

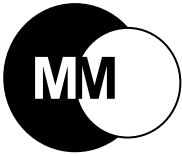
**NORTHWEST KANSAS LIBRARY SYSTEM**  
Norton, Kansas  
Financial Statement and Regulatory-Required  
Supplementary Information with Independent Auditor's Report  
January 1, 2017 to December 31, 2017

**MAPES & MILLER**  
Certified Public Accountants  
Norton, Kansas

**NORTHWEST KANSAS LIBRARY SYSTEM**  
 Norton, Kansas  
 Financial Statement and Regulatory-Required  
 Supplementary Information with Independent Auditor's Report  
January 1, 2017 to December 31, 2017

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**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, a Municipality as of and for the year ended December 31, 2017, 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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

*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, 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, 2017, or changes in financial position and cash flows thereof for the year then ended.

*Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Northwest Kansas Library System, as of December 31, 2016, 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.

*Other Matters*

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget and regulatory basis summary of receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we rendered an unmodified opinion dated October 10, 2017. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 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 2016 basic financial statement or to the 2016 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 2016 comparative information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note 1.

*Mapes & Miller LLP*

Certified Public Accountants

Norton, Kansas  
October 10, 2017

**NORTHWEST KANSAS LIBRARY SYSTEM**  
 Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
 Regulatory Basis  
For the Year Ended December 31, 2017

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General Funds							
General	\$ 32,036	0	550,872	569,394	13,514	0	13,514
Special Purpose Funds							
Employee Benefits	6,000	0	88,202	88,202	6,000	0	6,000
State Aid	0	0	52,912	52,912	0	0	0
Blind & Physically Handicapped							
FY 2016-2017	14,043	0	0	14,043	0	0	0
FY 2017-2018	0	0	14,043	7,022	7,021	0	7,021
KHC Grant	1,093	0	3,500	4,474	119	0	119
6 X 6 Replacement	15,269	0	0	12,591	2,678	0	2,678
Capital Improvement Fund	29,814	0	0	0	29,814	0	29,814
KLA Contract	0	0	9,125	9,125	0	0	0
Trust Funds							
Memorial	57,000	0	1,960	4,957	54,003	0	54,003
Total Reporting Entity (Excluding Agency Funds)	\$ <u>155,255</u>	<u>0</u>	<u>720,614</u>	<u>762,720</u>	<u>113,148</u>	<u>0</u>	<u>113,148</u>

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

**NORTHWEST KANSAS LIBRARY SYSTEM**

STATEMENT 1

Composition of Cash

Page 2

Regulatory Basis

For the Year Ended December 31, 2017

Solutions North Bank, Norton, Kansas NOW Account	\$ 58,864
Almena State Bank, Norton, Kansas Certificates of Deposit	<u>54,284</u>
Total Cash and Investments	113,148
Less Agency Funds - Schedule 3	<u>0</u>
Total Reporting Entity per Statement 1, Page 1	\$ <u><u>113,148</u></u>

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

# NORTHWEST KANSAS LIBRARY SYSTEM

Notes to the Financial Statement

December 31, 2017

## 1. 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 System for the year 2017:

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

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

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

### Basis of Accounting

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

#### Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in adoption of the legal annual operating budget:

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

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

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

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

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

State Aid  
 FY 2016-2017 Blind & Physically Handicapped  
 FY 2017-2018 Blind & Physically Handicapped  
 KHC Grant  
 6 X 6 Replacement  
 KLA Contract

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



2. **Stewardship, Compliance and Accountability**

Compliance with Kansas Statutes. No statutory violations noted in 2017.

3. **Deposits and Investments**

K.S.A. 9-1401 establishes the depositories which may be used by the System. The statute requires banks eligible to hold the System's funds have a main or branch bank in the county in which the System is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The System has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the System's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The System has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the System may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned to it. State statutes require the System's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The System's designated "peak periods" are from February 15 through April 16. All deposits were legally secured at December 31, 2017.

At December 31, 2017, the System's carrying amount of deposits was \$113,148 and the bank balance was \$145,833. The bank balance was held by two banks resulting in a concentration of credit risk. All of the bank balance was covered by federal depository insurance.

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

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the System allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually; the System is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the System makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Compensated Absences

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

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

## 5. **Defined Benefit Pension Plan**

### Plan Description

Northwest Kansas Library System participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

### Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended December 31, 2017. Contributions to the pension plan from Northwest Kansas Library System 23,959 for the year ended December 31, 2017.

### Net Pension Liability

At December 31, 2017, the Northwest Kansas Library System's proportionate share of the collective net pension liability reported by KPERS was \$213,604. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The Northwest Kansas Library System's proportion of the net pension liability was based on the ratio of the Northwest Kansas Library System's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

6. **Claims and Judgments**

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

The System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The system has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2016 to 2017 and there were no settlements that exceeded insurance coverage in the past three years.

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

7. **Operating Leases**

**Building**

On April 6, 2011, the System entered into an agreement with the City of Norton to lease space in a building commonly known as Washington Square. The agreement calls for ten annual rental payments of \$12,204, to be paid in quarterly installments, through December 2021. Unless the System notifies the City of its intent not to renew the lease at least six months prior to the end of the ten year lease period, the lease will automatically be extended for an additional lease term of one year. At the end of that one year period, the lease will automatically renew for subsequent one year renewals, unless notice is given by the System to the City of its intent not to renew the lease. The lease will also terminate if the City ceases to use the building as the Norton City Library. Total payments made during the year ending December 31, 2017 were \$12,204.

**Copy Machine**

On January 14, 2015, the System entered into an agreement with Xerox for the lease of a copy machine. The agreement calls for sixty monthly rental payments of \$250.67, plus a copy charge of \$0.0085 per copy and a copy charge of \$.07 per copy for color copies. Total payments made during the year ending December 31, 2017 were \$4,128.09. The amounts due under this agreement in future periods are as follows:

<u>Year</u>	<u>Payment</u>
2018	3,008
2019	3,008
2020	251

8. **Comparative Data for 2016**

The amounts shown for 2016 in the accompanying financial statements are included, where practicable, only to provide a basis for comparison with 2017, and are not intended to present all information necessary for a fair presentation. Certain amounts for 2016 may have been restated to conform with the presentation of similar amounts for 2017.

9. **Interfund Transactions**

There were no operating transfers during 2017.

10. **Subsequent Events**

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

**NORTHWEST KANSAS LIBRARY SYSTEM  
REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**NORTHWEST KANSAS LIBRARY SYSTEM**

SCHEDULE 1

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Types:					
General	\$ 590,000	0	590,000	569,394	(20,606)
Special Revenue Funds:					
Employee Benefits	89,800	0	89,800	88,202	(1,598)

NORTHWEST KANSAS LIBRARY SYSTEM

SCHEDULE 2

GENERAL

Page 1

Schedule of Receipts and Expenditures

Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance- Over (Under)
		Actual	Budget	
Receipts:				
Taxes	\$ 542,193	548,290	551,920	(3,630)
Other Income	860	1,524	0	1,524
Interest on idle funds	820	1,058	0	1,058
Total Receipts	<u>543,873</u>	<u>550,872</u>	<u>551,920</u>	<u>(1,048)</u>
Expenditures:				
Salaries	217,878	232,308	254,500	(22,192)
Health Insurance	13,478	32,016	28,200	3,816
KPERS	13,626	11,557	19,000	(7,443)
Kansas unemployment tax	2,540	2,394	3,000	(606)
Audio-visual	14,826	12,969	11,000	1,969
Bibliographic service	4,000	3,000	4,000	(1,000)
Books	44,046	36,404	43,000	(6,596)
Building cost	19,623	21,149	23,500	(2,351)
Capital outlay	14,041	2,237	10,000	(7,763)
Computer support	22,268	31,540	21,500	10,040
Contractual services	2,990	4,077	6,000	(1,923)
Education	8,088	9,274	4,000	5,274
Grants to member libraries	79,549	78,528	75,000	3,528
Insurance	7,980	9,723	8,000	1,723
Maintenance	1,773	3,831	2,000	1,831
Miscellaneous	2,686	3,341	4,000	(659)
Periodicals	1,841	7,344	9,000	(1,656)
Postage	5,391	5,003	5,000	3
Printing	4,513	4,082	5,000	(918)
Required fees	5,535	5,770	6,500	(730)
Supplies	4,757	7,990	7,000	990
Telephone	1,505	2,988	1,800	1,188
Travel	26,768	35,690	28,000	7,690
Workshops	4,848	6,179	6,000	179
Transfer to Capital Improvement	29,255	0	5,000	(5,000)
Total Expenditures	<u>553,803</u>	<u>569,394</u>	<u>590,000</u>	<u>(20,606)</u>

**NORTHWEST KANSAS LIBRARY SYSTEM**

SCHEDULE 2

**GENERAL**

Page 2

Schedule of Receipts and Expenditures

Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance- Over (Under)
		Actual	Budget	
Receipts Over (Under) Expenditures	\$ (9,929)	(18,522)		
Unencumbered Cash, Beginning	<u>41,965</u>	<u>32,036</u>		
Unencumbered Cash, Ending	\$ <u><b>32,036</b></u>	<u><b>13,514</b></u>		



**NORTHWEST KANSAS LIBRARY SYSTEM**  
**EMPLOYEE BENEFITS**

Schedule of Receipts and Expenditures  
 Actual and Budget  
 Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year		Variance- Over (Under)
		Actual	Budget	(Under)
Receipts:				
Taxes	\$ 79,626	88,202	<b>88,741</b>	<b>(539)</b>
Expenditures:				
Employee Benefits	80,080	88,202	<b>89,800</b>	<b>(1,598)</b>
Receipts Over (Under) Expenditures	(454)	0		
Unencumbered Cash, Beginning	6,454	6,000		
Unencumbered Cash, Ending	\$ 6,000	<b>6,000</b>		

**NORTHWEST KANSAS LIBRARY SYSTEM**  
**STATE AID**

SCHEDULE 2  
Page 4

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts:		
Grant - state aid	\$ <u>55,675</u>	<u>52,912</u>
Expenditures:		
Books	12,000	12,000
Computer Support	5,000	5,000
Grants	15,000	17,912
Salaries	<u>23,675</u>	<u>18,000</u>
Total Expenditures	<u>55,675</u>	<u>52,912</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>0</u></u>	<u><u>0</u></u>

**NORTHWEST KANSAS LIBRARY SYSTEM**  
**FY 2016-2017 BLIND & PHYSICALLY HANDICAPPED GRANT**

SCHEDULE 2  
Page 5

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

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

**NORTHWEST KANSAS LIBRARY SYSTEM**  
**FY 2017-2018 BLIND & PHYSICALLY HANDICAPPED GRANT**

SCHEDULE 2  
Page 6

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

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

**NORTHWEST KANSAS LIBRARY SYSTEM**  
**KHC GRANT**

SCHEDULE 2  
Page 7

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts:		
Grant	\$ 3,500	3,500
Expenditures:		
Postage	2,164	2,650
Supplies	50	0
Salaries	0	1,000
Books	<u>593</u>	<u>824</u>
Total Expenditures	<u>2,807</u>	<u>4,474</u>
Receipts Over (Under) Expenditures	693	(974)
Unencumbered Cash, January 1	<u>400</u>	<u>1,093</u>
Unencumbered Cash, December 31	\$ <u><u>1,093</u></u>	<u><u>119</u></u>

**NORTHWEST KANSAS LIBRARY SYSTEM**  
**6 X 6 REPLACEMENT**

SCHEDULE 2  
Page 8

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts:		
Transfer from 6 X 6 Kits	\$ 14,832	0
Transfer from 6 X 6 Backpacks	<u>437</u>	<u>0</u>
Total Receipts	<u>15,269</u>	<u>0</u>
Expenditures:		
Supplies	0	0
Miscellaneous	<u>0</u>	<u>12,591</u>
Total Expenditures	<u>0</u>	<u>12,591</u>
Receipts Over (Under) Expenditures	15,269	(12,591)
Unencumbered Cash, January 1	<u>0</u>	<u>15,269</u>
Unencumbered Cash, December 31	<u>\$ 15,269</u>	<u>2,678</u>

**NORTHWEST KANSAS LIBRARY SYSTEM**

SCHEDULE 2

**CAPITAL IMPROVEMENT**

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Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year Actual
Receipts:		
Transfer from General	\$ 29,255	0
Expenditures:		
Capital Outlay	16,000	0
Receipts Over (Under) Expenditures	13,255	0
Unencumbered Cash, January 1	16,559	29,814
Unencumbered Cash, December 31	\$ 29,814	29,814

**NORTHWEST KANSAS LIBRARY SYSTEM**

SCHEDULE 2

**KLA Contract**

Page 10

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	Prior Year Actual	Current Year Actual
Receipts:		
KLA Contract Income	\$ <u>0</u>	<u>9,125</u>
Expenditures:		
Salaries	0	9,125
Total Expenditures	<u>0</u>	<u>9,125</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, January 1	<u>0</u>	<u>0</u>
Unencumbered Cash, December 31	\$ <u><b>0</b></u>	<u><b>0</b></u>



**NORTHWEST KANSAS LIBRARY SYSTEM  
MEMORIAL FUND**

SCHEDULE 2  
Page 11

Schedule of Receipts and Expenditures  
Regulatory Basis

For the Year Ended December 31, 2017

(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts:		
Donations	\$ 2,215	1,960
Expenditures:		
Postage & Marketing	0	1,000
Supplies	1,800	330
BPH Materials & Supplies	0	2,631
Grants	318	495
Miscellaneous	<u>500</u>	<u>500</u>
Total Expenditures	<u>2,618</u>	<u>4,957</u>
Receipts Over (Under) Expenditures	(403)	(2,997)
Unencumbered Cash, January 1	<u>57,403</u>	<u>57,000</u>
Unencumbered Cash, December 31	\$ <u><b>57,000</b></u>	<u><b>54,003</b></u>

**NORTHWEST KANSAS LIBRARY SYSTEM**

SCHEDULE 3

**AGENCY FUNDS**

Summary of Receipts and Cash Disbursements

Regulatory Basis

For the Year Ended December 31, 2017

Fund	Beginning Cash Balance	Cash Receipts	Cash Disburse- ments	Ending Cash Balance
Sales Tax	\$ <u>0</u>	<u>65</u>	<u>65</u>	<u>0</u>