

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

Executive Committee

For the Year Ended December 31, 2012

OFFICERS

Barbara Lilyhorn
Chair

Gail Niles Stucky
Vice-Chair

Jean Volk
Secretary/Treasurer

MEMBERS

Janice Sharp

Jane Lee

Steve Read

Kristin Sen

Martha Fee

Susan Woodard

Nan Myers

Deb Simpson

Robert Kelly

Beth Evans

Paul Hawkins
Director

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

For the Year Ended December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Executive Committee
South Central Kansas Library System
South Hutchinson, Kansas 67505

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the South Central Kansas Library System, a Municipal Financial Reporting Entity 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.

Auditors' 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 the South Central 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 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 the South Central 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 the South Central 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 2012 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 and 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 purposes of additional analysis and are not a required part of the 2012 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 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 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 2012 basic financial statement or to the 2012 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 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2011 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 basic financial statement upon which we rendered an unqualified opinion dated March 15, 2013. The 2011 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 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 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 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 2011 basic financial statement or to the 2011 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 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

March 15, 2013

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended December 31, 2012

<u>Funds</u>	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUND:						
General Fund	\$ 325,760	\$ 2,338,771	\$ 2,268,436	\$ 396,095	\$ 875	\$ 396,970
SPECIAL PURPOSE FUNDS:						
Capital Improvement Fund	423,569	50,000	5,181	468,388	-	468,388
Employee Benefits Fund	133,370	134,479	145,620	122,229	133	122,362
Kansas State Aid Fund	-	74,259	74,259	-	-	-
Miscellaneous Grant Fund	9,640	-	9,640	-	6,178	6,178
Automation Consortium Fund	17,765	96,193	91,063	22,895	-	22,895
Library Foundation Fund	5,018	5,724	4,606	6,136	-	6,136
Total Special Purpose Funds	589,362	360,655	330,369	619,648	6,311	625,959
BUSINESS FUND:						
Member Library Reimbursable Fund	38,278	75,481	84,954	28,805	-	28,805
Total Reporting Entity	\$ 953,400	\$ 2,774,907	\$ 2,683,759	\$ 1,044,548	\$ 7,186	\$ 1,051,734

COMPOSITION OF CASH:

Cash on Hand	\$ 64
Checking Account	526,296
Savings Account	393,516
Certificate of Deposit	17,362
Certificate of Deposit	501
Certificate of Deposit	107,859
Library Foundation Checking Account	6,111
Library Foundation Savings Account	25
Total Reporting Entity	\$ 1,051,734

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

NOTES TO FINANCIAL STATEMENT

For the Year Ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Municipal Financial Reporting Entity

The South Central Kansas Library System (Library System) was organized by Kansas Legislature House Bill 621 in 1965 to provide access to library materials and service for the libraries and patrons of participating counties. The Library System is a municipal financial reporting entity governed by a thirteen-member Executive Committee. The financial statement presents all funds that are administered and controlled by the Executive Committee.

Related Municipal Entity. The Library System has the following related municipal entity:

Library Foundation. The Foundation was formed during 2006 to provide for member libraries. Financial information for the Library Foundation may be obtained from the administrative offices of the entity at 321A N. Main Street, South Hutchinson, Kansas 67505. The Library Foundation is presented as a special purpose fund.

(b) Regulatory Basis Fund Types

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 specified 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. water fund, electric fund, etc.).

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) 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 Library System 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 Library System to use the regulatory basis of accounting.

(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 the 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 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. There were no such budget amendments in 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 budgeted 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 budget expenditure authority lapses at year end.

A legal operating budget is not required for the Kansas State Aid Fund, Automation Consortium Fund, Library Foundation Fund or the Member Library Reimbursable Fund. Spending in funds which are not subject to the legal annual operating budget requirement are 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 statute violations were noted during 2012.

3. DEPOSITS AND INVESTMENTS

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

K.S.A. 12-1675 limits the Library 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 Library 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 Library 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 Library System's deposits may not be returned to it. State statutes require the Library 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. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the Library System's carrying amount of deposits was \$1,051,670 and the bank balance was \$1,164,590. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$256,112 was covered by federal depository insurance and the remaining \$908,478 was collateralized with securities held by the pledging financial institutions' agents in the Library 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 Library 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 to be adequately secured.

4. LONG-TERM DEBT

Changes in long-term liabilities for the Library System for the year ended December 31, 2012, were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions, Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
Capital Lease:									
Office Building	8.00%	2005	\$ 270,000	2017	\$ 146,088	\$ -	\$ (24,261)	\$ 121,827	\$ 10,810

4. LONG-TERM DEBT (CONT.)

Current maturities of long-term debt and interest for the next six years through maturity are as follows:

	Year					Total
	2013	2014	2015	2016	2017	
Principal:						
Capital Lease:						
Office Building	\$ 26,275	\$ 28,456	\$ 30,817	\$ 33,375	\$ 2,904	\$ 121,827
Interest:						
Capital Leases:						
Office Building	8,797	6,616	4,254	1,696	19	21,382
Total Principal and Interest	\$ 35,072	\$ 35,072	\$ 35,071	\$ 35,071	\$ 2,923	\$ 143,209

5. DEFINED BENEFIT PENSION PLAN

Plan Description. The Library System participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) 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. Kansas law provides that the employer contribution rates 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.

The State of Kansas is required to contribute the statutory required employers share.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

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

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT.)

(b) Other Employee Benefits

Annual Leave - Full time employees will earn annual leave beginning with the month of employment. If not taken, annual leave shall accrue from year to year up to the maximum provided depending on the employee's classification and years of service.

Employees will accrue annual leave as follows:

- Full-time regular employees with ten or more years service – 160 hours annually with pay, accumulating at the monthly rate of 13 hours and 20 minutes. (Maximum accumulation – 320 hours).
- Full-time regular employees with less than ten years service – 120 hours annually with pay, accumulating at the monthly rate of 10 hours. (Maximum accumulation – 240 hours).
- Part-time employees 3/4 time – 60 hours annually with pay, accumulating at the monthly rate of 5 hours. 1/2 time employees - 40 hours annually with pay, accumulating at the monthly rate of 3 hours and 20 minutes. (Maximum accumulation – (3/4 time and 1/2 time will accumulate to 120 hours and 80 hours respectively).

In addition, employees earn four special non-closing holidays. These days are to be used as annual leave subject to the maximum accumulation limits and are credited in the following manner:

- One day at the end of March
- One day at the end of June
- One day at the end of September
- One day at the end of December

Annual leave in excess of accumulated maximum limits shall be forfeited as of December 31 of each year. Unearned annual leave cannot be taken in advance. An employee shall be paid for all accumulated annual leave upon termination.

Sick Leave - Full-time employees are entitled to sick leave with pay for absences resulting from personal illness, injuries, accidents or other physical incapacities, occurring either on or off the job and other circumstances as described in the Policy Manual. Full-time employees earn sick leave beginning with the month of employment at the rate of 6.67 hours per month or 80 hours per year. Full time employees may accrue up to 320 hours.

Part-time employees earn sick leave beginning with the month of employment at the rate of 5 hours per month for 3/4 time employees and 3.33 hours per month for 1/2 time employees. 3/4 time employees may accrue up to 240 hours and 1/2 time employees may accrue up to 160 hours.

Any employee who uses less than 25% of their annually earned sick leave will receive one extra day of annual leave in January of the following year. Upon resignation or termination of employment an employee shall not be paid for accumulated sick leave. Accordingly, no provision for accumulated sick leave has been made in the accompanying financial statement.

7. CLAIMS AND JUDGMENTS

The Library 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 Library System may be required to reimburse the grantor government. As of March 15, 2013 grant expenditures have not been audited, but the Library System believes that disallowed expenditures, if any, will not have a material effect on any of the individual governmental funds or the overall financial position of the Library System.

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

The Library System is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The Library System has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

8. INTERFUND TRANSFER

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General	Capital Improvement	K.S.A. 12-1, 118	<u>\$ 50,000</u>

9. SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statement of subsequent events occurring through March 15, 2013 which is the date at which the financial statement was available to be issued.

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2012**

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

**Regulatory Basis
(Budgeted Funds Only)**

For the Year Ended December 31, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
GENERAL FUND:					
General Fund	\$ 2,553,541	\$ -	\$ 2,553,541	\$ 2,268,436	\$ (285,105)
SPECIAL PURPOSE FUNDS:					
Capital Improvement Fund	387,403	-	387,403	5,181	(382,222)
Employee Benefits Fund	236,521	-	236,521	145,620	(90,901)

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

GENERAL FUND

GENERAL FUND

SCHEDULE OF 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)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts:				
Taxes - member counties:				
Ad valorem property tax	\$ -	\$ -	\$ 2,158,405	\$ (2,158,405)
Delinquent tax collections	-	-	20,000	(20,000)
Motor vehicle tax	-	-	184,370	(184,370)
Recreational vehicle tax	-	-	4,106	(4,106)
Heavy truck tax	-	-	8,320	(8,320)
Antique tax	-	-	100	(100)
Excise tax	-	-	500	(500)
In lieu of tax	-	-	500	(500)
Barber County Treasurer:				
Ad valorem property tax	92,746	123,353	-	123,353
Delinquent tax collections	667	584	-	584
Motor vehicle tax	2,694	2,959	-	2,959
Recreational vehicle tax	57	40	-	40
Heavy truck tax	749	894	-	894
Total Barber County Treasurer	96,913	127,830	-	127,830
Butler County Treasurer:				
Ad valorem property tax	317,825	303,225	-	303,225
Delinquent tax collections	8,945	8,910	-	8,910
Motor vehicle tax	31,754	32,090	-	32,090
Recreational vehicle tax	737	654	-	654
Heavy truck tax	809	804	-	804
Total Butler County Treasurer	360,070	345,683	-	345,683
Cowley County Treasurer:				
Ad valorem property tax	101,266	103,230	-	103,230
Delinquent tax collections	3,427	453	-	453
Motor vehicle tax	14,877	13,957	-	13,957
Recreational vehicle tax	391	318	-	318
Heavy truck tax	777	913	-	913
Total Cowley County Treasurer	120,738	118,871	-	118,871

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

GENERAL FUND

GENERAL FUND

SCHEDULE OF 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)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts (cont.):				
Taxes - member counties (cont.):				
Harper County Treasurer:				
Ad valorem property tax	\$ 53,339	\$ 57,580	\$ -	\$ 57,580
Delinquent tax collections	932	905	-	905
Motor vehicle tax	3,723	3,051	-	3,051
Recreational vehicle tax	64	33	-	33
Heavy truck tax	-	156	-	156
Total Harper County Treasurer	58,058	61,725	-	61,725
Harvey County Treasurer:				
Ad valorem property tax	91,583	93,733	-	93,733
Delinquent tax collections	1,337	1,290	-	1,290
Motor vehicle tax	10,539	10,946	-	10,946
Recreational vehicle tax	254	231	-	231
Heavy truck tax	309	321	-	321
Total Harvey County Treasurer	104,022	106,521	-	106,521
Kingman County Treasurer:				
Ad valorem property tax	80,155	81,318	-	81,318
Delinquent tax collections	2,790	1,331	-	1,331
Motor vehicle tax	5,489	5,717	-	5,717
Recreational vehicle tax	148	128	-	128
Heavy truck tax	689	899	-	899
Antique tax	97	104	-	104
Total Kingman County Treasurer	89,368	89,497	-	89,497
McPherson County Treasurer:				
Ad valorem property tax	164,586	173,263	-	173,263
Delinquent tax collections	1,110	3,968	-	3,968
Motor vehicle tax	12,729	12,555	-	12,555
Recreational vehicle tax	299	285	-	285
Heavy truck tax	501	583	-	583
Total McPherson County Treasurer	179,225	190,654	-	190,654

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

GENERAL FUND

GENERAL FUND

SCHEDULE OF 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)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts (cont.):				
Taxes - member counties (cont.):				
Reno County Treasurer:				
Ad valorem property tax	\$ 206,524	\$ 214,085	\$ -	\$ 214,085
Delinquent tax collections	5,163	5,009	-	5,009
Motor vehicle tax	21,042	22,761	-	22,761
Recreational vehicle tax	419	417	-	417
Heavy truck tax	803	969	-	969
In lieu of tax	-	82	-	82
MVL excise tax	17	12	-	12
Total Reno County Treasurer	233,968	243,335	-	243,335
Rice County Treasurer:				
Ad valorem property tax	86,551	89,210	-	89,210
Delinquent tax collections	1,187	1,090	-	1,090
Motor vehicle tax	3,847	3,776	-	3,776
Recreational vehicle tax	101	97	-	97
Heavy truck tax	393	443	-	443
Total Rice County Treasurer	92,079	94,616	-	94,616
Sedgwick County Treasurer:				
Ad valorem property tax	670,220	682,372	-	682,372
Delinquent tax collections	5,115	9,118	-	9,118
Motor vehicle tax	63,559	62,411	-	62,411
Recreational vehicle tax	1,280	1,090	-	1,090
Heavy truck tax	745	813	-	813
MVL excise tax	471	460	-	460
Total Sedgwick County Treasurer	741,390	756,264	-	756,264
Stafford County Treasurer:				
Ad valorem property tax	72,765	78,428	-	78,428
Delinquent tax collections	680	621	-	621
Motor vehicle tax	2,417	2,619	-	2,619
Recreational vehicle tax	62	53	-	53
Heavy truck tax	1,021	1,087	-	1,087
Total Stafford County Treasurer	76,945	82,808	-	82,808

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

GENERAL FUND

GENERAL FUND

SCHEDULE OF 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)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts (cont.):				
Taxes - member counties (cont.):				
Sumner County Treasurer:				
Ad valorem property tax	\$ 99,444	\$ 103,139	\$ -	\$ 103,139
Delinquent tax collections	1,307	1,962	-	1,962
Motor vehicle tax	13,863	9,131	-	9,131
Recreational vehicle tax	285	180	-	180
Heavy truck tax	794	938	-	938
Total Sumner County Treasurer	115,693	115,350	-	115,350
Total Taxes - member counties	2,268,469	2,333,154	2,376,301	(43,147)
KAN-ED grant	2,235	2,235	-	2,235
Contractual services income	3,332	1,817	2,000	(183)
Interest	2,705	1,031	3,000	(1,969)
Miscellaneous	726	534	2,000	(1,466)
Total Receipts	2,277,467	2,338,771	\$ 2,383,301	\$ (44,530)
Expenditures:				
Personal services	486,254	509,004	\$ 542,142	\$ (33,138)
Contractual services	193,419	219,742	226,000	(6,258)
Commodities	78,098	78,740	83,000	(4,260)
Capital outlay	33,464	69,835	73,483	(3,648)
Aid to system units	989,000	989,000	989,000	-
Grant expenditures	92,130	138,413	160,000	(21,587)
Travel	25,026	32,097	34,000	(1,903)
Member library CE and training	30,633	20,846	28,000	(7,154)
Vehicle expense	20,555	21,144	20,000	1,144
Services contingency	32,655	66,829	87,708	(20,879)
Building lease	35,071	35,071	35,071	-
Technology	39,533	37,715	35,000	2,715
Neighborhood revitalization rebate	-	-	165,137	(165,137)
Transfer to Capital Improvement Fund	150,000	50,000	75,000	(25,000)
Total Expenditures	2,205,838	2,268,436	\$ 2,553,541	\$ (285,105)
Receipts over (under) Expenditures	71,629	70,335		
Unencumbered Cash, Beginning of Year	254,131	325,760		
Unencumbered Cash, End of Year	\$ 325,760	\$ 396,095		

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SPECIAL PURPOSE FUND

CAPITAL IMPROVEMENT FUND

SCHEDULE OF 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)

	<u>2011 Actual</u>	<u>2012</u>		<u>Variance - Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from General Fund	\$ 150,000	\$ 50,000	\$ 75,000	\$ (25,000)
Expenditures:				
Equipment and maintenance	35,834	5,181	\$ 387,403	\$ (382,222)
Receipts over (under) Expenditures	114,166	44,819		
Unencumbered Cash, Beginning of Year	<u>309,403</u>	<u>423,569</u>		
Unencumbered Cash, End of Year	<u>\$ 423,569</u>	<u>\$ 468,388</u>		

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SPECIAL PURPOSE FUND

EMPLOYEE BENEFITS FUND

SCHEDULE OF 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)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts:				
Taxes - member counties:				
Ad valorem property tax	\$ -	\$ -	\$ 124,369	\$ (124,369)
Motor vehicle tax	-	-	10,628	(10,628)
Recreational vehicle tax	-	-	237	(237)
Heavy truck tax	-	-	480	(480)
Barber County Treasurer:				
Ad valorem property tax	5,349	7,108	-	7,108
Delinquent tax collections	39	34	-	34
Motor vehicle tax	156	171	-	171
Recreational vehicle tax	3	2	-	2
Heavy truck tax	48	51	-	51
Total Barber County Treasurer	5,595	7,366	-	7,366
Butler County Treasurer:				
Ad valorem property tax	18,329	17,472	-	17,472
Delinquent tax collections	536	512	-	512
Motor vehicle tax	1,835	1,851	-	1,851
Recreational vehicle tax	43	38	-	38
Heavy truck tax	52	50	-	50
Total Butler County Treasurer	20,795	19,923	-	19,923
Cowley County Treasurer:				
Ad valorem property tax	5,840	5,949	-	5,949
Delinquent tax collections	204	27	-	27
Motor vehicle tax	859	805	-	805
Recreational vehicle tax	23	18	-	18
Heavy truck tax	50	53	-	53
Total Cowley County Treasurer	6,976	6,852	-	6,852

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SPECIAL PURPOSE FUND

EMPLOYEE BENEFITS FUND

SCHEDULE OF 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)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts (cont.):				
Taxes - member counties (cont.):				
Harper County Treasurer:				
Ad valorem property tax	\$ 3,077	\$ 3,316	\$ -	\$ 3,316
Delinquent tax collections	55	53	-	53
Motor vehicle tax	218	176	-	176
Recreational vehicle tax	4	2	-	2
Heavy truck tax	-	9	-	9
Total Harper County Treasurer	3,354	3,556	-	3,556
Harvey County Treasurer:				
Ad valorem property tax	5,282	5,401	-	5,401
Delinquent tax collections	81	78	-	78
Motor vehicle tax	610	631	-	631
Recreational vehicle tax	15	13	-	13
Heavy truck tax	20	18	-	18
Total Harvey County Treasurer	6,008	6,141	-	6,141
Kingman County Treasurer:				
Ad valorem property tax	4,623	4,685	-	4,685
Delinquent tax collections	162	78	-	78
Motor vehicle tax	322	330	-	330
Recreational vehicle tax	9	7	-	7
Heavy truck tax	44	52	-	52
Antique tax	6	6	-	6
Total Kingman County Treasurer	5,166	5,158	-	5,158
McPherson County Treasurer:				
Ad valorem property tax	9,492	9,983	-	9,983
Delinquent tax collections	65	230	-	230
Motor vehicle tax	749	724	-	724
Recreational vehicle tax	17	16	-	16
Heavy truck tax	32	34	-	34
Total McPherson County Treasurer	10,355	10,987	-	10,987

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SPECIAL PURPOSE FUND

EMPLOYEE BENEFITS FUND

SCHEDULE OF 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)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts (cont.):				
Taxes - member counties (cont.):				
Reno County Treasurer:				
Ad valorem property tax	\$ 12,022	\$ 12,336	\$ -	\$ 12,336
Delinquent tax collections	308	294	-	294
Motor vehicle tax	1,312	1,313	-	1,313
Recreational vehicle tax	26	24	-	24
Heavy truck tax	-	56	-	56
In lieu of tax	-	5	-	5
MVL excise tax	53	1	-	1
Total Reno County Treasurer	13,721	14,029	-	14,029
Rice County Treasurer:				
Ad valorem property tax	4,992	5,140	-	5,140
Delinquent tax collections	70	64	-	64
Motor vehicle tax	223	218	-	218
Recreational vehicle tax	6	6	-	6
Heavy truck tax	25	26	-	26
Total Rice County Treasurer	5,316	5,454	-	5,454
Sedgwick County Treasurer:				
Ad valorem property tax	38,652	39,316	-	39,316
Delinquent tax collections	310	538	-	538
Motor vehicle tax	3,674	3,599	-	3,599
Recreational vehicle tax	74	63	-	63
Heavy truck tax	48	47	-	47
MVL excise tax	27	27	-	27
Total Sedgwick County Treasurer	42,785	43,590	-	43,590

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SPECIAL PURPOSE FUND

EMPLOYEE BENEFITS FUND

SCHEDULE OF 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)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Receipts (cont.):				
Taxes - member counties (cont.):				
Stafford County Treasurer:				
Ad valorem property tax	\$ 4,197	\$ 4,519	\$ -	\$ 4,519
Delinquent tax collections	40	36	-	36
Motor vehicle tax	144	151	-	151
Recreational vehicle tax	4	3	-	3
Heavy truck tax	59	63	-	63
Total Stafford County Treasurer	4,444	4,772	-	4,772
Sumner County Treasurer:				
Ad valorem property tax	5,735	5,943	-	5,943
Delinquent tax collections	80	117	-	117
Motor vehicle tax	815	527	-	527
Recreational vehicle tax	17	10	-	10
Heavy truck tax	51	54	-	54
Total Sumner County Treasurer	6,698	6,651	-	6,651
Total Receipts	131,213	134,479	\$ 135,714	\$ (1,235)
Expenditures:				
Cafeteria plan management	846	877	\$ 800	\$ 77
Health insurance	45,699	45,989	116,347	(70,358)
Life insurance	2,691	3,013	3,250	(237)
KPERS	36,771	41,864	38,000	3,864
Social security and medicare	36,267	38,842	39,000	(158)
Tax sheltered annuity	10,333	10,333	20,700	(10,367)
Unemployment insurance	474	508	400	108
Wellness program	3,684	4,194	5,000	(806)
Workers' compensation	-	-	3,500	(3,500)
Neighborhood Revitalization Rebate	-	-	9,524	(9,524)
Total Expenditures	136,765	145,620	\$ 236,521	\$ (90,901)
Receipts over (under) Expenditures	(5,552)	(11,141)		
Unencumbered Cash, Beginning of Year	138,922	133,370		
Unencumbered Cash, End of Year	\$ 133,370	\$ 122,229		

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SPECIAL PURPOSE FUND

KANSAS STATE AID FUND

SCHEDULE OF 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)

	<u>2011</u>	<u>2012</u>
Receipts:		
State aid	\$ 84,447	\$ 74,259
Expenditures:		
Contractual services	46,369	52,292
Commodities	8,078	11,967
Capital outlay	30,000	-
Internet services	-	10,000
Total Expenditures	<u>84,447</u>	<u>74,259</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SPECIAL PURPOSE FUND

MISCELLANEOUS GRANTS FUND

SCHEDULE OF 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)

	<u>2011</u>	<u>2012</u>
Receipts:		
Grant income	\$ 20,000	\$ -
Expenditures:		
Grant expenses	<u>10,360</u>	<u>9,640</u>
Receipts over (under) Expenditures	9,640	(9,640)
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>9,640</u>
Unencumbered Cash, End of Year	<u>\$ 9,640</u>	<u>\$ -</u>

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SPECIAL PURPOSE FUND

AUTOMATION CONSORTIUM FUND

SCHEDULE OF 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)

	<u>2011</u>	<u>2012</u>
Receipts:		
Automation consortium income	\$ 47,175	\$ 96,096
Interest	<u>15</u>	<u>97</u>
Total Receipts	<u>47,190</u>	<u>96,193</u>
Expenditures:		
Automation consortium	27,249	50,067
LSTA automation grant expense	24,725	40,996
SCKAN automation grant expense	<u>25,376</u>	<u>-</u>
Total Expenditures	<u>77,350</u>	<u>91,063</u>
Receipts over (under) Expenditures	(30,160)	5,130
Unencumbered Cash, Beginning of Year	<u>47,925</u>	<u>17,765</u>
Unencumbered Cash, End of Year	<u>\$ 17,765</u>	<u>\$ 22,895</u>

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

SPECIAL PURPOSE FUND

LIBRARY FOUNDATION FUND

SCHEDULE OF 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)

	<u>2011</u>	<u>2012</u>
Receipts:		
Interest income	\$ 6	\$ 6
Grants	2,159	4,146
Appropriation from SCKLS	<u>-</u>	<u>1,572</u>
Total Receipts	<u>2,165</u>	<u>5,724</u>
Expenditures:		
Commodities	1,625	-
Grant expense	<u>-</u>	<u>4,606</u>
Total Expenditures	<u>1,625</u>	<u>4,606</u>
Receipts over (under) Expenditures	540	1,118
Unencumbered Cash, Beginning of Year	<u>4,478</u>	<u>5,018</u>
Unencumbered Cash, End of Year	<u>\$ 5,018</u>	<u>\$ 6,136</u>

**SOUTH CENTRAL KANSAS LIBRARY SYSTEM
SOUTH HUTCHINSON, KANSAS**

BUSINESS FUND

MEMBER LIBRARY REIMBURSABLE FUND

SCHEDULE OF 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)

	<u>2011</u>	<u>2012</u>
Receipts:		
Billings to units, affiliates and others for books, equipment and supplies	\$ 55,629	\$ 75,481
Miscellaneous income	<u>320</u>	<u>-</u>
Total Receipts	<u>55,949</u>	<u>75,481</u>
Expenditures:		
Cost of books, equipment and supplies	<u>54,210</u>	<u>84,954</u>
Receipts over (under) Expenditures	1,739	(9,473)
Unencumbered Cash, Beginning of Year	<u>36,539</u>	<u>38,278</u>
Unencumbered Cash, End of Year	<u>\$ 38,278</u>	<u>\$ 28,805</u>