SOUTHEAST KANSAS LIBRARY SYSTEM
Iola, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2019

SOUTHEAST KANSAS LIBRARY SYSTEM

TABLE OF CONTENTS
Year ended December 31, 2019

	Statements	Page
Independent Auditor's Report		1
Financial Statement		
Summary Statement of Receipts, Expenditures and Unencumbered Cash	1	3
Notes to Financial Statements		5
Regulatory-Required Supplementary Information	Schedule	
Summary of Expenditures – Actual and Budget	1	12
Schedule of Receipts and Expenditures – Actual and Budget		
General - Actual & Budget	2a	13
Employee Benefit Fund - Actual & Budget	2b	14
State Aid - Actual & Budget	2c	15
Capital Improvements - Actual & Budget	2d	16
Talking Book Outreach Grant - Actual & Budget	2e	17
Apple Grant - Actual	2f	18
Digital Library – Actual	2g	19

234 South Main
P.O. Box 1020
Ottawa, Kansas 66067
(785) 242-3170
(785) 242-9250 FAX
www.agc-cpas.com WEB SITE

Agler & Gaeddert CHARTERED
Certified Public Accountants

Harold K. Mayes, CPA
Jennifer L. Kettler, CPA
Lucille L. Hinderliter, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southeast Kansas Library System
Iola, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Southeast Kansas Library System, as of and for the year ended December 31, 2019, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements
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 C; 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 controls. 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 C of the financial statement, the financial statement is prepared by the Southeast 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 C and 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 of 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 Southeast Kansas Library System as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Southeast Kansas Library System as of December 31, 2019, 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 C.

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 expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, (Schedules 1 and 2 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 basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 C.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Southeast Kansas Library System as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated July 30, 2019, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statements and accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link http//admin.ks.gov/offices/oar/municipal-services. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2019 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 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 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 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 2018 basic financial statement or to the 2018 basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2018, on the basis of accounting described in Note C.

Harold K. Mayes Jr

Harold K Mayes Jr CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
August 25, 2020

SOUTHEAST KANSAS LIBRARY SYSTEM

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

REGULATORY BASIS

For the Year Ended December 31, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances
Government Type Funds		
General Fund	$ 193,176.27	$ 0.00
Special Purpose Funds		
Employee Benefit Fund	13,693.64	0.00
State Aid	0.00	0.00
Capital Improvements	75,339.05	0.00
Talking Book Outreach Grant	0.00	0.00
Apple Grant	367.84	0.00
Digital Library	3,930.21	0.00
Total Reporting Entity	$ 286,507.01	$ 0.00

The accompanying notes are an integral part of this statement.

Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
$ 1,628,562.54	$ 1,639,291.33	$ 182,447.48	$ 7,796.08	$ 190,243.56
108,904.05	110,842.00	11,755.69	0.00	11,755.69
50,224.71	50,224.71	0.00	0.00	0.00
2,044.81	18,928.50	58,455.36	0.00	58,455.36
28,086.00	14,043.00	14,043.00	0.00	14,043.00
8,866.97	9,234.81	0.00	0.00	0.00
4,880.00	5,822.14	2,988.07	0.00	2,988.07
$ 1,831,569.08	$ 1,848,386.49	$ 269,689.60	$ 7,796.08	$ 277,485.68

Composition of Cash - Great Southern Bank	
Checking Account	$ 219,030.32
Checking Account - Capital Improvements	58,455.36
Total Cash	$ 277,485.68

The accompanying notes are an integral part of this statement.

NOTE A. MUNICIPAL REPORTING ENTITY

The Southeast Kansas Library System is a municipality operating within the State of Kansas. The entity receives local, state and federal aid, and then distributes both monies and material to various member libraries in Kansas. These financial statements reflect the Southeast Kansas Library System (primary government). The System's financial statements include all funds over which the Board exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters. There are no related municipal entities to the Southeast Kansas Library System. The member libraries are independent libraries with independent boards.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the System are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The System potentially could have the following types of funds.

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

Special Purpose Funds – 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 specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of major capital facilities or equipment. The System did not have any funds under this category for the current year.

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. The System did not have any funds under this category for the current year.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.). The System did not have any funds under this category for the current year.

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 municipality reporting entity scholarship funds, etc.). The System did not have any funds under this category for the current year.

Agency Fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county tax collection accounts, etc.). The System did not have any funds under this category for the current year.

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The 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 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 obligations 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 mentioned above.

NOTE C. BASIS OF ACCOUNTING - continued

The municipality has approved a resolution that it 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.

NOTE D. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.

2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

4. Adoption of the final budget on or before August 25th.

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 budget amendments in the current 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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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

A legal operating budget is not required for capital project funds, fiduciary finds, permanent funds, and the following special purpose funds:

Apple Grant	Digital Library

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

NOTE E. 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 bank 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. The rating of the System's investments (if any) is noted above.

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. The System's has no investments other than money markets and certificates of deposit.

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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2019.

At December 31, 2019, the System's carrying amount of deposits was $277,485.68 and the bank balance was $295,864.10. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000.00 was covered by federal depository insurance, $45,864.10 was collateralized with securities held by the pledging financial institutions' agents in the System's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the System 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 be adequately secured. The System had no such investments at year end.

NOTE F. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General Fund	Capital Improvement	K.S.A. 72-6428	$ 2,000.00

NOTE G. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Other Post-Employment Benefits: 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: The system's compensated absence policy permits full time employees who are eligible for vacation and /or sick leave benefits in varying annual amounts depending on position and length of service.

The System's policy is to record vacation and sick leave expense when paid.

NOTE G. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS- continued

There is no accrual for vacation or sick leave in these financial statements. The amounts if accrued for vacation and sick leave would be immaterial.

Death and Disability Other Post-Employment Benefits:
As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefits payments. The employer contribution rate is set at 1% for the year ended December 31, 2019.

Operating Leases with Related Party: The System leases building space form the Iola Public Library. Through the calendar year 2019 the rent is $22,230.00 per year plus utilities, janitorial care, lawn care, trash, insurance and maintenance based on the percentage of the facility used by the System. This lease is renewed each year. The resulting combined rental expense for 2019 was $22,230.00 plus $9,316.48 for the other expenses listed above.

The System also rents/leases copiers, postage machine and internet service. The cost of leases for the year ended December 31, 2019 were as follows:

	Expenses	Due in subsequent years			
	2019	2020	2021	2022	2023
Copies	$ 1,161.60	$ 1,320.00	$ 1,320.00	$ 1,320.00	$ 1,100.00
Mail Machine	1,827.00	1,827.00	1,827.00	1,827.00	913.50
Internet	16,620.00	16,620.00	4,155.00	0.00	0.00
	$ 19,608.60	$ 19,767.00	$ 7,302.00	$ 3,147.00	$ 2,013.50

NOTE H. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description - The 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 publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Contributions. KSA 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% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from Southeast Kansas Library System were $61,807.38 for the year ended December 31, 2019.

NOTE H. DEFINED BENEFIT PENSION PLAN - continued

Net Pension Liability

At December 31, 2019, the System's proportionate share of the collective net pension liability reported by KPERS was $465,129. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The System's proportion of the net pension liability was based on the ratio of the 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 KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE I. 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, for which the System carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE J. OTHER INFORMATION

Ad Valorem Tax Revenue: The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's office annually determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20 and distributed to the System by January 20 to finance a portion of the current year's budget. The second half is due May 20 and distributed to the System by June 5. The System draws available funds from the County Treasurer's office at designated times throughout the year.

Reimbursed Expenses: The System records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality. Management is not aware of any non-compliance issues.

The Southeast Kansas Library System adopts a budget that combines General, State Aid and Talking Book Outreach in one fund. However, for financial statement purposes they are shown separately. Budget amounts are listed below for reference only.

Adopted Budget	Budget Credits	Total Budget
$1,734,218	$0	$1,734,218

General Expenditures	State Aid Expenditures	Talking Book Outreach Grant	Total Expenditures
$1,669,675	$50,500	$14,043	$1,734,218

NOTE J. OTHER INFORMATION - continued

Grant Programs: The System receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the System. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the System at December 31, 2019.

Use of restricted versus unrestricted unencumbered cash and receipts: The System uses restricted unencumbered cash and receipts first when both restricted and unrestricted unencumbered cash or receipts are available.

NOTE K. SUBSEQUENT EVENTS

The System evaluated subsequent events through August 25, 2020 the date the financial statements were available to be issued. The effect of the Covid-19 virus on the operations of the System has not been fully determined at this time but it has had affected the daily operations of the System.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended December 31, 2019

Fund	Certified Budget	Adjustment for Qualifying Budget Credit	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 1,669,675.00 *	$ 0.00	$ 1,669,675.00	$ 1,639,291.33 *	$ (30,383.67)
Special Purpose Funds					
Employee Benefit Fund	110,842.00	0.00	110,842.00	110,842.00	0.00
State Aid	50,500.00 *	0.00	50,500.00	50,224.71 *	(275.29)
Capital Improvements	28,000.00	0.00	28,000.00	18,928.50	(9,071.50)
Talking Book Outreach	14,043.00 *	0.00	14,043.00	14,043.00 *	0.00

* These funds are combined for purposes of the published budget but are shown separate for reporting purposes.

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2a

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018 Actual	Actual	Budget *	Variance-Over (Under)
Receipts				
Tax Receipts	$ 1,532,663.12	$ 1,614,565.51	$ 1,607,238.00	$ 7,327.51
Miscellaneous Receipts	359.77	794.03	300.00	494.03
Material Replacement Grant	1,500.00	1,600.00	3,500.00	(1,900.00)
Contract	11,054.00	11,603.00	11,603.00	0.00
Total Receipts	1,545,576.89	1,628,562.54	$ 1,622,641.00	$ 5,921.54
Expenditures				
Academic	12,500.00	12,500.00	16,000.00	(3,500.00)
Accounting & Audit	12,254.95	15,718.09	14,200.00	1,518.09
Automation/Catalog	24,009.52	20,989.81	26,000.00	(5,010.19)
Buildings and Ground Payments	8,667.16	9,316.48	9,000.00	316.48
Building Rent	22,230.00	22,230.00	22,230.00	0.00
Competitive Grants	26,391.86	43,048.78	35,000.00	8,048.78
Computer Software & Services	10,098.18	6,720.80	5,000.00	1,720.80
Continuing education	4,488.66	3,579.93	4,500.00	(920.07)
Courier	6,150.00	6,650.00	6,150.00	500.00
Dream Grants	6,000.00	4,057.70	8,000.00	(3,942.30)
Employee Benefits - Payroll Taxes	168.00	397.24	0.00	397.24
Employee Benefits - Unemployment	582.84	614.77	643.00	(28.23)
Employee Benefits - Workmen's Com	1,332.00	1,316.00	1,600.00	(284.00)
Employee Insurance	136,329.53	129,740.91	152,000.00	(22,259.09)
Equipment Lease & Maintenance	3,368.54	3,269.66	5,000.00	(1,730.34)
Equipment Replacement	2,000.15	2,673.17	7,000.00	(4,326.83)
Insurance (Book)	7,768.00	7,630.00	8,200.00	(570.00)
Legal service	0.00	1,000.00	300.00	700.00
Material Delivery Grants	64,500.50	66,351.56	66,000.00	351.56
Materials: Books, Microfilm, etc.	33,924.66	69,584.01	61,600.00	7,984.01
Material Replacement Distributions	1,866.44	2,784.87	3,500.00	(715.13)
Member Libraries	470,600.00	494,479.00	498,000.00	(3,521.00)
Miscellaneous	5,233.39	7,733.85	10,000.00	(2,266.15)
Online Computer Library Center	3,500.00	7,408.53	6,000.00	1,408.53
Postage	345.22	374.05	1,000.00	(625.95)
Programming grants	425.00	234.91	2,500.00	(2,265.09)
Salaries	610,806.25	632,125.16	628,752.00	3,373.16
Service development	98,166.90	30,334.02	25,000.00	5,334.02
Supplies	4,852.14	6,621.66	7,500.00	(878.34)
Telephone	2,333.94	1,055.80	9,000.00	(7,944.20)
Travel & Professional Development	21,865.28	17,023.25	18,000.00	(976.75)
Vehicle Expense	10,481.34	9,727.32	10,000.00	(272.68)
Transfer to Capital Improvements	0.00	2,000.00	2,000.00	0.00
Total Expenditures	1,613,240.45	1,639,291.33	$ 1,669,675.00	$ (30,383.67)
Receipts Over (Under) Expenditures	(67,663.56)	(10,728.79)	* See NOTE J	
Unencumbered Cash, Beginning	260,839.83	193,176.27		
Unencumbered Cash, Ending	$ 193,176.27	$ 182,447.48		

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2b

SPECIAL PURPOSE FUNDS

EMPLOYEE BENEFIT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018 Actual	Actual	Budget	Variance-Over (Under)
Receipts				
Tax Receipts	$ 89,199.31	$ 108,904.05	$ 107,787.00	$ 1,117.05
Total Receipts	89,199.31	108,904.05	$ 107,787.00	$ 1,117.05
Expenditures				
Employer's Contribution to KPERS	56,809.57	61,807.38	$ 61,668.00	$ 139.38
Payroll Taxes	47,621.92	49,034.62	49,174.00	(139.38)
Total Expenditures	104,431.49	110,842.00	$ 110,842.00	$ 0.00
Receipts Over (Under) Expenditures	(15,232.18)	(1,937.95)		
Unencumbered Cash, Beginning	28,925.82	13,693.64		
Unencumbered Cash, Ending	$ 13,693.64	$ 11,755.69		

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2c

SPECIAL PURPOSE FUNDS
STATE AID FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018 Actual	Actual	Budget *	Variance-Over (Under)
Receipts				
State Grants	$ 50,397.58	$ 50,224.71	$ 49,000.00	$ 1,224.71
Total Receipts	50,397.58	50,224.71	$ 49,000.00	$ 1,224.71
Expenditures				
Computer Software & Services	349.94	1,939.00	$ 0.00	$ 1,939.00
Equipment Replacement	6,118.00	8,808.00	9,000.00	(192.00)
Materials: Books, Microfilm, etc.	32,956.89	27,298.26	31,000.00	(3,701.74)
Postage	0.00	1,500.00	4,000.00	(2,500.00)
Supplies	7,550.38	9,076.64	6,500.00	2,576.64
Telephone	3,422.37	1,602.81	0.00	1,602.81
Total Expenditures	50,397.58	50,224.71	$ 50,500.00	$ (275.29)
Receipts Over (Under) Expenditures	0.00	0.00	* See NOTE J	
Unencumbered Cash, Beginning	0.00	0.00		
Unencumbered Cash, Ending	$ 0.00	$ 0.00		

* See NOTE J

See Report of Independent Certified Public Accountants.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2d

SPECIAL PURPOSE FUNDS

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018 Actual	Actual	Budget	Variance-Over (Under)
Receipts				
Interest	$ 56.86	$ 44.81	$ 40.00	$ 4.81
Transfer from General Fund	0.00	2,000.00	2,000.00	0.00
Total Receipts	56.86	2,044.81	$ 25.00	$ 4.81
Expenditures				
Vehicle Replacement	15,148.00	18,928.50	$ 28,000.00	$ (9,071.50)
Total Expenditures	15,148.00	18,928.50	$ 28,000.00	$ (9,071.50)
Receipts Over (Under) Expenditures	(15,091.14)	(16,883.69)		
Unencumbered Cash, Beginning	90,430.19	75,339.05		
Unencumbered Cash, Ending	$ 75,339.05	$ 58,455.36		

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2e

SPECIAL PURPOSE FUNDS

TALKING BOOK OUTREACH GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018 Actual	**Actual**	**Budget ***	**Variance-Over (Under)**
Receipts				
Registration Fees	$ 0.00	$ 28,086.00	$ 13,400.00	$ 14,686.00
Total Receipts	0.00	28,086.00	$ 13,400.00	$ 14,686.00
Expenditures				
Salaries	11,702.50	14,043.00	$ 14,043.00	$ 0.00
Total Expenditures	11,702.50	14,043.00	$ 14,043.00	$ 0.00
Receipts Over (Under) Expenditures	(11,702.50)	14,043.00	* See NOTE J	
Unencumbered Cash, Beginning	11,702.50	0.00		
Unencumbered Cash, Ending	$ 0.00	$ 14,043.00		

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2f

SPECIAL PURPOSE FUNDS
APPLE GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual
Receipts		
Tuition	$ 6,400.00	$ 8,866.97
Total Receipts	6,400.00	8,866.97
Expenditures		
Supplies	195.95	140.95
Presenter Costs	4,083.43	4,352.86
Facilities	4,265.50	4,741.00
Total Expenditures	8,544.88	9,234.81
Receipts Over (Under) Expenditures	(2,144.88)	(367.84)
Unencumbered Cash, Beginning	2,512.72	367.84
Unencumbered Cash, Ending	$ 367.84	$ 0.00

See Independent Auditor's Report.

SOUTHEAST KANSAS LIBRARY SYSTEM

Schedule 2g

SPECIAL PURPOSE FUNDS
DIGITAL LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018 Actual	2019 Actual
Receipts		
Library Contributions	$ 6,630.00	$ 4,880.00
Total Receipts	6,630.00	4,880.00
Expenditures		
eBooks	2,366.44	3,804.49
Audio Downloadable Books	4,236.96	2,017.65
Total Expenditures	6,603.40	5,822.14
Receipts Over (Under) Expenditures	26.60	(942.14)
Unencumbered Cash, Beginning	3,903.61	3,930.21
Unencumbered Cash, Ending	$ 3,930.21	$ 2,988.07

See Independent Auditor's Report.