) |
|---|-------------------------|--------------|---------------|------------------------------|
| | | Actual | *Budget | |
| Cash Receipts: | | | | |
| Grant - state aid | \$ 0 | 25,175 | 25,175 | 0 |
| Total Cash Receipts | 0 | 25,175 | 25,175 | 0 |
| Expenditures: | | | | |
| Salaries | 0 | 15,746 | 25,175 | (9,429) |
| Subtotal - Cash Expenditures | 0 | 15,746 | 25,175 | (9,429) |
| Encumbrance - Grant carryover | 0 | 9,429 | 0 | 9,429 |
| Total Expenditures | 0 | 25,175 | 25,175 | 0 |
| Cash Receipts Over (Under) Expenditures | 0 | 0 | | |
| Unencumbered Cash, Beginning | 0 | 0 | | |
| Unencumbered Cash, Ending | \$ 0 | 0 | | |

* Exempt from budget law per K.S.A. 12-16,111 and 12-1663.

NORTHWEST KANSAS LIBRARY SYSTEM

Norton, Kansas

SCHEDULE 2

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2011-2012 LIBRARY SERVICES & TECHNOLOGY GRANT FUND

Schedule of Cash Receipts and Expenditures

Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year | | Variance- Over (Under) |
|---|-------------------------|--------------|---------|------------------------------|
| | | Actual | *Budget | |
| Cash Receipts: | | | | |
| Grant | \$ 0 | 6,700 | 6,700 | 0 |
| Expenditures: | | | | |
| Library Automation | 0 | 6,700 | 6,700 | 0 |
| Cash Receipts Over (Under) Expenditures | 0 | 0 | | |
| Unencumbered Cash, Beginning | 0 | 0 | | |
| Unencumbered Cash, Ending | \$ 0 | 0 | | |

* Exempt from budget law per K.S.A. 12-16,111.

NORTHWEST KANSAS LIBRARY SYSTEM
 Norton, Kansas
KAN ED BROADBAND SUBSIDY GRANT FUND

Schedule of Cash Receipts and Expenditures
 Actual and Budget
 Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | | Current Year | | |
|---|-------------------------|--------------|--------------|------------------------------|
| | Prior Year Actual | Actual | *Budget | Variance- Over (Under) |
| Cash Receipts: | | | | |
| Grant - Kansas Board of Regents | \$ 0 | 1,584 | <u>1,584</u> | <u>0</u> |
| Expenditures: | | | | |
| Online service | 546 | 1,038 | <u>1,584</u> | <u>(546)</u> |
| Cash Receipts Over (Under) Expenditures | (546) | 546 | | |
| Unencumbered Cash, Beginning | <u>0</u> | <u>(546)</u> | | |
| Unencumbered Cash, Ending | \$ <u>(546)</u> | <u>0</u> | | |

* Exempt from budget law per K.S.A. 12-16,111.

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 2

Norton, Kansas

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HANSEN GRANT FUND

Schedule of Cash Receipts and Expenditures

Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year |
|---|-----------------------------|------------------------|
| Cash Receipts: | | |
| Grant | \$ <u>0</u> | <u>10,000</u> |
| Expenditures: | | |
| Contractual | 0 | 1,330 |
| Building Maintenance | 0 | 3,484 |
| Capital Outlay | <u>896</u> | <u>5,340</u> |
| Total Expenditures | <u>896</u> | <u>10,154</u> |
| Cash Receipts Over (Under) Expenditures | (896) | (154) |
| Unencumbered Cash, January 1 | <u>1,050</u> | <u>154</u> |
| Unencumbered Cash, December 31 | \$ <u><u>154</u></u> | <u><u>0</u></u> |

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 2

Norton, Kansas

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GATES FOUNDATION GRANT FUND

Schedule of Cash Receipts and Expenditures

Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year |
|---|-------------------------|---------------------|
| Cash Receipts: | | |
| Grant | \$ 10,000 | 0 |
| Expenditures: | | |
| Supplies | 0 | 3,052 |
| Computer Support | 0 | 3,564 |
| Workshops | 0 | 60 |
| Total Expenditures | <u>0</u> | <u>6,676</u> |
| Cash Receipts Over (Under) Expenditures | 10,000 | (6,676) |
| Unencumbered Cash, January 1 | <u>0</u> | <u>10,000</u> |
| Unencumbered Cash, December 31 | \$ <u><u>10,000</u></u> | <u><u>3,324</u></u> |

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 2

Norton, Kansas

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6 X 6 GRANT FUND

Schedule of Cash Receipts and Expenditures

Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year |
|---|-------------------------|-----------------|
| Cash Receipts: | | |
| Grant | \$ 1,250 | 0 |
| Expenditures: | | |
| Supplies | 0 | 422 |
| Books | 0 | 363 |
| Miscellaneous | 0 | 465 |
| Total Expenditures | <u>0</u> | <u>1,250</u> |
| Cash Receipts Over (Under) Expenditures | 1,250 | (1,250) |
| Unencumbered Cash, January 1 | <u>0</u> | <u>1,250</u> |
| Unencumbered Cash, December 31 | \$ <u><u>1,250</u></u> | <u><u>0</u></u> |

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 2

Norton, Kansas

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6 X 6 KITS

Schedule of Cash Receipts and Expenditures

Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year |
|---|-------------------------|----------------------|
| Cash Receipts: | | |
| Grant | \$ <u>0</u> | <u>87,000</u> |
| Expenditures: | | |
| Supplies | 0 | 2,829 |
| Books | <u>0</u> | <u>1,442</u> |
| Total Expenditures | <u>0</u> | <u>4,271</u> |
| Cash Receipts Over (Under) Expenditures | 0 | 82,729 |
| Unencumbered Cash, January 1 | <u>0</u> | <u>0</u> |
| Unencumbered Cash, December 31 | \$ <u><u>0</u></u> | <u><u>82,729</u></u> |

NORTHWEST KANSAS LIBRARY SYSTEM

Norton, Kansas

KHC GRANT FUND

Schedule of Cash Receipts and Expenditures

Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2

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| | Prior Year Actual | Current Year |
|---|-------------------------|---------------------|
| Cash Receipts: | | |
| Grant | \$ <u>3,500</u> | <u>3,500</u> |
| Expenditures: | | |
| Supplies | 0 | 46 |
| Supplies | 0 | 790 |
| Books | <u>0</u> | <u>446</u> |
| Total Expenditures | <u>0</u> | <u>1,282</u> |
| Cash Receipts Over (Under) Expenditures | 3,500 | 2,218 |
| Unencumbered Cash, January 1 | <u>0</u> | <u>3,500</u> |
| Unencumbered Cash, December 31 | \$ <u><u>3,500</u></u> | <u><u>5,718</u></u> |

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 2

Norton, Kansas

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Author Visit

Schedule of Cash Receipts and Expenditures

Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

| | Prior Year Actual | Current Year |
|---|-------------------------|-----------------|
| Cash Receipts: | | |
| Donations | \$ <u>0</u> | <u>2,670</u> |
| Expenditures: | | |
| Contractual | <u>0</u> | <u>2,670</u> |
| Cash Receipts Over (Under) Expenditures | 0 | 0 |
| Unencumbered Cash, January 1 | <u>0</u> | <u>0</u> |
| Unencumbered Cash, December 31 | \$ <u><u>0</u></u> | <u><u>0</u></u> |

NORTHWEST KANSAS LIBRARY SYSTEM

Norton, Kansas

KLCY-LSTA

Schedule of Cash Receipts and Expenditures

Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2

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| | Prior Year Actual | Current Year |
|---|-------------------------|----------------------|
| Cash Receipts: | | |
| Grant | \$ <u>38,630</u> | <u>37,500</u> |
| Expenditures: | | |
| Contractual Services | 21,811 | 821 |
| Supplies | 0 | 4,670 |
| Grants | 0 | 4,430 |
| Workshops | <u>0</u> | <u>10,500</u> |
| Total Expenditures | <u>21,811</u> | <u>20,421</u> |
| Cash Receipts Over (Under) Expenditures | 16,819 | 17,079 |
| Unencumbered Cash, January 1 | <u>0</u> | <u>16,819</u> |
| Unencumbered Cash, December 31 | \$ <u>16,819</u> | <u>33,898</u> |

NORTHWEST KANSAS LIBRARY SYSTEM

Norton, Kansas

MEMORIAL FUND

Schedule of Cash Receipts and Expenditures

Actual

Regulatory Basis

For the Year Ended December 31, 2012

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

SCHEDULE 2

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| | Prior Year Actual | Current Year |
|---|--------------------------------|-----------------------------|
| Cash Receipts: | | |
| Donations | \$ <u>750</u> | <u>3,420</u> |
| Expenditures: | | |
| Audio Visual | 0 | 600 |
| Computer Support | 0 | 1,590 |
| Miscellaneous | <u>3,235</u> | <u>0</u> |
| Total Expenditures | <u>3,235</u> | <u>2,190</u> |
| Cash Receipts Over (Under) Expenditures | (2,485) | 1,230 |
| Unencumbered Cash, January 1 | <u>15,634</u> | <u>13,149</u> |
| Unencumbered Cash, December 31 | \$ <u><u>13,149</u></u> | <u><u>14,379</u></u> |

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 3

Norton, Kansas

AGENCY FUNDS

Summary of Cash Receipts and Cash Disbursements

Regulatory Basis

For the Year Ended December 31, 2012

| Fund | Beginning Cash Balance | Cash Receipts | Cash Disburse- ments | Ending Cash Balance |
|-----------|------------------------------|------------------|----------------------------|---------------------------|
| Sales Tax | \$ <u>0</u> | <u>51</u> | <u>51</u> | <u>0</u> |