




Kansas City Public Library

Annual Financial Report

June 30, 2023



Kansas City Public Library
June 30, 2023

Contents

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (Unaudited)	4
Basic Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Balance Sheet – Governmental Funds.....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (GAAP Basis) – General Fund	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (GAAP Basis) – Gifts/Grants Fund	20
Statement of Net Position – Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	22
Statement of Cash Flows – Proprietary Funds	23
Notes to Basic Financial Statements	24
Required Supplementary Information (Unaudited)	
Schedule of the Library’s Proportionate Share of the Net Pension Liability	53
Schedule of Library Contributions	54
Notes to Required Supplementary Information.....	55

Statistical Data Section (Unaudited)

Net Position by Component – Last Ten Fiscal Years..... 57

Changes in Net Position – Last Ten Fiscal Years 58

Fund Balances of Governmental Funds – Last Ten Fiscal Years..... 60

Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years..... 61

General Governmental Expenditures by Function – Last Ten Fiscal Years..... 62

General Governmental Revenues by Source – Last Ten Fiscal Years 63

Property Tax Levies and Collections – Last Ten Fiscal Years..... 64

Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years..... 65

Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years 66

Principal Property Taxpayers – Current Year and Ten Years Ago 67

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt
Per Capita – Last Ten Fiscal Years..... 68

Ratio of Annual Debt Service Expenditures for Outstanding Financed Purchased, Lease and
Subscription Payments to Total General Fund Expenditures – Last Ten Fiscal Years 69

Property Value, Construction and Bank Deposits – Last Ten Fiscal Years 70

Demographic and Economic Statistics – Last Ten Fiscal Years 71

Principal Employers – Current Year and Ten Years Ago 72

Full-Time and Part-Time Employees – Last Ten Fiscal Years 73

Capital Asset Statistics by Function – Last Ten Fiscal Years 74

Miscellaneous Statistical Data – Last Ten Fiscal Years..... 75

Circulation Summary by Location – Last Ten Fiscal Years..... 76

Schedule of Service Locations 77

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards* –
Independent Auditor’s Report..... 78**



1201 Walnut Street, Suite 1700 / Kansas City, MO 64106

P 816.221.6300 / F 816.221.6380

forvis.com

Independent Auditor's Report

Board of Trustees
Kansas City Public Library
Kansas City, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit and each major fund of the Kansas City Public Library (the Library), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit and each major fund of the Library as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Gifts/Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Library and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2023, the Library adopted Governmental Accounting Standards Board Standard No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information

and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Statistical Data Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS,LLP

Kansas City, Missouri
February 5, 2024

Kansas City Public Library

Management's Discussion and Analysis (Unaudited)

June 30, 2023

As management of the Kansas City Public Library (the "Library"), we offer readers of the Library's financial statements with this narrative overview and analysis of the financial activities of the Kansas City Public Library for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Library's financial statements which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Kansas City Public Library exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$59,617,703 (*net position*).
- As of the close of the current fiscal year, the Kansas City Public Library's governmental funds reported combined ending fund balances of \$30,974,397, an increase of \$2,023,358 in comparison with the prior year. The increase is primarily the result of increased property tax revenue and investment income, as well as grants and contributions received by the Library.
- Approximately 44.1% of the total fund balance, or \$13,674,056, is unassigned and available for spending at the Library's discretion (unassigned fund balance).
- At the end of the current fiscal year, the General Fund unassigned fund balance of \$13,674,056 was 51.2% of total general fund expenditures for the fiscal year.
- Effective July 1, 2022, the Library adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SIBTA)*. Comparative 2022 financial information presented herein has not been restated for the adoption of GASB 96 because the basic financial statements present single year financial statements.
- The Kansas City Public Library's total liabilities overall increased by \$6,884,351 during the current fiscal year. The net increase was primarily due to the change in Net Pension Liability.

Overview of the Financial Statements

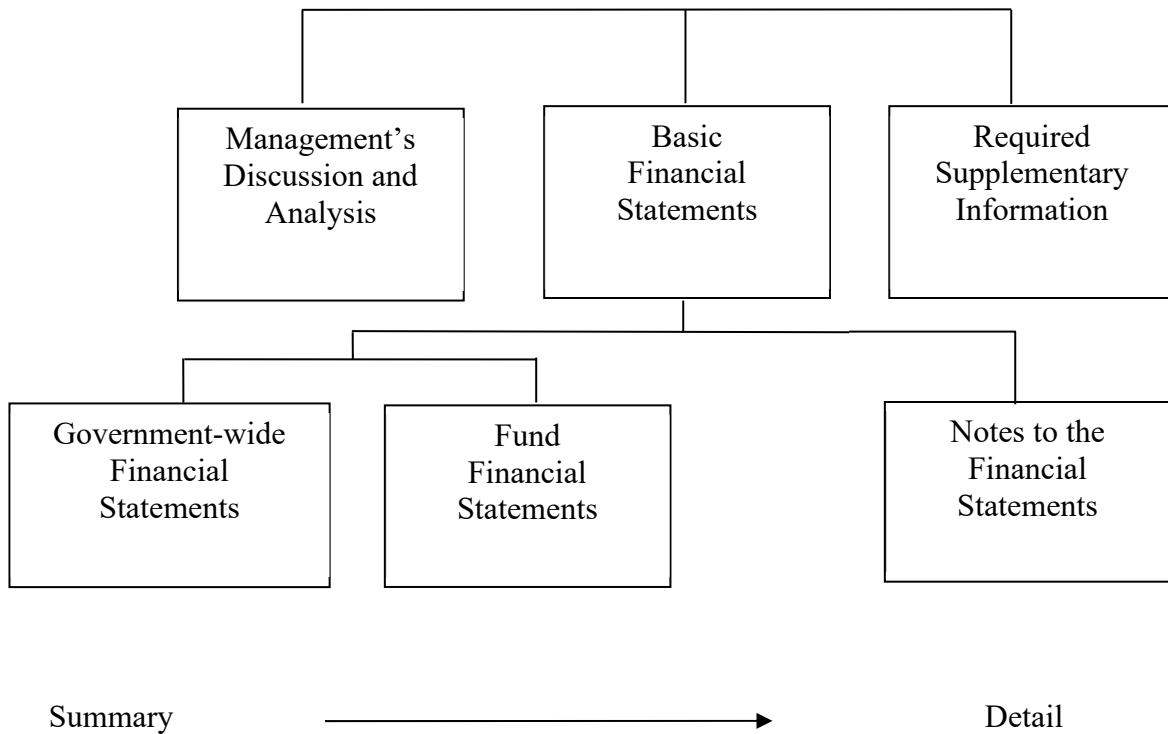
This discussion and analysis is intended to serve as an introduction to the Kansas City Public Library's basic financial statements. The Library's basic financial statements consist of three components:

1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements (see *Exhibit 1*). The basic financial statements present two different views of the Library through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains required supplementary information that will enhance the reader's understanding of the financial condition of the Kansas City Public Library.

Kansas City Public Library
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Required Components of Annual Financial Report

Exhibit 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short- and long-term information about the Library's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Library's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Required Supplementary Information** is provided to show details about pension information.

Kansas City Public Library

Management's Discussion and Analysis (Unaudited)

June 30, 2023

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Library's finances, similar in format to a financial statement of a private-sector business. The government-wide financial statements provide short- and long-term information about the Library's financial status as a whole.

1. The statement of net position represents information on all the Library's assets, liabilities and deferred inflows and outflows of resources, with the residual being reported as net position. Measuring net position is one way to gauge the Library's financial condition.
2. The statement of activities presents information showing how the Library's net position changed during the year. This statement includes all of the Library's revenues and expenses, regardless of when the cash is received or paid.

The government-wide financial statements are *Exhibits 2* and *3* of the MD&A. The government-wide financial statements also include the financial statements of the Kansas City Public Library Foundation, a legally separate entity. Financial information for this component unit is reported separately from the financial information presented for the Library (primary government) in accordance with GASB standards.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Library's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Kansas City Public Library, like other governmental entities in Missouri, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Library's budget ordinance. All of the funds of the Kansas City Public Library can be divided into two categories: governmental funds and proprietary funds.

1. **Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Library's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental fund financial statements provide a detailed short-term view that helps the reader determine if there are more or fewer financial resources available to finance the Library's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Kansas City Public Library

Management's Discussion and Analysis (Unaudited)

June 30, 2023

An annual budget is prepared in accordance with Missouri state statutes for estimated revenues within the General Fund, itemized by source, and for proposed expenditures for each department and branch, itemized by object and activity. Annual budgets are also adopted for total revenues and expenditures (excluding itemizations by object and activity) of the individual Special Revenue Funds. All budgets are prepared on the modified accrual basis of accounting. The budgetary comparison statements are provided for the general and major special revenue funds.

Funds demonstrate how well the Library succeeded in providing the services planned when the budget was adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language and classifications as the legal budget document. The statement presents four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations and changes in fund balance; and 4) the variance between the final budget and the actual resources and charges.

2. **Proprietary Funds** – The Kansas City Public Library maintains one proprietary fund, an enterprise fund, which is used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Library uses its enterprise fund to account for the operation of the Library's parking garage, which is used by both Library patrons and other customers.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Kansas City Public Library's pension information.

Kansas City Public Library
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Kansas City Public Library's Net Position
Exhibit 2

	Governmental Activities		
	2023	2022	Increase (Decrease)
Other assets	\$ 34,873,606	\$ 31,106,842	\$ 3,766,764
Capital, lease, and subscription assets	48,267,621	45,745,762	2,521,859
Total assets	83,141,227	76,852,604	6,288,623
Deferred outflows of resources	3,508,444	923,962	2,584,482
Total assets and deferred outflows of resources	86,649,671	77,776,566	8,873,105
Long-term liabilities	2,310,449	2,178,822	131,627
Unearned revenue	9,490,181	9,531,052	(40,871)
Other liabilities	19,246,820	12,453,225	6,793,595
Total liabilities	31,047,450	24,163,099	6,884,351
Deferred inflows of resources	322,514	2,615,883	(2,293,369)
Total liabilities and deferred inflows of resources	31,369,964	26,778,982	4,590,982
Net position			
Net investment in capital assets	36,238,853	34,604,340	1,634,513
Restricted	9,788,735	8,185,395	1,603,340
Unrestricted	9,252,119	8,207,849	1,044,270
Total net position	\$ 55,279,707	\$ 50,997,584	\$ 4,282,123
	Business-type Activities		
	2023	2022	Increase (Decrease)
Other assets	\$ 501,437	\$ 455,602	\$ 45,835
Capital assets	3,836,559	3,917,446	(80,887)
Total assets	4,337,996	4,373,048	(35,052)
Accounts payable	-	-	-
Total liabilities	-	-	-
Net position			
Net investment in capital assets	3,836,559	3,917,446	(80,887)
Unrestricted	501,437	455,602	45,835
Total net position	\$ 4,337,996	\$ 4,373,048	\$ (35,052)

Kansas City Public Library
Management's Discussion and Analysis (Unaudited)
June 30, 2023

As noted earlier, the net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Kansas City Public Library exceeded liabilities and deferred inflows of resources by \$59,617,703 as of June 30, 2023. The Library's net position increased by \$4,247,071 for the fiscal year ended June 30, 2023. The largest portion of the net position (66.5%) reflects the Library's net investment in capital assets. The Kansas City Public Library uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. The remaining portion of the Kansas City Public Library's net position is comprised of restricted net position of \$9,788,735 (which consists of the Gifts and Grants, Endowment and Capital Development Funds) and unrestricted net position of \$9,753,556.

Kansas City Public Library's Changes in Net Position
Exhibit 3

	Governmental Activities		
	2023	2022	Increase (Decrease)
Revenues			
Program revenues			
Charges for services	\$ 467,853	\$ 384,858	\$ 82,995
Operating grants and contributions	3,967,679	2,451,254	1,516,425
Capital grants and contributions	480,098	800,000	(319,902)
General revenues			
Property taxes	26,770,558	25,613,331	1,157,227
Unrestricted investment earnings (loss)	1,359,856	(543,829)	1,903,685
Other	90,473	34,285	56,188
Total revenues	<u>33,136,517</u>	<u>28,739,899</u>	<u>4,396,618</u>
Program expenses			
Salaries and fringe benefits	16,406,381	13,620,824	2,785,557
Library materials	3,187,841	2,415,786	772,055
General operating	4,540,692	3,900,221	640,471
Building operations and maintenance	2,902,904	2,891,487	11,417
Other expenses	<u>1,866,576</u>	<u>2,596,100</u>	<u>(729,524)</u>
Total expenses	<u>28,904,394</u>	<u>25,424,418</u>	<u>3,479,976</u>
Transfers	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Change in Net Position	4,282,123	3,315,481	966,642
Net Position, Beginning of Year	<u>50,997,584</u>	<u>47,682,103</u>	<u>3,315,481</u>
Net Position, End of Year	<u>\$ 55,279,707</u>	<u>\$ 50,997,584</u>	<u>\$ 4,282,123</u>

Kansas City Public Library
Management's Discussion and Analysis (Unaudited)
June 30, 2023

	Business-type Activities		
	2023	2022	Increase (Decrease)
Revenues			
Program revenues			
Charges for services	\$ 573,363	\$ 513,016	\$ 60,347
Total revenues	573,363	513,016	60,347
Program expenses			
General operating	558,415	421,237	137,178
Total expenses	558,415	421,237	137,178
Transfers	(50,000)	-	(50,000)
Change in Net Position	(35,052)	91,779	(126,831)
Net Position, Beginning of Year	4,373,048	4,281,269	91,779
Net Position, End of Year	\$ 4,337,996	\$ 4,373,048	\$ (35,052)

Governmental Activities

Governmental activities increased the Library's net position by \$4,282,123. The key elements of this net increase were increases in revenue including investment earnings, grants and contributions, and property tax revenue.

Business-type Activities

Business-type activities reflected a decrease to the Kansas City Public Library's net position of \$35,052. The key element of this net decrease was increased operating expenses during 2023.

Financial Analysis of the Library's Funds

As noted earlier, the Kansas City Public Library uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Kansas City Public Library's governmental funds is to provide information on near-term inflows, outflows and balances of usable resources. Such information is useful in assessing the Kansas City Public Library's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

Kansas City Public Library

Management's Discussion and Analysis (Unaudited)

June 30, 2023

The General Fund is the primary operating fund of the Kansas City Public Library. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,674,056 while total fund balance reached \$15,510,395. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 51.2% of total General Fund expenditures, while total fund balance represents 58.1% of that same amount.

At June 30, 2023, the governmental funds of the Kansas City Public Library reported a combined fund balance of \$30,974,397, an overall increase of \$2,023,358 in comparison with the prior year. The increase is primarily in the Capital Development Fund which had an increase of \$1,757,679 due to a transfer from the General Fund for capital development projects. The General Fund had an increase of \$393,144 due to an increase in investment income and property tax revenue.

General Fund Budgetary Highlights

During the fiscal year, the Library revised the General Fund operating budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as grants; and 3) increases in appropriations that become necessary to maintain services.

The following summarizes significant variations between the amounts budgeted and the actual amounts for the General Fund:

- **Property Taxes** – Property tax revenue was more than projected.
- **State and Federal Funds and Charges for Services** – State and Federal funds and charges for services were more than projected.
- **Salary and Fringe Benefits** – Salary and Fringe Benefits expenditures were lower than projected, due to larger than anticipated employee turnover and attrition rates as the impact of the pandemic continued.
- **Debt Service** – Debt Service Principal retirement expenditures were more than projected due to budget categorization. The payment was budgeted in Building Operations and Maintenance.

Overall, the General Fund's actual expenditures were \$26,691,922 or 100.7% of the total budgeted expenditures of \$26,501,588.

Kansas City Public Library
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Capital, Lease, and Subscription Assets

The Kansas City Public Library's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$52,104,180 (net of accumulated depreciation and amortization). These assets include buildings, land, furniture and equipment, software, and the library collection.

Major capital asset transactions during the year include the following:

- Library materials' additions of \$2,969,465 and reductions of \$2,054,431.
- Construction in progress additions include a network refresh and renovations to the third floor of the Central Library.
- The adoption of subscription-based information technology arrangements (GASB 96) resulted in an increase of \$1,428,629.

Kansas City Public Library's Capital Assets
Exhibit 4

	Governmental Activities		
	2023	2022	Increase (Decrease)
Land	\$ 3,622,623	\$ 3,529,876	\$ 92,747
Buildings	32,032,570	32,998,429	(965,859)
Vehicles	202,573	244,615	(42,042)
Furniture, fixtures, equipment and artwork	1,586,829	1,824,379	(237,550)
Library collection	7,279,482	6,547,681	731,801
Leasehold improvements	553,068	584,282	(31,214)
Right-to-use and subscription assets	1,406,464	258,687	1,147,777
Construction in progress	1,584,012	16,500	1,567,512
	<u>\$ 48,267,621</u>	<u>\$ 46,004,449</u>	<u>\$ 2,263,172</u>
	Business-type Activities		
	2023	2022	Increase (Decrease)
Land	\$ 2,520,000	\$ 2,520,000	\$ -
Buildings	1,287,177	1,347,046	(59,869)
Furniture, fixtures and equipment	29,382	50,400	(21,018)
	<u>\$ 3,836,559</u>	<u>\$ 3,917,446</u>	<u>\$ (80,887)</u>

Additional information on the Library's capital, lease, and subscription assets can be found in *Note 3* of the basic financial statements.

Kansas City Public Library
Management's Discussion and Analysis (Unaudited)
June 30, 2023

Long-term Debt and Other Long-Term Liabilities

As of June 30, 2023, the Kansas City Public Library had total long-term debt and other long-term liabilities of \$19,689,008. This debt is for an outstanding financed purchase, lease, net pension liability and subscription liabilities payable. Additional information regarding the Kansas City Public Library's long-term debt can be found in *Notes 6-8* of this report.

Economic Factors and Next Year's Budgets

Governmental Activities

A General Fund Operating Budget of \$28,302,873 for fiscal year 2023-2024 will be proposed, which is \$1,801,285 or 6.8% more than the previous year. Property tax revenues are projected to increase slightly due to an increase in assessed valuations. Other revenue categories are projected to increase slightly. Salaries and Fringe expenditures have been increased as the Library has added additional positions to build operating capacity and increased minimum wage salaries throughout the Library to match current trends and market rates. The Library continues to seek grant revenue streams, which support programming activities for the next year.

Business-type Activities

The proposed operating budget for the Library Parking Garage for fiscal year 2023-2024 will be \$500,000, which is \$50,000 more than the previous year as revenues are expected to be higher. Capital expenditures are budgeted at \$1,315,000 to allow for additional capital projects and maintenance.

Requests for Information

This report is designed to provide an overview of the Library's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, Kansas City Public Library, 14 West 10th Street, Kansas City, Missouri 64105.

Basic Financial Statements

Kansas City Public Library
Statement of Net Position
June 30, 2023

	Primary Government			Component Unit KCPL Foundation
	Governmental Activities	Business-type Activities	Total	
Assets				
Deposits and investments	\$ 21,635,832	\$ 497,272	\$ 22,133,104	\$ 391,068
Receivables (net of allowance for doubtful accounts)				
Property taxes	1,470,343	-	1,470,343	-
Due from other governments	328,495	-	328,495	-
Interest	70,413	-	70,413	-
Other	767,403	4,165	771,568	-
Restricted deposits and investments	10,601,120	-	10,601,120	-
Right-to-use assets, net	278,411	-	278,411	-
Subscription assets, net	1,128,053	-	1,128,053	-
Capital assets, non-depreciable	5,544,844	2,520,000	8,064,844	-
Capital assets, depreciable, net	41,316,313	1,316,559	42,632,872	-
Total assets	83,141,227	4,337,996	87,479,223	391,068
Deferred Outflows of Resources - Pension	3,508,444	-	3,508,444	-
Total assets and deferred outflows of resources	\$ 86,649,671	\$ 4,337,996	\$ 90,987,667	\$ 391,068
Liabilities				
Accounts payable	\$ 1,367,807	\$ -	\$ 1,367,807	\$ -
Accrued salaries and payroll taxes	497,846	-	497,846	-
Accrued interest payable	2,608	-	2,608	-
Unearned revenue	9,490,181	-	9,490,181	-
Compensated absences and benefits payable				
Due within one year	1,126,754	-	1,126,754	-
Due in more than one year	709,585	-	709,585	-
Retirement system contribution				
Due within one year	48,351	-	48,351	-
Right-to-use liabilities				
Due within one year	100,860	-	100,860	-
Due in more than one year	181,501	-	181,501	-
Subscription liabilities				
Due within one year	301,863	-	301,863	-
Due in more than one year	844,363	-	844,363	-
Financed lease purchase				
Due within one year	535,000	-	535,000	-
Due in more than one year	575,000	-	575,000	-
Net pension liability	15,265,731	-	15,265,731	-
Total liabilities	31,047,450	-	31,047,450	-
Deferred Inflows of Resources - Pension	322,514	-	322,514	-
Total liabilities and deferred inflows of resources	31,369,964	-	31,369,964	-
Net Position				
Net investment in capital assets	36,238,853	3,836,559	40,075,412	-
Restricted				
Permanently restricted	3,059,528	-	3,059,528	-
Capital improvements	6,470,293	-	6,470,293	-
Programming requirements	258,914	-	258,914	-
Unrestricted	9,252,119	501,437	9,753,556	391,068
Total net position	55,279,707	4,337,996	59,617,703	391,068
Total liabilities, deferred inflows of resources and net position	\$ 86,649,671	\$ 4,337,996	\$ 90,987,667	\$ 391,068

Kansas City Public Library
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit KCPL Foundation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government								
Governmental activities								
Program services	\$ 28,873,098	\$ 467,853	\$ 3,967,679	\$ 480,098	\$ (23,957,468)	\$ -	\$ (23,957,468)	\$ -
Interest expense	31,296	-	-	-	(31,296)	-	(31,296)	-
Total governmental activities	28,904,394	467,853	3,967,679	480,098	(23,988,764)	-	(23,988,764)	-
Business-type activities								
Parking garage	558,415	573,363	-	-	-	14,948	14,948	-
Total business-type activities	558,415	573,363	-	-	-	14,948	14,948	-
Total primary government	\$ 29,462,809	\$ 1,041,216	\$ 3,967,679	\$ 480,098	(23,988,764)	14,948	(23,973,816)	-
Component Unit								
KCPL Foundation	10,248	-	26,627	-	-	-	-	16,379
General Revenues								
Property taxes, levied for general purpose					26,770,558	-	26,770,558	-
Unrestricted investment income					1,359,856	-	1,359,856	14,328
Other					90,473	-	90,473	-
Total general revenues					28,220,887	-	28,220,887	14,328
Other Income/Expenses								
Interfund transfers					50,000	(50,000)	-	-
Change in Net Position								
					4,282,123	(35,052)	4,247,071	30,707
Net Position, Beginning of Year								
					50,997,584	4,373,048	55,370,632	360,361
Net Position, End of Year								
					\$ 55,279,707	\$ 4,337,996	\$ 59,617,703	\$ 391,068

See Notes to Basic Financial Statements

Kansas City Public Library
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Endowment Fund	Gifts/Grants Fund	Capital Development Fund	
Assets					
Deposits and investments	\$ 16,204,791	\$ -	\$ 5,431,041	\$ -	\$ 21,635,832
Receivables (net of allowance for doubtful accounts)					
Property taxes	1,470,343	-	-	-	1,470,343
Due from other governments	118,017	-	210,478	-	328,495
Interest	70,413	-	-	-	70,413
Other	18,013	-	749,390	-	767,403
Restricted deposits and investments	-	3,303,754	699,095	6,598,271	10,601,120
Total assets	\$ 17,881,577	\$ 3,303,754	\$ 7,090,004	\$ 6,598,271	\$ 34,873,606
Liabilities					
Accounts payable	\$ 584,118	\$ -	\$ 655,711	\$ 127,978	\$ 1,367,807
Accrued salaries and payroll taxes	495,508	-	2,338	-	497,846
Pension contribution payable	48,351	-	-	-	48,351
Unearned revenue	50,350	-	-	-	50,350
Total liabilities	1,178,327	-	658,049	127,978	1,964,354
Deferred Inflows of Resources					
Unavailable revenues, property taxes	1,192,855	-	-	-	1,192,855
Unavailable revenues, miscellaneous	-	-	742,000	-	742,000
Total deferred inflows of resources	1,192,855	-	742,000	-	1,934,855
Fund Balances					
Nonspendable					
Endowment fund principal	-	3,059,528	-	-	3,059,528
Restricted					
Debt service	-	-	-	-	-
Capital improvements	-	-	-	6,470,293	6,470,293
Programming requirements	-	-	258,914	-	258,914
Committed					
Endowment fund	-	-	5,431,041	-	5,431,041
Retirement system contribution	-	-	-	-	-
Assigned					
Compensated absences	1,836,339	-	-	-	1,836,339
Tax protest	-	-	-	-	-
Debt service	-	-	-	-	-
Endowment fund	-	244,226	-	-	244,226
Unassigned	13,674,056	-	-	-	13,674,056
Total fund balances	15,510,395	3,303,754	5,689,955	6,470,293	30,974,397
Total liabilities, deferred inflows of resources and fund balances	\$ 17,881,577	\$ 3,303,754	\$ 7,090,004	\$ 6,598,271	\$ 34,873,606
Fund balances of governmental funds					\$ 30,974,397
Amounts reported for governmental activities in the Statement of Net Position are different because:					
Capital, lease, and subscription assets used in governmental activities are not financial resources and, therefore, are not reported in the funds					48,267,621
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditures when due					(2,608)
Long-term and unmatured liabilities for items such as compensated absences, lease payable, right-to-use liability, subscription liability and unearned rental revenue are not current obligations and, therefore, not recorded in the governmental funds statements					(13,814,757)
Deferred inflows of resources in the fund statements related to unavailable revenues are not recognized as revenue in the fund statements					1,934,855
Deferred outflows of resources in the governmental activities related to pensions and not recorded in the fund statements					3,508,444
Net pension liability in the governmental activities related to pensions is not recorded in the fund statements					(15,265,731)
Net position of governmental activities					\$ 55,279,707

Kansas City Public Library
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Endowment Fund	Gifts/Grants Fund	Capital Development Fund	
Revenues					
Property taxes	\$ 26,438,252	\$ -	\$ -	\$ -	\$ 26,438,252
State and federal funds	621,331	-	2,068,909	480,098	3,170,338
Charges for services	467,853	-	-	-	467,853
Investment income	654,556	194,058	511,242	-	1,359,856
Contributions	121,515	130	410,143	-	531,788
Other	90,473	-	-	-	90,473
Total revenues	<u>28,393,980</u>	<u>194,188</u>	<u>2,990,294</u>	<u>480,098</u>	<u>32,058,560</u>
Expenditures					
Program services					
Salaries and fringe benefits	15,731,452	-	293,424	-	16,024,876
Library materials	2,493,231	-	694,610	-	3,187,841
General operating	3,703,709	-	836,983	-	4,540,692
Building operations and maintenance	2,891,307	-	11,597	-	2,902,904
Capital outlay	914,476	-	940,244	722,419	2,577,139
Debt service					
Right-to-use liability principal retirement	82,127	-	-	-	82,127
Right-to-use liability interest	8,312	-	-	-	8,312
Subscription liability principal retirement	282,403	-	-	-	282,403
Subscription liability interest	33,609	-	-	-	33,609
Lease purchase principal retirement	520,000	-	-	-	520,000
Lease purchase interest	31,296	-	-	-	31,296
Total expenditures	<u>26,691,922</u>	<u>-</u>	<u>2,776,858</u>	<u>722,419</u>	<u>30,191,199</u>
Excess of Revenues Over Expenditures	<u>1,702,058</u>	<u>194,188</u>	<u>213,436</u>	<u>(242,321)</u>	<u>1,867,361</u>
Other Financing Sources (Uses)					
Transfers from other funds	585,051	1,269	513,540	4,068,822	5,168,682
Transfers to other funds	(1,999,962)	(21,744)	(1,028,154)	(2,068,822)	(5,118,682)
Leases	99,997	-	-	-	99,997
Subscription-Based Information Technology Arrangements	6,000	-	-	-	6,000
Total other financing sources and uses	<u>(1,308,914)</u>	<u>(20,475)</u>	<u>(514,614)</u>	<u>2,000,000</u>	<u>155,997</u>
Net change in fund balance	393,144	173,713	(301,178)	1,757,679	2,023,358
Fund Balance, Beginning of Year	<u>15,117,251</u>	<u>3,130,041</u>	<u>5,991,133</u>	<u>4,712,614</u>	<u>28,951,039</u>
Fund Balance, End of Year	<u>\$ 15,510,395</u>	<u>\$ 3,303,754</u>	<u>\$ 5,689,955</u>	<u>\$ 6,470,293</u>	<u>\$ 30,974,397</u>

See Notes to Basic Financial Statements

Kansas City Public Library
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds (Continued)
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances – total governmental funds	\$ 2,023,358
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay and library material costs in excess of capitalization threshold	5,467,187
Depreciation and amortization on Right-of-Use (ROU) and SBITA	(4,689,319)
Loss on capital disposal	5,912
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in deferred inflows of resources	956,016
Amortization of unearned rent	121,941
The issuance of debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt, lease principal, subscription liabilities, and related items:	
Repayment of principal on financed purchase, right of use liabilities and subscription liabilities, are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position	884,530
Issuance of new ROU and SBITA	(105,997)
Interest expense on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due	
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in unmatured compensated absences payable	195,006
Change in net pension liability	(5,454,362)
Change in pension deferred outflows/inflows	4,877,851
Change in net position of governmental activities	\$ 4,282,123

Kansas City Public Library
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2023

	General Fund			Variance
	Original	Final	Actual	With
	Budget	Budget	Amounts	Final Budget
				Over (Under)
Revenues				
Property taxes	\$ 25,802,878	\$ 26,302,878	\$ 26,438,252	\$ 135,374
State and federal funds	440,338	440,338	621,331	180,993
Charges for services	295,860	295,860	467,853	171,993
Investment income	76,500	576,500	654,556	78,056
Contributions	200,000	200,000	121,515	(78,485)
Other	160,000	160,000	90,473	(69,527)
	<u>26,975,576</u>	<u>27,975,576</u>	<u>28,393,980</u>	<u>418,404</u>
Total revenues				
Expenditures				
Current				
Program services				
Salaries and fringe benefits	16,301,848	16,301,848	15,731,452	(570,396)
Library materials	2,294,000	2,294,000	2,493,231	199,231
General operating	4,024,285	4,024,285	3,703,709	(320,576)
Building operations and maintenance	3,081,455	3,081,455	2,891,307	(190,148)
Capital outlay	800,000	800,000	914,476	114,476
Debt service				
Right-to-use liability principal retirement	-	-	82,127	82,127
Right-to-use liability interest	-	-	8,312	8,312
Subscription liability principal retirement	-	-	282,403	282,403
Subscription liability interest	-	-	33,609	33,609
Principal retirement	-	-	520,000	520,000
Interest	-	-	31,296	31,296
	<u>26,501,588</u>	<u>26,501,588</u>	<u>26,691,922</u>	<u>190,334</u>
Total expenditures				
Revenues Over Expenditures				
	<u>473,988</u>	<u>1,473,988</u>	<u>1,702,058</u>	<u>228,070</u>
Other Financing Sources (Uses)				
Transfers from other funds	582,000	582,000	585,051	3,051
Transfers to other funds	(2,000,000)	(2,000,000)	(1,999,962)	(38)
Leases	-	-	99,997	99,997
SBITA	-	-	6,000	6,000
	<u>(1,418,000)</u>	<u>(1,418,000)</u>	<u>(1,308,914)</u>	<u>109,010</u>
Total other financing sources and (uses)				
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis				
	<u>\$ (944,012)</u>	<u>\$ 55,988</u>	<u>\$ 393,144</u>	<u>\$ 337,080</u>

Kansas City Public Library
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (GAAP Basis)
Gifts/Grants Fund
For the Year Ended June 30, 2023

	<u>Gifts/Grants Fund</u>			Variance With Final Budget Over (Under)
	Original Budget	Final Budget	Actual Amounts	
Revenues and Expenditures				
Total revenues	\$ 3,167,000	\$ 3,167,000	\$ 2,990,294	\$ (176,706)
Total expenditures	<u>2,635,000</u>	<u>2,635,000</u>	<u>2,776,858</u>	<u>141,858</u>
Excess of revenues over expenditures	<u>532,000</u>	<u>532,000</u>	<u>213,436</u>	<u>(318,564)</u>
Other Financing Sources (Uses)				
Transfers from other funds	-	-	513,540	513,540
Transfers to other funds	<u>(532,000)</u>	<u>(532,000)</u>	<u>(1,028,154)</u>	<u>496,154</u>
Total other financing sources and (uses)	<u>(532,000)</u>	<u>(532,000)</u>	<u>(514,614)</u>	<u>1,009,694</u>
Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (301,178)</u>	<u>\$ 691,130</u>

Kansas City Public Library
Statement of Net Position
Proprietary Funds
June 30, 2023

	Enterprise Fund - Parking Garage
Assets	
Current assets	
Cash and cash equivalents	\$ 497,272
Other receivables	<u>4,165</u>
Total current assets	501,437
Capital assets	
Land, non-depreciable	2,520,000
Capital assets, net of depreciation	<u>1,316,559</u>
Total assets	<u><u>\$ 4,337,996</u></u>
Net Position	
Net investment in capital assets	\$ 3,836,559
Unrestricted	<u>501,437</u>
Total net position	<u>4,337,996</u>
Total liabilities and net position	<u><u>\$ 4,337,996</u></u>

Kansas City Public Library
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund - Parking Garage
Operating Revenues	
Charges for services	\$ 573,363
Total operating revenues	573,363
Operating Expenses	
Operations and maintenance	477,528
Depreciation	80,887
Total operating expenses	558,415
Operating Income	14,948
Transfers	
Transfers to other funds	(50,000)
Change in Net Position	(35,052)
Total Net Position, Beginning of Year	4,373,048
Total Net Position, End of Year	\$ 4,337,996

Kansas City Public Library
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Enterprise Fund - Parking Garage
Operating Activities	
Cash received from customers	\$ 612,276
Cash paid for goods and services	<u>(477,528)</u>
Net cash provided by operating activities	<u>134,748</u>
Noncapital Financing Activities	
Transfers to general fund	<u>(50,000)</u>
Net cash used in noncapital financing activities	<u>(50,000)</u>
Net Increase in Cash and Cash Equivalents	84,748
Cash and Cash Equivalents, Beginning of Year	<u>412,524</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 497,272</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	<u>\$ 14,948</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	80,887
Changes in assets and liabilities	
Change in other receivables	<u>38,913</u>
Total adjustments	<u>119,800</u>
Net Cash Provided by Operating Activities	<u><u>\$ 134,748</u></u>

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

Note 1: Organization and Summary of Significant Accounting Policies

Reporting Entity

Pursuant to enacted legislation and approval of voters, the Kansas City Public Library (the Library) was established as a separate and distinct political subdivision of the State of Missouri as of November 29, 1988. Prior to that time, the Library was accounted for as a fund of The School District of Kansas City, Missouri (the District). In accordance with the state statute creating the separate library district, the Library is governed by a nine-member Board of Trustees, initially appointed by the Board of Directors of the District. Successor trustees are appointed by the mayors of the cities served by the Library. At the time of separation, the Library was entitled to levy property taxes to fund operations at the same rate in effect prior to November 29, 1988. In 2018, the voters of the Kansas City Public Library District approved an increase in the Library's levy to the current rate.

Blended Component Unit

Kansas City Library Building Corporation is governed by a three-member self-perpetuating Board of Directors initially named in the Articles of Incorporation, and otherwise, appointed by the Board of Trustees of the Library. Although it is legally separate from the Library, *Kansas City Library Building Corporation* is reported as if it were part of the primary government because its sole function is providing for the acquisition, construction, improvement, extension, repair, remodeling, renovation and financing of public library sites, buildings, structures, facilities, furnishings and equipment for the benefit or use of the Library. The activities of *Kansas City Library Building Corporation* are included in the accompanying financial statements as part of the Capital Development Fund. *Kansas City Library Building Corporation* does not have separately issued financial statements.

Discretely Presented Component Unit

The *Kansas City Public Library Foundation, Inc.* (the Foundation or KCPL Foundation) is a legally separate, tax-exempt component unit of the Library. The Foundation's primary function is to raise and hold funds for the Greater Kansas City Community Foundation (GKCCF) in its support of the Library and its programs.

Although the Library does not control the timing or amount of receipts from the Foundation, the majority of the Foundation's resources and related income are designated by donors for the benefit of the Library. Because these designated resources held by the Foundation can only be used by, or for the benefit of, the Library, the Foundation is considered a component unit of the Library and is discretely presented in the Library's financial statements.

During the year ended June 30, 2023, the Foundation provided support to the Library in the amount of \$6,584.

The Foundation is a private nonprofit organization that reports under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Modifications have been made to the Foundation's financial information in the Library's financial reporting entity for these differences. The Foundation does not have separately issued financial statements.

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

Basis of Presentation

The Library's financial statements include both government-wide (reporting the Library and discretely presented component unit as a whole) and the Library's fund financial statements (reporting the Library's major funds).

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Library, the primary government, as a whole, including the discretely presented component unit. These statements distinguish between the *governmental* and *business-type activities*. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The government-wide statement of activities presents a comparison between expenses and program revenues for each program of the governmental activities. Expenses are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Library.

The Library's net position is reported in three parts—net investment in capital assets; restricted net position; and unrestricted net position. The Library first utilizes restricted resources to finance restricted activities.

The government-wide focus is more on the sustainability of the Library as an entity and the change in the Library's net position resulting from the current year's activities.

Fund Financial Statements

Fund financial statements report detailed information about the Library. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The major governmental funds of the Library are described below:

General Fund

The General Fund is the primary operating fund of the Library. It accounts for all financial resources of the general government, except those required to be accounted for in a different fund.

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

Endowment Fund

The Endowment Fund is a permanent fund that accounts for assets held by the Library as a legal trustee in situations requiring that the principal be preserved intact and only the income from these assets be expended on behalf of the Library as designated by the Board of Trustees or the donor.

Gifts/Grants Fund

The Gifts/Grants Fund is a special revenue fund that accounts for the funds received from grants or donors with restrictions on the expenditure for specified purposes, excluding capital development.

Capital Development Fund

The Capital Development Fund is a capital project fund that is designated to collect and channel assets for future capital improvement for the Library.

Proprietary Fund Financial Statements

Parking Garage Fund

The Parking Garage Fund is used to account for the principal operations of the parking garage. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Library gives (or receives) value without directly receiving (or giving) equal value in exchange, can include certain grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

Governmental Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within two months of year-end and available to pay obligations of the current period). This includes investment earnings and certain operating grants. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund Financial Statements

All proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal operation of the Library's proprietary fund is the operation of the Library's parking garage which results in charges for services to both Library patrons and other customers. Operating expenses include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Library has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Budgets

An annual budget is prepared in accordance with Missouri state statutes for estimated revenues within the General Fund, itemized by source, and for proposed expenditures for each department and branch, itemized by object and activity. Annual budgets are also adopted for total revenues and expenditures (excluding itemizations of details) of the individual Special Revenue Funds. All budgets are prepared on the modified accrual basis of accounting. The budgetary statements and schedules presented in this report are based on GAAP, which is considered to be the budgetary basis of accounting.

On or before the 30th day of September of each year, the board of trustees adopts a final budget for the year and fixes the ad valorem property tax rates to produce the revenue required to meet the amounts contained in the budget.

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

The annual budget is officially adopted by a majority vote of the board of trustees in summary format for the General Fund and in total for the Special Revenue Funds. The library director has the authority to amend the budget summary by interline budget transfers of \$50,000 or less for the year. Programmatic modifications of any amount may be made by the library director as long as they have no impact on the budget summary. Budgetary amendments in excess of \$50,000 require formal approval of the board of trustees.

State statutes provide that proposed expenditures from any individual fund shall not exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

Cost-Sharing Defined Benefit Pension Plan

The Library participates in a cost-sharing multiple-employer defined benefit pension plan, Public School Retirement System of the School District of Kansas City, Missouri (the Plan). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deposits, Investments and Investment Income

State statutes authorize the Library to invest in open-time deposits; certificates of deposit; bonds of the state of Missouri, of the United States or of any wholly owned corporation of the United States; or in other short-term obligations of the United States.

In accordance with state statutes and Library policy, the Library invests its idle cash in repurchase agreements collateralized by U.S. Treasury securities or federal agency discount notes with maturities of generally less than three months. Securities underlying a repurchase agreement must have a market value of at least 100% of the cost of the repurchase agreement. Securities underlying repurchase agreements are held as collateral at the Federal Reserve Bank.

Collateral is required by state statutes for demand deposits. The fair value of the collateral must equal 100% of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are governed by state statute and include U.S. government and government agency bonds and securities; general obligation bonds of any of the 50 states; general obligation bonds of any Missouri county, certain cities and special districts; and revenue bonds of certain Missouri agencies. Obligations pledged to secure deposits are delivered to the Library's account at the Federal Reserve Bank.

At June 30, 2023, the balance sheet category "Deposits and Investments" consisted of demand deposits, certificates of deposit, treasury bills, money market funds and repurchase agreements. Such balances are stated at fair value, which approximates cost.

Investment income consists of interest and dividend income and the net change for the year in the fair value of investments carried at fair value.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Property Taxes

Property taxes are levied by the County Assessor based on the assessed valuation of taxable property as of the preceding January 1. Taxes are due and payable by November 1 following the levy date and become delinquent after December 31, after which the Library may attach a lien to all property on which taxes are unpaid. The County Collector is responsible for the collection and distribution of property taxes. For this service, the county retains 1.6% of collections. The tax levy assessed for fiscal year 2023 was \$0.5543 per \$100 of assessed valuation and supports general Library operations.

Property taxes receivable has been reported net of an allowance for uncollectible taxes totaling \$1,470,343 for levies in 2018 through 2022. All uncollected taxes related to 2017 and prior have been written off.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. Capital assets are not included in the governmental fund financial statements, but are included in the governmental activities in the statement of net position. Capital assets are defined as items such as land, buildings and equipment as well as infrastructure assets as a result of implementing GASB 34. The management of the Library has determined, however, that it has no infrastructure assets.

The Library’s policy is to capitalize items that individually cost more than \$5,000, except for computer equipment and library materials, which are typically purchased in groups and are capitalized on that basis.

The Library collection assets (books, media, etc.) acquired for general governmental purposes are reported as library material expenditures in the fund that finances the asset acquisition and are capitalized in the government-wide statements at cost (or estimated historical cost). The Library follows the policy of recording Library collection retirements at the average cost per category of all remaining items prior to recording the current year additions and retirements.

Capital assets of the Library are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Estimated Useful Life In Years
Buildings and improvements	37
Equipment, furniture, fixtures and vehicles	7
Library collection	7
Computer equipment	5

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Capital, Lease, and Subscription Asset Impairment

The Library evaluates capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital or lease asset has occurred. If a capital, lease, or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, accumulated depreciation is increased by the amount of the impairment loss.

No asset impairment was recognized during the year ended June 30, 2023.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Library has one item that qualifies for reporting in this category. It is the deferred outflow related to pensions. A deferred outflow related to pensions results from changes in the components of the net pension liability.

Unearned Revenue

The Library reports unearned revenue on its governmental funds balance sheet. Unearned revenues arise when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Library has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds balance sheet and revenue is recognized.

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

Insurance

The Library is insured by private carriers for property damage, personal injury and public official liability. The Library has a blanket fidelity policy for all employees.

Judgments and claims in excess of policy limits are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. There have been no judgments or claims in excess of policy limits for the past four fiscal years. Additionally, there were no significant reductions in coverage from prior years.

The Library provides medical, dental, life, long-term disability and workers' compensation insurance coverage for employees through private insurance carriers.

Net Position Classifications

As noted previously, in the government-wide statements, net position is classified and displayed in three components:

- a. Net investment in capital assets – Consists of capital, lease, and subscription assets, including restricted capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of deferred rent and any bonds, mortgages, notes, leases or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance – Governmental Funds

The fund balances for the Library's governmental funds are displayed in five components:

Nonspendable – amounts that are not in a spendable form or are required to be maintained intact.

Restricted – amounts that can be spent only for the specific purposes stipulated by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Committed – amounts that can be used only for the specific purposes determined by approval of the Board of Trustees. Commitments may be changed or lifted only by the Library taking the same formal action that imposed the constraint originally.

Assigned – amounts intended to be used by the Library for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

Unassigned – the residual classification for the general fund and includes all amounts not contained in the other classifications.

The Library considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Library applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Compensated Absences

All full-time, nonprofessional Library employees earn annual vacation leave at the rate of three weeks for one to five years of service and four weeks for more than five years of service. All full-time, professional personnel earn annual vacation leave of four weeks. Employees are subject to maximum vacation carryover of 320 hours. Earned benefits are payable upon termination or retirement.

Full-time Library employees accumulate sick leave at the rate of one day per month, floating holidays at the rate of four days per year and personal business days at the rate of 2.5 days per year. Employees vest in accumulated sick leave at a rate of 3% per year, while floating holidays and personal business days accumulate to a combined maximum of 6.5 days. Beginning July 1, 2012, all new employees are subject to maximum sick leave carryover of 900 hours. To the extent vested, sick leave benefits, unused floating holidays and personal business days are payable upon termination. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, all employer-related costs of vacation and sick leave are accrued and recorded when earned. The estimated liability for compensated absences has been assigned by management to be liquidated with expendable available financial resources and is shown as an assigned fund balance in the General Fund. The long-term liability for compensated absences has been recorded in the government-wide financial statements.

Grants

Reimbursement-type grants are recorded as intergovernmental receivables and revenue when the related expenditures are incurred.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Library has a deferred inflow related to pensions which resulted from changes in the components of the net pension liability.

On the modified accrual basis of accounting, the Library has recorded certain receivables where the related revenue is unavailable. Unavailable revenues have been reported as deferred inflows of resources on the governmental fund balance sheet.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Inter-fund Activity

During the course of normal operations, the Library transfers funds to provide services and construct assets. The accompanying financial statements generally reflect such activity as transfers. For the purpose of the statement of activities, any inter-fund activity between Governmental Funds has been eliminated.

Statement of Cash Flows

For purposes of the statement of cash flows for proprietary funds, cash and cash equivalents are defined as cash on hand, cash in demand accounts and repurchase agreements with maturities of three months or less when purchased.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New GASB Pronouncement

During the fiscal year ended June 30, 2023, the Library implemented the following GASB Pronouncement:

GASB Statement No. 96 *Subscription-Based Information Technology Arrangements* (GASB 96). In governmental funds, the Library now recognizes an expenditure for the current year subscription principal and interest due for subscriptions. In the government-wide statements, the Library recognizes a subscription liability and subscription asset for the present value of all future subscription payments at the commencement of the agreement of the subscription. Adoption of GASB 96 had no effect on beginning net position or fund balances as of July 1, 2022 or on previously reported change in net position or fund balances.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Note 2: Deposits and Investments

At June 30, 2023, the carrying values of deposits and investments, which approximate cost, are summarized as follows:

Deposits and investments	
Deposits	\$ (274,910)
Certificates of deposits	5,765,805
Treasury bills	2,975,288
Repurchase agreement	18,837,000
GKCCF pooled investments	<u>5,431,041</u>
Total	<u><u>\$ 32,734,224</u></u>

The carrying value of deposits and investments are included in the financial statements as follows:

Primary government	
Deposits and investments	\$ 22,133,104
Restricted deposits and investments	<u>10,601,120</u>
Total	<u><u>\$ 32,734,224</u></u>

Credit Risk

The credit risk for investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. Presented below is the actual rating by Moody's Investor Service as of year-end for each investment type:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating as of June 30, 2023</u>
Repurchase agreement	\$ 18,837,000	Aaa
Treasury bills	<u>2,975,288</u>	AA+
	<u><u>\$ 21,812,288</u></u>	

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Library will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Library will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

The Library's policy is to collateralize the demand deposits and repurchase agreements with securities held by the financial institution's agent and in the Library's name. Because security investments were held by the financial institution and in the Library's name, none of the Library's deposits or investments were exposed to custodial credit risk as of June 30, 2023.

Interest Rate Risk

The Library's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Library has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2023, the Library had the following investments and original maturities:

Investment Type	Total Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 - 5
Repurchase agreement	\$ 18,837,000	\$ 18,837,000	\$ -
Treasury bills	2,975,288	2,975,288	-
Certificate of deposits	5,765,805	983,000	4,782,805
Total	<u>\$ 27,578,093</u>	<u>\$ 22,795,288</u>	<u>\$ 4,782,805</u>

Concentration of Credit Risk

As of June 30, 2023, investments subject to credit risk categorization, in any one issuer that represent 5% or more of total Library's investments, are as follows:

Issuer	Investment Type	Total Fair Value
GKCCF Pooled Investments	External investment pool	\$ 5,431,041
UMB Bank, n.a.	Repurchase Agreement	18,837,000
Total		<u>\$ 24,268,041</u>

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Investment Income

Investment income for the year ended June 30, 2023 consisted of:

Interest and dividend income	\$ 1,444,516
Net decrease in fair value of investments	<u>(84,660)</u>
	<u><u>\$ 1,359,856</u></u>

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Note 3: Capital, Lease, and Subscription Assets

A summary of changes in capital assets is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,529,876	\$ 92,747	\$ -	\$ 3,622,623
Artwork	338,209	-	-	338,209
Construction in progress	16,500	1,584,012	16,500	1,584,012
Total capital assets, not being depreciated	<u>3,884,585</u>	<u>1,676,759</u>	<u>16,500</u>	<u>5,544,844</u>
Capital assets, being depreciated				
Buildings	55,222,759	501,694	-	55,724,453
Furniture, fixtures and equipment	14,198,595	335,769	73,184	14,461,180
Library collection	12,201,176	2,969,465	2,054,431	13,116,210
Vehicles	388,498	-	39,497	349,001
Leasehold improvements	1,213,300	-	-	1,213,300
Total capital assets, being depreciated	<u>83,224,328</u>	<u>3,806,928</u>	<u>2,167,112</u>	<u>84,864,144</u>
Less accumulated depreciation for				
Buildings	22,224,330	1,467,553	-	23,691,883
Furniture, fixtures and equipment	12,712,425	570,666	70,531	13,212,560
Library collection	5,653,495	2,237,664	2,054,431	5,836,728
Vehicles	143,883	42,043	39,498	146,428
Leasehold improvements	629,018	31,214	-	660,232
Total accumulated depreciation	<u>41,363,151</u>	<u>4,349,140</u>	<u>2,164,460</u>	<u>43,547,831</u>
Total capital assets being depreciated, net	<u>41,861,177</u>	<u>(542,212)</u>	<u>2,652</u>	<u>41,316,313</u>
Governmental activities capital assets, net	<u>\$ 45,745,762</u>	<u>\$ 1,134,547</u>	<u>\$ 19,152</u>	<u>\$ 46,861,157</u>
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 2,520,000	\$ -	\$ -	\$ 2,520,000
Total capital assets, not being depreciated	<u>2,520,000</u>	<u>-</u>	<u>-</u>	<u>2,520,000</u>
Capital assets, being depreciated				
Buildings	2,215,142	-	-	2,215,142
Furniture, fixtures and equipment	257,317	-	-	257,317
Total capital assets, being depreciated	<u>2,472,459</u>	<u>-</u>	<u>-</u>	<u>2,472,459</u>
Less accumulated depreciation for				
Buildings	868,096	59,869	-	927,965
Furniture, fixtures and equipment	206,917	21,018	-	227,935
Total accumulated depreciation	<u>1,075,013</u>	<u>80,887</u>	<u>-</u>	<u>1,155,900</u>
Total capital assets being depreciated, net	<u>1,397,446</u>	<u>(80,887)</u>	<u>-</u>	<u>1,316,559</u>
Business-type activities capital assets, net	<u>\$ 3,917,446</u>	<u>\$ (80,887)</u>	<u>\$ -</u>	<u>\$ 3,836,559</u>

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

A summary of changes in lease assets is as follows:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Lease assets				
Buildings	\$ 319,982	\$ -	\$ -	\$ 319,982
Furniture, fixtures and equipment	7,863	99,997	-	107,860
Total lease assets	<u>327,845</u>	<u>99,997</u>	<u>-</u>	<u>427,842</u>
Less accumulated amortization for				
Buildings	66,013	67,128	-	133,141
Furniture, fixtures and equipment	3,145	13,145	-	16,290
Total accumulated amortization	<u>69,158</u>	<u>80,273</u>	<u>-</u>	<u>149,431</u>
Total lease assets, net	<u>\$ 258,687</u>	<u>\$ 19,724</u>	<u>\$ -</u>	<u>\$ 278,411</u>

A summary of changes in subscription assets is as follows:

Governmental Activities	Beginning Balances (Restated)	Increases	Decreases	Ending Balances
Subscription assets				
Subscription IT asset	\$ 1,422,629	\$ 6,000	\$ -	\$ 1,428,629
Total subscription assets	<u>1,422,629</u>	<u>6,000</u>	<u>-</u>	<u>1,428,629</u>
Less accumulated amortization for				
Subscription IT asset	-	300,576	-	300,576
Total accumulated amortization	<u>-</u>	<u>300,576</u>	<u>-</u>	<u>300,576</u>
Total subscription assets, net	<u>\$ 1,422,629</u>	<u>\$ (294,576)</u>	<u>\$ -</u>	<u>\$ 1,128,053</u>

Note 4: Employee Retirement Plan

General

The Library participates in the Public School Retirement System of the School District of Kansas City, Missouri (the Retirement System), a cost-sharing, multiple-employer public employee retirement system. The Retirement System is a defined benefit pension plan covering substantially all full-time employees of the District and the Library. All full-time permanent employees become members of the Retirement System as a condition of their employment. The Public School Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: Public School Retirement System, 324 East 11th Street, Suite 100, Kansas City, Missouri 64106, calling 816.472.5800 or by visiting their website at www.kcpr.org.

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

The Retirement System was established by the General Assembly of the State of Missouri. The Board of Trustees of the Retirement System administer and operate the Plan in accordance with the statutes of the State of Missouri. The Retirement System has three plans in which its members participate: Plan A for members hired before 1961, Plan B for members hired after 1961 and Plan C for members hired on or after January 1, 2014. All current Library employees are members of Plans B and C. Certain significant provisions of Plans B and C are described below.

Pension Benefits

Plan B and Plan C members, who attain a total of at least 75 and 80 credits, are entitled to the annual service retirement allowance, equal to 2% and 1.75% (1.75% if before June 30, 1999), respectively, of the average final compensation multiplied by years of creditable service, subject to a maximum of 60% of average final compensation. One credit is equal to each year of creditable service and each year of age with both years of creditable service and years of age prorated for fractional years. A year of creditable service is defined as a minimum of 25 hours per week for nine calendar months.

Early retirement is permitted and members may retire under the age of 50 with 30 years of service; however, benefits are actuarially reduced by each month of retirement before age 60 and 62 for Plan B and Plan C members, respectively. If members terminate before rendering five years of service or take a lump-sum distribution, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contribution. Members may elect to receive the value of their accumulated contributions plus interest as a lump-sum distribution upon retirement or termination or they may elect to receive their accumulated plan benefits in various optional forms of annuities payable monthly from retirement.

Missouri state legislation, effective October 1981, provided for an increase in monthly benefits to retirees age 75 or older who have been retired for at least five years. Annually, the Board of Trustees of the Retirement System shall determine if the investment return, as determined by the actuary, is sufficient to permit a benefit increase.

Pension Benefit Adjustments

The Board of Trustees shall determine annually whether or not the Retirement System can provide an increase in benefits for those retirees who, as of January 1 preceding the date of such increase, have been retired at least one year. Any increase also applies to optional retirement allowances paid to a retiree's beneficiary. Before any increases are made, the following requirements must be satisfied:

1. The Retirement System funded ratio as of January 1 of the preceding year of the proposed increase must be at least 100% after adjusting for the effect of the proposed increase. The funded ratio is the ratio of assets to the pension benefit obligation.
2. The actuarially required contribution rate, after adjusting for the effect of the proposed increase, may not exceed the statutory contribution rate.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

3. The actuary must certify that the proposed increase will not impair the actuarial soundness of the Retirement System.

In accordance with the Benefit Increase Adjustment Policy, if an increase is permissible, the amount of the increase will be equal to the lesser of 3% or the percentage increase in the CPI for the preceding year.

Death and Disability Benefits

If an active member dies after becoming eligible for retirement, the designated beneficiary may elect to receive a certain portion of the member's service retirement allowance. Active members with five or more years of service who become totally disabled receive a disability retirement allowance equal to the service retirement allowance they have normally accumulated at the time they become disabled, but not less than the minimum disability retirement allowance. The minimum disability retirement allowance shall be the lesser of:

1. 25% of the member's average final compensation; or
2. The member's service retirement benefits.

Contributions Required and Contributions Made

The Missouri Revised Statutes 169.350.4 and 169.291.16 specify that for calendar year 2014 and each subsequent year, the employee contribution rate and the employer contribution rate shall be the same percentage of compensation, each not less than 7.5% of compensation and not more than 9% of compensation. Within this permitted range, the rate may be changed (increased or decreased) in increments of 0.5% each year. The objective is that the combined employee and employer contribution will be the amount actuarially required to cover the normal cost and amortize the unfunded accrued actuarial liability over a period that does not exceed 30 years from the date of the valuation. The rate for each calendar year shall be certified by the Board of Trustees to the employers at least six months prior to the date such rate is to be effective.

Effective January 1, 2019, the Library, along with members in Plans B and C, were required to contribute 10.5% of earnable annual compensation. Effective January 1, 2020, the contribution rate increased to 12.0%. The Library's contribution for the fiscal year ended June 30, 2023 was \$1,218,159.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Library reported a liability of \$15,265,731 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31,

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

2022, the Library's proportion was 4.12%, which was an increase of 0.16% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the Library recognized pension expense of \$1,822,871. At June 30, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 322,514
Changes of assumptions	120,717	-
Net difference between projected and actual earning on pension plan investments	2,336,560	-
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	436,422	-
Library's contributions subsequent to the measurement date *	614,745	
Total	\$ 3,508,444	\$ 322,514

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2023, related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2024	\$ 113,934
2025	633,902
2026	702,440
2027	1,120,909
	\$ 2,571,185

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price/Wage Inflation	2.25% - 2.85%
Salary increases	3.85% - 9.50%, including inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 General Members (Below Median) Employee Mortality Table with a one-year age setback for males and a one-year age set-forward for females, projected for 15 years and 7 years from the valuation date for pre-retirement and post-retirement participants, respectively, using Scale MP-2021. Mortality rates for disabled participants was based on the Pub-2010 Disabled Mortality Table.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period 2015 through 2019. There were several changes to the pension actuarial assumptions and methods as a result of the new actuarial experience study. The changes are outlined below:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The inflation assumption was lowered from 2.75% to 2.25%.
- The assumed interest rate credited on employee account balances was lowered from 3.25% to 2.50%.
- The general wage increase assumption was lowered from 3.50% to 2.85%.
- The payroll growth assumption was lowered from 3.00% to 2.85%.
- An explicit administrative expense load assumption based on actual prior year expenses is included in the Actuarial Determined Contribution.
- The mortality assumption was changed to the Pub-2010 General Members (Below Median) Mortality Tables, with a one-year age setback for males and a one-year age set-forward for females. Mortality improvements are projected 7 years from the valuation date for retirees and beneficiaries and 15 years for actives, using Scale MP-2019.
- Retirement rates were modified to partially reflect observed experience.
- Termination rates were changed to partially reflect observed experience.
- The salary scale was changed from 5.00% to all ages to service-based rates.
- The disability assumption was eliminated.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.50%	20.20%
Multi-Asset Class	13.50%	4.70%
International Developed Equity	12.00%	7.10%
Real Estate	12.00%	20.60%
Emerging Market Equity	10.00%	9.00%
Core Fixed Income	10.00%	1.20%
Private Equity	7.50%	10.40%
Hedge Fund of Funds	5.00%	3.30%
Global Fixed Income	5.00%	1.20%
High Yield	2.50%	3.70%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the year ended December 31, 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the Retirement Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Sensitivity of the Library’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The Library’s proportionate share of the net pension liability has been calculated using a discount rate of 7.25%. The following presents the Library’s proportionate share of the net pension liability calculated using a discount rate 1% higher (8.25%) and 1% lower (6.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Library’s proportionate share of the net pension liability	\$ 19,402,446	\$ 15,265,731	\$ 11,769,921

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Plan financial report.

Payable to the Pension Plan

At June 30, 2023, the Library reported a payable of \$48,351 for the outstanding amount of contributions to the pension plan.

Note 5: Deferred Compensation Plan

The Library offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Sections 457 and 403(b). These plans, available to all Library employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Library makes no contributions to the plans and reserves the right to amend, cancel or augment the plans. Employee contributions for all plans were \$160,693 for the year ended June 30, 2023. All amounts of compensation deferred under the plan, including income attributed to such amounts, are placed in a trust which is not the property of the Library. Therefore, assets and liabilities related to the deferred compensation plan are not included in the basic financial statements.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Note 6: Long-term Obligations

The following is a summary of long-term obligation transactions for the year ended June 30, 2023:

	Balance June 30, 2022 (Restated)	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Long-term debt					
Financed lease purchase	\$ 1,630,000	\$ -	\$ 520,000	\$ 1,110,000	\$ 535,000
Total long-term debt	<u>1,630,000</u>	<u>-</u>	<u>520,000</u>	<u>1,110,000</u>	<u>535,000</u>
Other long-term liabilities					
Compensated absences *	2,030,736	1,036,258	1,230,655	1,836,339	1,126,754
Retirement system contribution payable *	5,126	48,351	5,126	48,351	48,351
Right-to-use liabilities	264,491	99,997	82,127	282,361	100,860
Subscription liabilities	1,422,629	6,000	282,403	1,146,226	301,863
Net pension liability	9,811,369	5,454,362	-	15,265,731	-
Total other long-term liabilities	<u>13,534,351</u>	<u>6,644,968</u>	<u>1,600,311</u>	<u>18,579,008</u>	<u>1,577,828</u>
Total long-term obligations	<u>\$ 15,164,351</u>	<u>\$ 6,644,968</u>	<u>\$ 2,120,311</u>	<u>\$ 19,689,008</u>	<u>\$ 2,112,828</u>

*Compensated absences and retirement system liabilities are traditionally liquidated in the General Fund.

Lease Purchase Agreement

The lease purchase agreement with Clayton Holdings, LLC was entered into during 2016 in the original amount of \$4,480,000 dated November 22, 2016, and bears interest at 1.920%. The lease purchase payments are payable in semi-annual installments through June 1, 2026. The lease purchase payments are secured by certain personal property, fixtures and leasehold improvements of the Central branch library building and annex building.

The debt service requirements as of June 30, 2023, are as follows:

Year Ending June 30,	Total to be Paid	Principal	Interest
2024	\$ 556,312	\$ 535,000	\$ 21,312
2025	556,040	545,000	11,040
2026	<u>30,576</u>	<u>30,000</u>	<u>576</u>
	<u>\$ 1,142,928</u>	<u>\$ 1,110,000</u>	<u>\$ 32,928</u>

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Note 7: Lease Liabilities

The Library leases equipment and building space, the terms of which expire in various years throughout 2027. Variable payments based upon the use of an underlying asset are not included in the lease liability because they are not fixed in substance. During the year ended June 30, 2023, the Library did not recognize any variable lease payments.

The following is a schedule by year of payments under the leases as of June 30, 2023:

Fiscal Year Ending June 30,	Total to Be Paid	Principal	Interest
2024	\$ 107,987	\$ 100,860	\$ 7,127
2025	88,413	84,115	4,298
2026	71,951	70,115	1,836
2027	27,510	27,271	239
Total	<u>\$ 295,861</u>	<u>\$ 282,361</u>	<u>\$ 13,500</u>

Note 8: Subscription Liabilities

The Library has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2027. Variable payments based upon the use of an underlying asset are not included in the subscription liability because they are not fixed in substance.

During the year ended June 30, 2023, the Library did not recognize any variable lease payments.

The following is a schedule by year of payments under the SBITAs as of June 30, 2023:

Fiscal Year Ending June 30,	Total to Be Paid	Principal	Interest
2024	\$ 327,917	\$ 301,863	\$ 26,054
2025	282,897	264,849	18,048
2026	290,862	281,210	9,652
2027	299,050	298,304	746
Total	<u>\$ 1,200,726</u>	<u>\$ 1,146,226</u>	<u>\$ 54,500</u>

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Note 9: Plaza Colonnade Facility Agreement

Plaza Facility

In March 1999, the Library entered into a development agreement with Plaza Colonnade, LLC for the construction of a library in exchange for the development rights and a 99-year leasehold estate for the remainder of the site located at 4801 Main, Kansas City, Missouri. The previous Library facility at this site has been demolished. An amendment in 2004 terminated the developer's obligation to finish the Plaza library facility in exchange for a \$2,500,000 payment to the Library. The value of the building along with the payment received in consideration to enter the agreement was recognized as deferred rental revenue on the balance sheets at the time of occupancy.

The developer has built a multi-floor project on the site, which is rented by the developer to other tenants. The Library paid the common area maintenance costs of \$85,000 per year from January 2005 to December 2007 for the new building as required by the latest amendment. Such costs are scheduled to increase 3% each year for the remaining term of the lease from 2008 to 2100, as set forth in the amendment. At the end of the developer's leasehold estate, the land and all improvements will revert to the Library.

In 2004, the development agreement was amended, which terminated the developer's obligation to furnish certain tenant finish improvements to the Plaza Library facility in exchange for a cash payment of \$2,500,000, which was recognized as a contribution in the fund financial statement in 2005. This payment, along with the value of the cost of construction attributable to the Library's share of the building, which approximated \$9,115,000, was recorded as a contributed capital asset on the government-wide statements. The total value contributed was recorded as deferred rental revenue to recognize the total value of the assets contributed to the Library as an incentive to enter into the original ground lease with the developer. The capital asset for the Library facility is being depreciated over its expected useful life on a straight-line basis in accordance with the Library's depreciation policies. In addition, the deferred rent is being recognized on a straight-line basis over the 99-year term of the ground lease. The Library recognized \$121,941 of deferred rental revenue for the year ended June 30, 2023, in the government-wide statement of activities. The deferred rental revenue outstanding at June 30, 2023 was \$9,389,481.

The value of any donations from third parties, with respect to any of the above-mentioned facilities, whether in cash or in-kind, as well as any related assets or obligations, were recorded on the Library's books of account when the underlying events occurred that resulted in a benefit to the Library.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Under current agreement, the common area maintenance costs will be as follows:

Fiscal Year Ending June 30,	Amount	Fiscal Year Ending June 30,	Amount
2024	\$ 138,447	2054-2058	\$ 1,784,107
2025	142,600	2059-2063	2,068,271
2026	146,878	2064-2068	2,397,699
2027	151,284	2069-2073	2,779,592
2028	155,823	2074-2078	3,222,309
2029-2033	852,104	2079-2083	3,735,533
2034-2038	987,818	2084-2088	4,330,501
2039-2043	1,145,150	2089-2093	5,020,237
2044-2048	1,327,543	2094-2098	5,819,833
2049-2053	1,538,985	2099-2101	3,243,826
		Total	<u>\$ 40,988,540</u>

Total common area maintenance expense for the year ended June 30, 2023 was \$134,414.

Note 10: Commitments and Contingencies

Commitments

There were no outstanding commitments/encumbrances on uncompleted construction contracts at June 30, 2023.

Contingencies

The Library receives federal and state financial assistance in the form of grants. Entitlement to these resources generally is contingent upon compliance with terms and conditions of the grant agreements and applicable federal and/or state regulations, including the expenditures of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by grantors. Any disallowance as a result of these audits becomes a liability of the Library. Based on prior experience, the Library expects such disallowances, if any, will be immaterial.

The Library is a party to certain claims as a result of various matters and complaints arising in the ordinary course of Library activities. The Library's management believes the potential claims against the Library, if any, resulting from such matters would not have a material effect on the financial position of the Library.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, the changes in the financial position and cash flows of the Library. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Note 11: Inter-fund Transfers

Inter-fund transfers made in the year ended June 30, 2023 were as follows:

Transfers From	Transfers To					Total
	General Fund	Endowment Fund	Capital Development Fund	Gifts/Grants Fund	Proprietary Fund	
General	\$ (38)	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 1,999,962
Endowment	3,089	1,269	-	17,386	-	21,744
Capital development	-	-	2,068,822	-	-	2,068,822
Gifts/Grants Fund	532,000	-	-	496,154	-	1,028,154
Proprietary	50,000	-	-	-	-	50,000
Total	<u>\$ 585,051</u>	<u>\$ 1,269</u>	<u>\$ 4,068,822</u>	<u>\$ 513,540</u>	<u>\$ -</u>	<u>\$ 5,168,682</u>

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Transfers from/to other funds consisted of the following:

General Fund to Capital Development Fund for capital expenditures	\$ 2,000,000
General Fund to General Fund for project allocation	(38)
Endowment Fund to General Fund for operating activities	3,089
Endowment Fund to Endowment Fund for project allocation	1,269
Endowment Fund to Gifts/Grants Fund for operating activities	17,386
Capital Development Fund to Capital Development Fund for projection allocation	2,068,822
Gifts/Grants Fund to General Fund for operating activities	532,000
Gifts/Grants Fund to Gifts/Grants Fund for project allocation	496,154
Proprietary Fund to General Fund for operating activities	50,000
	\$ 5,168,682

Note 12: Donor Endowments

During the year ended June 30, 2023, the Endowment Fund experienced \$194,188 of contributions and net appreciation on assets. The amount of net appreciation available for expenditure was \$192,848 at June 30, 2023, and is included in assigned to the endowment fund on the balance sheet. The Library’s governing body has interpreted the *State of Missouri Prudent Management of Institutional Funds Act* as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. It is the policy of management not to allocate interest earnings on endowments for expenditures until the endowment reaches a balance of \$1,000.

Kansas City Public Library
Notes to Basic Financial Statements
June 30, 2023

Note 13: Disclosures About Fair Value of Assets and Liabilities

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Library has the following recurring fair value measurements as of June 30, 2023:

- Repurchase agreement of \$18,837,000 is valued using observable inputs (Level 2 inputs)
- Pooled investments held at the Greater Kansas City Community Foundation (GKCCF) of \$5,431,041 are valued using quoted prices for similar assets, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets (Level 2 inputs)
- Certificates of deposits and treasury bills of \$5,765,805 and \$2,975,288, respectively, are valued using observable inputs (Level 2 inputs)

Note 14: Tax Abatements

For the fiscal year ended June 30, 2023, the Library’s property tax revenue was reduced through abatements and diversions through various incentive granting agencies and entities with an impact to the Library totaling an estimated \$4,290,012, under the following programs:

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Tax Increment Financing	\$ 1,255,335
Chapter 353 and PIEA Abatement	2,090,769
Chapter 100 Bonds	356,799
LCRA	392,129
EEZ	87,994
PortKC	106,986
	\$ 4,290,012

Kansas City Public Library

Notes to Basic Financial Statements

June 30, 2023

The Library is subject to tax abatements and diversions granted or entered into by other governmental entities through various incentive granting agencies and entities as outlined below:

- Tax Increment Financing – Grants tax diversion to promote new investment, infrastructure improvements and job growth by providing financial assistance and incentive to redevelopers. Created pursuant to Section 99.800 of the Revised Statutes of Missouri (RSMo) and City Ordinance 54556.
- Planned Industrial Expansion Authority (PIEA) – Grants abatements in the urban core to cure blight and promote quality high density redevelopment. Created pursuant to Sections 100.300 to 100.620 RSMo and City Ordinance 34677.
- Chapter 353 Tax Abatement – Grants tax abatement to encourage investment and assist in the removal of blight and blighting conditions within urban redevelopment areas. Created pursuant to Sections 353.010 to 353.190 RSMo and City Ordinance 140306.
- Land Clearance for Redevelopment Authority (LCRA) – Grants abatement to encourage investment and assist in the removal of blight and blighting conditions with urban renewal areas. Created pursuant to Sections 99.300 to 99.715 RSMo and City Ordinance 16120.
- Chapter 100 Bonds – The City of Kansas City can issue taxable bonds to assist with the construction or rehabilitation of eligible commercial facilities. The City takes formal ownerships of the business assets and, therefore, provides property (real and personal) abatement for up to 10 years. Created pursuant to Sections 100.010 to 100.200 RSMo.
- Port Authority of Kansas City Missouri (PortKC) – Reduces taxes to enhance economic vitality as a redevelopment authority through transportation, trade and commerce and riverfront development. Created pursuant to Section 68 RSMo and City Ordinance 47523.
- Enhance Enterprise Zone (EEZ) – Grants property tax abatement to encourage job creation and investment by providing tax credits and property tax abatement to new or expanding businesses located in an EEZ. Created pursuant to Sections 135.950 to 135.973 RSMo and City Ordinances 051411, 051412 and 051413.

Required Supplementary Information

Kansas City Public Library
Schedule of the Library's Proportionate Share of the Net Pension Liability
(Unaudited)
Public School Retirement System of the School District of Kansas City, Missouri
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Library's proportion of the net pension liability	4.12%	3.95%	3.89%	3.68%	3.71%	3.80%	3.90%	4.06%	4.15%	4.15%
Library's proportionate share of the net pension liability	\$ 15,265,731	\$ 9,811,369	\$ 12,015,176	\$ 12,225,546	\$ 14,832,428	\$ 11,549,568	\$ 10,506,074	\$ 10,591,170	\$ 7,508,920	\$ 7,508,920
Library's covered payroll	10,151,325	8,934,639	8,400,025	7,550,514	7,146,779	7,131,259	7,086,760	6,772,602	6,896,195	6,896,195
Library's proportionate share of the net pension liability as a percentage of its covered payroll	150.38%	109.81%	143.04%	161.92%	207.54%	161.96%	148.25%	156.38%	108.88%	108.88%
Plan fiduciary net position as a percentage of the total pension liability	63.06%	75.19%	69.20%	66.61%	60.10%	69.31%	70.09%	70.93%	79.44%	79.44%

Note to Schedule: This schedule is intended to show a ten-year trend.

Kansas City Public Library
Schedule of Library Contributions (Unaudited)
Public School Retirement System of the School District of Kansas City, Missouri
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,218,159	\$ 1,072,383	\$ 1,020,599	\$ 784,734	\$ 647,906	\$ 641,867	\$ 636,430	\$ 587,212	\$ 550,376
Contribution in relation to the contractually required contribution	<u>1,218,159</u>	<u>1,072,383</u>	<u>1,020,599</u>	<u>784,734</u>	<u>647,906</u>	<u>641,867</u>	<u>636,430</u>	<u>587,212</u>	<u>550,376</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered-employee payroll	\$ 10,032,074	\$ 8,898,068	\$ 8,505,534	\$ 7,550,514	\$ 7,146,779	\$ 7,131,259	\$ 7,086,760	\$ 6,772,602	\$ 6,896,195
Contributions as a percentage of covered-employee payroll	12.14%	12.05%	12.00%	10.39%	9.07%	9.00%	8.98%	8.67%	7.98%

Note to Schedule: This schedule is intended to show a ten-year trend. Additional years will be reported as they become available.

Kansas City Public Library
Notes to Required Supplementary Information (Unaudited)
June 30, 2023

Changes of benefit and funding terms: The following changes to the plan provisions were reflected in the valuation performed as of January 1 listed below:

2022: None

2021: None

2020: None

2019: None

2018: The 2018 Missouri General Assembly passed a bill which changed the System's contribution policy beginning January 1, 2019 with respect to employers covered by the System. In accordance with the new legislation, the employer contribution rate will increase by 10.50% of pay effective January 1, 2019 and 12.00% of pay effective January 1, 2020. Beginning July 1, 2021, the employer contribution rate will be the greater of (1) the actuarial required contribution rate, as determined in the valuation prepared for the prior calendar year, less the member contribution rate, or (2) 12.00% of pay, until the System is fully funded. Once the System is fully funded, the employer contribution rate may increase or decrease in subsequent years, depending on valuation results and the employer contribution rate may decrease from 9.00% depending on valuation results. However, such changes are subject to statutory limitations.

2017: None

2016: New early retirement factors were adopted by the Board in June 2015 to update the factors to reflect the current actuarial assumptions.

2015: The Board increased the contribution rate for both members and employees from 8.5% of pay to 9.0% of pay, effective January 1, 2016.

2014: Under legislation passed in 2013, the Board may adjust the member and employer contribution rate each year by no more than 0.50% each. The contribution rate can fluctuate between 7.5% and 9.0%. The Board increased the contribution rate for both members and employers to 8.5% of pay, effective January 1, 2015 and 9.0% of pay, effective January 1, 2016.

In addition, legislation in 2013 created a new set of plan provisions for members hired after December 31, 2013, referred to as Plan C. The key differences between Plan B and Plan C are a lower benefit multiplier (1.75% instead of 2.00%) and different requirements for unreduced benefits (age 62 or Rule of 80 rather than age 60 or Rule of 75). These changes are effective for those hired on or after January 1, 2014.

Changes in actuarial assumptions:

January 1, 2021: None

January 1, 2020:

- The investment return assumption was lowered from 7.50% to 7.25%.
- The inflation assumption was lowered from 2.75% to 2.25%.

Kansas City Public Library
Notes to Required Supplementary Information (Unaudited)
June 30, 2023

- The assumed interest rate credited on employee account balances was lowered from 3.25% to 2.50%.
- The general wage increase assumption was lowered from 3.50% to 2.85%.
- The payroll growth assumption was lowered from 3.00% to 2.85%.
- An explicit administrative expense load assumption based on actual prior year expenses is included in the Actuarial Determined Contribution.
- The mortality assumption was changed to the Pub-2010 General Members (Below Median) Mortality Tables, with a one-year age setback for males and a one-year age set-forward for females. Mortality improvements are projected 7 year from the valuation date for retirees and beneficiaries and 15 years for actives, using Scale MP-2019.
- Retirement rates were modified to partially reflect observed experience.
- Termination rates were changed to partially reflect observed experience.
- The salary scale was changed from 5.00% to all ages to service-based rates.
- The disability assumption was eliminated.

January 1, 2019: Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

January 1, 2018: Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

January 1, 2017:

- The investment return assumption was lowered from 8.00% to 7.75%.
- The inflation assumption was lowered from 3.00% to 2.75%.
- The assumed interest rate credited on employee account balances was lowered from 5.00% to 3.25%.
- The general wage increase assumption was set at 3.50%.
- The payroll growth assumption was set at 3.00%.
- The mortality assumption was changed to the RP-2014 Blue Collar Mortality Table, with a one-year age setback for females, no adjustment for males. Mortality improvements are projected 7 years from the valuation date for retirees and beneficiaries and 15 years for actives, using Scale MP-2016.
- Retirement rates were modified to partially reflect observed experience.
- Termination rates were changed to be pure service-based rates.
- Disability rate was reduced by 50%.
- The amortization of the UAAL was changed to a “layered” approach with new pieces of UAAL amortized over a closed 20-year period beginning on the valuation date. The UAAL as of January 1, 2017, is being amortized over a closed 30-year period. Amortization payments are determined under the level percentage of payroll method.

January 1, 2015: Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

January 1, 2014: Non-disabled mortality tables were updated to reflect an additional year of mortality improvements.

Statistical Data Section (Unaudited)

Kansas City Public Library
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 36,245,586	\$ 35,479,577	\$ 35,354,440	\$ 34,766,845	\$ 34,271,827	\$ 33,614,592	\$ 34,559,498	\$ 35,809,234	\$ 34,604,340	\$ 36,238,853
Restricted	5,148,320	6,016,920	5,668,509	6,103,315	5,652,573	5,438,140	5,993,888	5,930,375	8,185,395	9,788,735
Unrestricted	<u>9,248,177</u>	<u>3,474,332</u>	<u>1,740,467</u>	<u>1,714,902</u>	<u>1,448,610</u>	<u>166,733</u>	<u>3,947,885</u>	<u>5,942,494</u>	<u>8,207,849</u>	<u>9,252,119</u>
Total governmental activities net position	<u>\$ 50,642,083</u>	<u>\$ 44,970,829</u>	<u>\$ 42,763,416</u>	<u>\$ 42,585,062</u>	<u>\$ 41,373,010</u>	<u>\$ 39,219,465</u>	<u>\$ 44,501,271</u>	<u>\$ 47,682,103</u>	<u>\$ 50,997,584</u>	<u>\$ 55,279,707</u>
Business-type activities										
Net investment in capital assets	\$ 4,384,274	\$ 4,316,501	\$ 4,267,311	\$ 4,265,238	\$ 4,255,556	\$ 4,169,701	\$ 4,083,847	\$ 3,999,762	\$ 3,917,446	\$ 3,836,559
Unrestricted	<u>320,549</u>	<u>300,385</u>	<u>394,346</u>	<u>447,765</u>	<u>417,951</u>	<u>440,590</u>	<u>305,273</u>	<u>281,507</u>	<u>455,602</u>	<u>501,437</u>
Total business-type activities net position	<u>\$ 4,704,823</u>	<u>\$ 4,616,886</u>	<u>\$ 4,661,657</u>	<u>\$ 4,713,003</u>	<u>\$ 4,673,507</u>	<u>\$ 4,610,291</u>	<u>\$ 4,389,120</u>	<u>\$ 4,281,269</u>	<u>\$ 4,373,048</u>	<u>\$ 4,337,996</u>
Primary government										
Net investment in capital assets	\$ 40,629,860	\$ 39,796,078	\$ 39,621,751	\$ 39,032,083	\$ 38,527,383	\$ 37,784,293	\$ 38,643,345	\$ 39,808,996	\$ 38,521,786	\$ 40,075,412
Restricted	5,148,320	6,016,920	5,668,509	6,103,315	5,652,573	5,438,140	5,993,888	5,930,375	8,185,395	9,788,735
Unrestricted	<u>9,568,726</u>	<u>3,774,717</u>	<u>2,134,813</u>	<u>2,162,667</u>	<u>1,866,561</u>	<u>607,323</u>	<u>4,253,158</u>	<u>6,224,001</u>	<u>8,663,451</u>	<u>9,753,556</u>
Total primary government net position	<u>\$ 55,346,906</u>	<u>\$ 49,587,715</u>	<u>\$ 47,425,073</u>	<u>\$ 47,298,065</u>	<u>\$ 46,046,517</u>	<u>\$ 43,829,756</u>	<u>\$ 48,890,391</u>	<u>\$ 51,963,372</u>	<u>\$ 55,370,632</u>	<u>\$ 59,617,703</u>

Note: During the years ended June 30, 2015 and 2014, the Library adopted GASB 68 and 65, respectively. During the years ended June 30, 2023 and 2022, the Library adopted GASB 96 and 87, respectively. Previous years have not been restated for adoption of GASB 68, 75, 87 and 96.

Kansas City Public Library
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities	\$ 20,326,059	\$ 20,270,897	\$ 21,517,578	\$ 21,705,480	\$ 22,305,094	\$ 25,360,270	\$ 24,630,850	\$ 23,789,452	\$ 25,424,418	\$ 28,904,394
Business-type activities	350,670	395,028	370,624	385,673	441,230	471,933	680,698	382,176	421,237	558,415
Total primary government expenses	<u>20,676,729</u>	<u>20,665,925</u>	<u>21,888,202</u>	<u>22,091,153</u>	<u>22,746,324</u>	<u>25,832,203</u>	<u>25,311,548</u>	<u>24,171,628</u>	<u>25,845,655</u>	<u>29,462,809</u>
Program revenues										
Governmental activities										
Charges for services	708,833	709,862	676,389	759,345	810,666	837,037	588,224	241,889	384,858	467,853
Operating grants and contributions	1,899,180	3,293,911	1,819,461	2,716,395	1,319,311	2,488,204	3,733,306	1,961,611	2,451,254	3,967,679
Capital grants and contributions	40,500	17,500	102,997	27,467	358,200	-	451,000	475,000	800,000	480,098
Total governmental activities program revenues	<u>2,648,513</u>	<u>4,021,273</u>	<u>2,598,847</u>	<u>3,503,207</u>	<u>2,488,177</u>	<u>3,325,241</u>	<u>4,772,530</u>	<u>2,678,500</u>	<u>3,636,112</u>	<u>4,915,630</u>
Business-type activities										
Charges for services	385,898	382,091	549,124	302,019	556,734	573,717	624,527	331,825	513,016	573,363
Total business-type activities program revenues	<u>385,898</u>	<u>382,091</u>	<u>549,124</u>	<u>302,019</u>	<u>556,734</u>	<u>573,717</u>	<u>624,527</u>	<u>331,825</u>	<u>513,016</u>	<u>573,363</u>
Total primary government program revenue	<u>3,034,411</u>	<u>4,403,364</u>	<u>3,147,971</u>	<u>3,805,226</u>	<u>3,044,911</u>	<u>3,898,958</u>	<u>5,397,057</u>	<u>3,010,325</u>	<u>4,149,128</u>	<u>5,488,993</u>
Net revenues (expenses)										
Governmental activities	(17,677,546)	(16,249,624)	(18,918,731)	(18,202,273)	(19,816,917)	(22,035,029)	(19,858,320)	(21,110,952)	(21,788,306)	(23,988,764)
Business-type activities	35,228	(12,937)	178,500	(83,654)	115,504	101,784	(56,171)	(50,351)	91,779	14,948
Total net revenues (expenses)	<u>(17,642,318)</u>	<u>(16,262,561)</u>	<u>(18,740,231)</u>	<u>(18,285,927)</u>	<u>(19,701,413)</u>	<u>(21,933,245)</u>	<u>(19,914,491)</u>	<u>(21,161,303)</u>	<u>(21,696,527)</u>	<u>(23,973,816)</u>

Note: During the years ended June 30, 2015 and 2014, the Library adopted GASB 68 and 65, respectively. Previous years have not been restated for adoption of GASB 68 or 65.

(Continued)

Kansas City Public Library

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 16,002,644	\$ 16,639,889	\$ 16,381,863	\$ 17,563,007	\$ 18,002,841	\$ 19,153,517	\$ 24,501,488	\$ 23,218,393	\$ 25,613,331	\$ 26,770,558
Investment income (loss)	97,440	99,889	89,888	145,346	298,132	480,374	413,067	866,110	(543,829)	1,359,856
Transfers	100,000	75,000	145,000	165,000	165,000	165,000	165,000	57,500	-	50,000
Other general revenues	6,915	44,565	94,567	150,566	138,892	82,593	60,571	149,781	34,285	90,473
Total governmental activities	<u>16,206,999</u>	<u>16,859,343</u>	<u>16,711,318</u>	<u>18,023,919</u>	<u>18,604,865</u>	<u>19,881,484</u>	<u>25,140,126</u>	<u>24,291,784</u>	<u>25,103,787</u>	<u>28,270,887</u>
Business-type activities										
Transfers	(100,000)	(75,000)	(145,000)	(165,000)	(165,000)	(165,000)	(165,000)	(57,500)	-	(50,000)
Capital contributions	-	-	11,271	-	-	-	-	-	-	-
Total business-type activities	<u>(100,000)</u>	<u>(75,000)</u>	<u>(133,729)</u>	<u>(165,000)</u>	<u>(165,000)</u>	<u>(165,000)</u>	<u>(165,000)</u>	<u>(57,500)</u>	<u>-</u>	<u>(50,000)</u>
Total primary government	<u>16,106,999</u>	<u>16,784,343</u>	<u>16,577,589</u>	<u>17,858,919</u>	<u>18,439,865</u>	<u>19,716,484</u>	<u>24,975,126</u>	<u>24,234,284</u>	<u>25,103,787</u>	<u>28,220,887</u>
Changes in net position										
Governmental activities	(1,470,547)	609,719	(2,207,413)	(178,354)	(1,212,052)	(2,153,545)	5,281,806	3,180,832	3,315,481	4,282,123
Business-type activities	(64,772)	(87,937)	44,771	(248,654)	(49,496)	(63,216)	(221,171)	(107,851)	91,779	(35,052)
Total primary government	<u>\$ (1,535,319)</u>	<u>\$ 521,782</u>	<u>\$ (2,162,642)</u>	<u>\$ (427,008)</u>	<u>\$ (1,261,548)</u>	<u>\$ (2,216,761)</u>	<u>\$ 5,060,635</u>	<u>\$ 3,072,981</u>	<u>\$ 3,407,260</u>	<u>\$ 4,247,071</u>

Note: During the years ended June 30, 2015 and 2014, the Library adopted GASB 68 and 65, respectively. Previous years have not been restated for adoption of GASB 68 or 65.

Kansas City Public Library
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Committed	\$ 277,102	\$ 288,503	\$ 322,713	\$ 320,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	2,115,251	2,145,753	1,921,093	1,784,418	1,608,809	1,272,251	1,669,290	1,758,496	2,030,729	1,836,339
Unassigned	<u>8,117,349</u>	<u>8,280,991</u>	<u>7,964,349</u>	<u>8,394,443</u>	<u>9,028,597</u>	<u>9,404,964</u>	<u>11,300,296</u>	<u>11,943,689</u>	<u>13,086,645</u>	<u>13,674,056</u>
Total general fund	<u>\$ 10,509,702</u>	<u>\$ 10,715,247</u>	<u>\$ 10,208,155</u>	<u>\$ 10,499,196</u>	<u>\$ 10,637,406</u>	<u>\$ 10,677,215</u>	<u>\$ 12,969,586</u>	<u>\$ 13,702,185</u>	<u>\$ 15,117,374</u>	<u>\$ 15,510,395</u>
All other governmental funds										
Nonspendable										
Endowment fund principal	\$ 2,708,685	\$ 3,058,323	\$ 3,058,633	\$ 3,058,743	\$ 3,058,873	\$ 3,059,003	\$ 3,059,133	\$ 3,059,263	\$ 3,059,398	\$ 3,059,528
Restricted										
Debt service	644,180	644,186	644,196	-	-	-	-	-	-	-
Capital improvements	401,551	901,551	852,690	1,528,289	1,301,551	1,153,724	1,745,139	1,612,964	4,712,614	6,470,293
Programming requirements	1,393,904	1,412,860	1,112,990	2,539,785	1,292,149	1,225,413	1,189,616	1,258,148	413,383	258,914
Committed										
Endowment fund	-	-	-	-	1,091,522	2,132,415	3,157,080	3,911,752	4,936,687	5,431,041
Assigned										
Endowment fund	121,353	132,281	56,096	61,069	85,015	111,136	101,609	68,027	70,643	244,226
Debt service fund	-	-	-	-	-	-	-	-	-	-
Gift/grants fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>641,063</u>	<u>-</u>
Total all other governmental funds	<u>\$ 5,269,673</u>	<u>\$ 6,149,201</u>	<u>\$ 5,724,605</u>	<u>\$ 7,187,886</u>	<u>\$ 6,829,110</u>	<u>\$ 7,681,691</u>	<u>\$ 9,252,577</u>	<u>\$ 9,910,154</u>	<u>\$ 13,833,788</u>	<u>\$ 15,464,002</u>

Kansas City Public Library
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	\$ 15,845,002	\$ 16,782,445	\$ 16,247,980	\$ 17,667,159	\$ 18,155,778	\$ 19,068,377	\$ 24,205,101	\$ 23,375,361	\$ 25,483,967	\$ 26,438,252
Grants	907,260	731,373	605,288	430,354	746,205	511,375	-	-	-	-
State and federal funds	505,696	429,941	873,500	248,249	235,888	246,829	760,577	1,127,756	1,865,796	3,170,338
Charges for services	708,833	709,862	676,389	759,345	810,666	837,037	588,224	241,889	384,858	467,853
Investment income (loss)	97,440	99,889	89,888	145,346	298,132	480,374	413,067	866,110	(543,829)	1,359,856
Contributions	1,044,744	1,133,789	821,654	2,340,903	680,475	1,608,059	1,961,132	827,570	2,845,227	531,788
Other	6,915	44,565	94,567	150,566	138,892	82,593	60,571	149,781	34,285	90,473
Total revenues	<u>19,115,890</u>	<u>19,931,864</u>	<u>19,409,266</u>	<u>21,741,922</u>	<u>21,066,036</u>	<u>22,834,644</u>	<u>27,988,672</u>	<u>26,588,467</u>	<u>30,070,304</u>	<u>32,058,560</u>
Expenditures										
Program services										
Salaries and fringe benefits	10,659,283	10,621,745	11,272,083	11,255,418	11,881,203	11,867,868	12,602,375	13,076,829	14,254,037	16,024,876
Library materials	2,566,864	2,607,439	2,346,761	2,214,509	2,291,248	2,242,771	2,729,791	2,296,339	2,415,786	3,187,841
General operating	2,231,265	2,026,159	2,444,595	2,309,209	2,910,117	3,425,003	3,573,769	3,630,179	3,900,221	4,540,692
Building operating	2,699,597	2,627,872	2,896,853	2,816,034	2,723,816	3,071,281	2,747,109	3,028,849	2,891,487	2,902,904
Debt service	2,729,534	612,644	612,301	569,675	548,048	544,024	544,904	550,592	545,992	957,747
Capital outlay	466,311	425,932	913,361	1,042,755	1,097,170	956,307	2,092,467	2,713,003	724,081	2,577,139
Total expenditures	<u>21,352,854</u>	<u>18,921,791</u>	<u>20,485,954</u>	<u>20,207,600</u>	<u>21,451,602</u>	<u>22,107,254</u>	<u>24,290,415</u>	<u>25,295,791</u>	<u>24,731,604</u>	<u>30,191,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,236,964)</u>	<u>1,010,073</u>	<u>(1,076,688)</u>	<u>1,534,322</u>	<u>(385,566)</u>	<u>727,390</u>	<u>3,698,257</u>	<u>1,292,676</u>	<u>5,338,700</u>	<u>1,867,361</u>
Other financial sources (uses)										
Transfers in	3,869,297	1,749,857	1,424,019	1,667,791	695,347	1,197,737	2,817,279	2,674,691	2,815,890	5,168,682
Transfers out	(3,769,297)	(1,674,857)	(1,279,019)	(1,502,791)	(530,347)	(1,032,737)	(2,652,279)	(2,617,191)	(2,815,890)	(5,118,682)
Issuance of debt	-	-	-	4,480,000	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	(4,425,000)	-	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	40,000	-	-
Leases	-	-	-	-	-	-	-	-	-	99,997
SBITAS	-	-	-	-	-	-	-	-	-	6,000
	<u>100,000</u>	<u>75,000</u>	<u>145,000</u>	<u>220,000</u>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>97,500</u>	<u>-</u>	<u>155,997</u>
Net change in fund balance	<u>\$ (2,136,964)</u>	<u>\$ 1,085,073</u>	<u>\$ (931,688)</u>	<u>\$ 1,754,322</u>	<u>\$ (220,566)</u>	<u>\$ 892,390</u>	<u>\$ 3,863,257</u>	<u>\$ 1,390,176</u>	<u>\$ 5,338,700</u>	<u>\$ 2,023,358</u>

Kansas City Public Library
General Governmental Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	Program Services	Capital Outlay	Debt Service	Totals
2013 – 2014	\$ 18,157,009	\$ 466,311	\$ 2,729,534	\$ 21,352,854
2014 – 2015	17,883,215	425,932	612,644	18,921,791
2015 – 2016	18,960,292	913,361	612,301	20,485,954
2016 – 2017	18,595,170	1,042,755	569,675	20,207,600
2017 – 2018	19,806,384	1,097,170	548,048	21,451,602
2018 – 2019	20,606,923	956,307	544,024	22,107,254
2019 – 2020	21,653,044	2,092,467	544,904	24,290,415
2020 – 2021	22,032,196	2,713,003	550,592	25,295,791
2021 – 2022	23,461,531	724,081	545,992	24,731,604
2022 – 2023	26,656,313	2,577,139	957,747	30,191,199

Includes only governmental funds.

Kansas City Public Library
General Governmental Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Grants	State and Federal Funds	Charges for Services	Investment Income(Loss)	Contributions	Other	Total
2013 – 2014	\$ 15,845,002	\$ 907,260	\$ 505,696	\$ 708,833	\$ 97,440	\$ 1,044,744	\$ 6,915	\$ 19,115,890
2014 – 2015	16,782,445	731,373	429,941	709,862	99,889	1,133,789	44,565	19,931,864
2015 – 2016	16,247,980	605,288	873,500	676,389	89,888	821,654	94,567	19,409,266
2016 – 2017	17,667,159	430,354	248,249	759,345	145,346	2,340,903	150,566	21,741,922
2017 – 2018	18,155,778	746,205	235,888	810,666	298,132	680,475	138,892	21,066,036
2018 – 2019	19,068,377	511,375	246,829	837,037	480,374	1,608,059	82,593	22,834,644
2019 – 2020	24,205,101	-	760,577	588,224	413,067	1,961,132	60,571	27,988,672
2020 – 2021	23,375,361	-	1,127,756	241,889	866,110	827,570	149,781	26,588,467
2021 – 2022	25,483,967	-	1,865,796	384,858	(543,829)	2,845,227	34,285	30,070,304
2022 – 2023	26,438,252	-	3,170,338	467,853	1,359,856	531,788	90,473	32,058,560

Includes only governmental funds.

Kansas City Public Library
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Current Tax Levy (1)	Current Tax Collections	% of Current Tax Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collection to Current Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Current Tax Levy
2013 – 2014	\$ 15,203,529	\$ 14,669,326	96.5%	\$ 1,050,541	\$ 15,719,867	103.4%	\$ 1,069,583	7.0%
2014 – 2015	15,306,306	15,206,848	99.4%	1,242,669	16,449,517	107.5%	998,760	6.5%
2015 – 2016	15,703,028	15,277,221	97.3%	875,610	16,152,831	102.9%	979,475	6.3%
2016 – 2017	15,959,561	15,982,304	100.1%	1,326,222	17,308,526	108.5%	976,686	6.1%
2017 – 2018	16,526,221	16,551,952	100.2%	1,179,724	17,731,676	107.3%	964,812	5.8%
2018 – 2019	17,928,580	17,893,329	99.8%	996,629	18,889,958	105.4%	968,330	5.4%
2019 – 2020	24,758,320	23,224,063	93.8%	852,318	24,076,381	97.2%	1,577,280	6.4%
2020 – 2021	23,243,010	22,356,829	96.2%	435,432	22,792,261	98.1%	1,184,629	5.1%
2021 – 2022	24,249,464	23,708,542	97.8%	1,609,234	25,317,776	104.4%	1,171,465	4.8%
2022 – 2023	25,391,058	24,930,787	98.2%	1,244,400	26,175,187	103.1%	1,470,343	5.8%

(1) Amount includes real estate, personal property and replacement merchant and manufacturing.

Kansas City Public Library
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Real Estate		Personal Property		Total		Ratio of Total Assessed to Total Estimated Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2013 – 2014	\$ 2,357,053	\$ 10,342,788	\$ 673,653	\$ 2,010,903	\$ 3,030,706	\$ 12,353,691	24.5%
2014 – 2015	2,362,433	10,366,392	698,829	2,086,056	3,061,262	12,452,448	24.6%
2015 – 2016	2,446,793	10,736,566	736,469	2,198,414	3,183,262	12,934,980	24.6%
2016 – 2017	2,476,378	10,866,386	754,302	2,251,649	3,230,680	13,118,035	24.6%
2017 – 2018	2,872,526	12,604,689	770,907	2,301,214	3,643,432	14,905,903	24.4%
2018 – 2019	2,754,843	12,088,296	784,857	2,342,856	3,539,700	14,431,152	24.5%
2019 – 2020	3,623,483	15,899,903	763,179	2,278,145	4,386,662	18,178,048	24.1%
2020 – 2021	3,344,021	14,673,619	774,159	2,310,923	4,118,180	16,984,542	24.2%
2021 – 2022	3,596,721	15,782,470	809,068	2,415,129	4,405,789	18,197,599	24.2%
2022 – 2023	3,620,008	15,884,654	960,735	2,867,865	4,580,743	18,752,519	24.4%

Kansas City Public Library
Property Tax Rates⁽¹⁾ – Direct and Overlapping Governments
Last Ten Fiscal Years

	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016 - 2017</u>	<u>2017 - 2018</u>	<u>2018 - 2019</u>	<u>2019 - 2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>
Kansas City Public Library	0.5000 %	0.5000 %	0.4933 %	0.4940 %	0.4676 %	0.5065 %	0.5644 %	0.5644 %	0.5504 %	0.5543 %
City of Kansas City	1.5932	1.5997	1.5806	1.5906	1.6006	1.6783	1.5960	1.7529	1.6981	1.6918
City of Independence	0.7429	0.7393	0.7165	0.7216	0.7031	0.7105	0.6078	0.6672	0.6103	0.6059
City of Sugar Creek	1.1300	1.1300	1.1182	1.1300	1.0448	1.0469	0.9579	0.9910	0.9696	0.9700
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Jackson County	0.5298	0.5141	0.4956	0.5025	0.4849	0.7013	0.6110	0.6110	0.5824	0.5920
Metropolitan Community Colleges	0.2369	0.2374	0.2343	0.2339	0.2297	0.2305	0.2047	0.2128	0.2028	0.2028
Kansas City Missouri School District	4.9500	4.9500	4.9599	4.9599	4.9599	4.9599	4.9599	4.9599	4.9599	4.9599
Mental Health Fund	0.1218	0.1223	0.1198	0.1201	0.1160	0.1171	0.1008	0.1056	0.1077	0.1113
Developmentally Disabled	<u>0.0748</u>	<u>0.0753</u>	<u>0.0738</u>	<u>0.0738</u>	<u>0.0713</u>	<u>0.0720</u>	<u>0.0620</u>	<u>0.0649</u>	<u>0.0663</u>	<u>0.0836</u>
Total	<u><u>9.9094 %</u></u>	<u><u>9.8981 %</u></u>	<u><u>9.8220 %</u></u>	<u><u>9.8564 %</u></u>	<u><u>9.7079 %</u></u>	<u><u>10.0530 %</u></u>	<u><u>9.6945 %</u></u>	<u><u>9.9597 %</u></u>	<u><u>9.7775 %</u></u>	<u><u>9.8016 %</u></u>

(1) Tax rate per \$100 of assessed valuation.

Kansas City Public Library
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2022-2023		2013-2014	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value (1)	Taxable Assessed Value	Percent of Total City Taxable Assessed Value (2)
Evergy Metro	\$ 201,074,233	2.10 %		%
Country Club Plaza JV LLC	96,091,883	1.68		0.88
Southern Union Company dba MO Gas Energy	76,744,000	0.84	26,681,060	
Crown Power & Redevelopment Corp.	38,292,800	0.68		
Federal Reserve Bank of KC	31,084,480	0.64		0.73
Town Pavilion Holdings LLC	29,440,990	0.49	22,260,718	
Google Fiber Missouri LLC	22,239,189	0.44		
Union Pacific	20,964,364	0.34		
Spire Missouri Inc.	20,361,280	0.34		0.47
CIP18LC Grand Blvd Owner LLC	15,680,000	0.28		
K. C. Power & Light			128,218,487	4.22
Hallmark			61,691,591	2.03
AT&T & SWB			49,067,026	1.61
J C Nichols & Highwoods Realty			26,827,301	0.88
Bayer Corp Science			22,472,651	0.74
Union Pacific Railroad			14,329,244	0.47
PMO			14,216,209	0.47
Twentieth Century Realty Inc.			14,164,528	0.46
	\$ 551,973,219	7.83 %	\$ 379,928,815	12.96 %

(1) Total assessed value for 2022-2023 was \$4,580,742,893

(2) Total assessed value for 2013-2014 was \$3,030,705,819

Kansas City Public Library
Ratio of Net General Bonded Debt to Assessed
Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Assessed Value	Gross Bonded Debt	Debt Service Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Ratio of Net Bonded Debt Per Capita
2013 – 2014	188,538	\$ 3,010,705,819	\$ 7,185,000	\$ -	\$ 7,185,000	0.24%	38.11%
2014 – 2015	190,476	3,061,261,284	4,810,000	-	4,810,000	0.16%	25.25%
2015 – 2016	208,676	3,183,261,357	4,425,000	-	4,425,000	0.14%	21.21%
2016 – 2017	193,025	3,230,680,351	-	-	-	0.00%	0.00%
2017 – 2018	197,126	3,643,432,114	-	-	-	0.00%	0.00%
2018 – 2019	212,532	3,539,699,998	-	-	-	0.00%	0.00%
2019 – 2020	214,721	4,386,661,859	-	-	-	0.00%	0.00%
2020 – 2021	218,733	4,118,180,285	-	-	-	0.00%	0.00%
2021 – 2022	224,236	4,405,789,187	-	-	-	0.00%	0.00%
2022 – 2023	237,267	4,580,742,893	-	-	-	0.00%	0.00%

Kansas City Public Library
Ratio of Annual Debt Service Expenditures for
Outstanding Financed Purchased, Lease and Subscription
Payments to Total General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Financed Lease Purchase Principal Payments	Financed Lease Purchase Interest Payments	Right-to-use Liability Principal Payments	Right-to-use Liability Interest Payments	Subscription Liability Principal Payments	Subscription Liability Interest Payments	Total Debt Service	Total General Expenditures	Ratio of Total Debt Service to Total General Fund Expenditures
2013 – 2014	\$ 2,365,000	\$ 361,234	\$ -	\$ -	\$ -	\$ -	\$ 2,726,234	\$ 21,352,854	12.77%
2014 – 2015	375,000	234,344	-	-	-	-	609,344	18,921,791	3.22%
2015 – 2016	385,000	224,001	-	-	-	-	609,001	20,485,954	2.97%
2016 – 2017	415,000	151,375	-	-	-	-	566,375	20,207,600	2.80%
2017 – 2018	470,000	78,048	-	-	-	-	548,048	21,451,602	2.55%
2018 – 2019	475,000	69,024	-	-	-	-	544,024	22,107,254	2.46%
2019 – 2020	485,000	59,904	-	-	-	-	544,904	24,290,415	2.24%
2020 – 2021	500,000	50,592	-	-	-	-	550,592	25,295,791	2.18%
2021 – 2022	505,000	40,992	64,014	8,132	-	-	618,138	24,731,604	2.50%
2022 – 2023	520,000	31,296	82,127	8,312	282,403	33,609	957,747	30,191,199	3.17%

Note> During the years ended June 30, 2023 and 2022, the Library adopted GASB 87 and 96, respectively. Previous years have not been restated for adoption of GASB 87 and 96.

Kansas City Public Library
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years

Fiscal Year	Estimated Actual Property Value (1)	Construction (2)	Bank Deposits (2)
2013 – 2014	\$ 12,353,690,877	\$ 772,427,214	\$ 19,772,110,000
2014 – 2015	12,452,448,123	1,209,407,303	19,820,000,000
2015 – 2016	12,934,979,819	1,537,671,314	21,118,242,000
2016 – 2017	13,118,035,231	1,234,548,343	23,100,178,000
2017 – 2018	14,905,902,070	1,511,775,959	23,865,359,000
2018 – 2019	14,431,152,303	1,320,017,372	24,993,010,000
2019 – 2020	18,178,047,909	244,402,425	27,569,500,000
2020 – 2021	16,984,541,627	607,188,484	32,502,893,000
2021 – 2022	18,197,598,797	882,936,703	39,116,008,000
2022 – 2023	18,752,519,007	3,203,976,114	40,498,063,000

(1) See table “Assessed and Estimated Actual Value of Taxable Property.”

(2) Includes information for all of Jackson County although other public library districts exist in Jackson County; therefore, a portion of these values do not relate to the Library. A breakdown of the above information by individual library districts within Jackson County is not available. Bank deposits include commercial banks and savings and loan associations.

Kansas City Public Library
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income <i>(in thousands)</i>	Per Capita Personal Income	Unemployment Rate
2014	188,538 (1)	4,659,151	24,712 (1)	7.40%
2015	190,476 (2)	4,756,567	24,972 (2)	6.70%
2016	208,676 (3)	5,296,751	26,131 (4)	4.10%
2017	193,025 (5)	5,664,512	29,346 (5)	3.90%
2018	197,126 (6)	5,631,298	28,567 (6)	3.60%
2019	212,532 (7)	6,040,499	29,164 (7)	3.30%
2020	214,721 (8)	6,426,064	29,918 (9)	7.80%
2021	218,733 (10)	6,690,666	30,595 (10)	4.40%
2022	224,236 (11)	6,627,295	29,555 (11)	4.22%
2023	237,267 (12)	8,387,863	35,352 (13)	2.80%

- (1) Source: 2010-2012 American Community Survey - Kansas City Public School District
- (2) Source: 2011-2013 American Community Survey - Kansas City Public School District
- (3) Source: 2010-2014 American Community Survey 5-year estimate - Kansas City Public Library District
- (4) Source: 2010-2014 American Community Survey 5-year estimate - Kansas City School District
- (5) Source: 2015 American Community Survey 1-year estimate - Kansas City Public School District
- (6) Source: 2016 American Community Survey 1-year estimate - Kansas City Public School District
- (7) Source: 2013-2017 American Community Survey 5-year estimate - Kansas City Public Library District
- (8) Source: 2014-2018 American Community Survey 5-year estimate - Library District
- (9) Source: 2014-2018 American Community Survey 5-year estimate - Kansas City Public School District
- (10) Source: 2015-2019 American Community Survey 5-year estimate - Library District
- (11) Source: BCA Report-Demographics-Library Service Area
- (12) Source: Orangeboy Library Service Area, 5-year estimate
- (13) Source: ACS Census Data (2017-2021)

**Kansas City Public Library
Principal Employers
Current Year and Ten Years Ago**

Employer	2023		2014	
	Number of Employees (1)	Percent of Total Employment (2)	Number of Employees (3)	Percent of Total Employment (4)
Federal Government	31,986	4.9%	27,300	4.9%
Oracle Cerner Corp.	11,900	1.8%	9,850	1.8%
University of Kansas Health System	11,255	1.7%		
HCA Midwest Health System	10,051	1.5%	9,394	1.7%
Saint Luke's Health System	9,976	1.5%	8,914	1.6%
Sprint Corp.			7,500	1.3%

(1) Source: Kansas City Business Journal - Research-Databases

(2) Source: Bureau of Labor Statistics - Total Nonfarm Employees for Kansas City, MO in June 2023 was 650,600

(3) Source: Kansas City Business Journal-Top Area Private & Public Employers

(4) Source: Bureau of Labor Statistics - Total Nonfarm Employees for Kansas City, MO in June 2014 was 556,400

Kansas City Public Library
Full-Time and Part-Time Employees
Last Ten Fiscal Years

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	190.29	189.12	189.78	192.08	192.50	215.83	218.01	218.01	224.11	227.86
Business-activity	-	-	-	-	-	-	-	-	-	-
Total	<u>190.29</u>	<u>189.12</u>	<u>189.78</u>	<u>192.08</u>	<u>192.50</u>	<u>215.83</u>	<u>218.01</u>	<u>218.01</u>	<u>224.11</u>	<u>227.86</u>

Kansas City Public Library
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government										
Branches	10	10	10	10	10	10	10	10	10	10
Vehicles	8	8	8	8	7	7	7	9	10	8
Maintenance lift	1	1	1	1	1	1	1	1	1	1
Collection (Volumes/items owned)	996,270	885,460	872,956	762,658	810,044	822,508	731,007	740,410	736,819	660,357

Kansas City Public Library
Miscellaneous Statistical Data
Last Ten Fiscal Years

Fiscal Year	Full-Time Equivalents	Number of Volumes Owned	Number of Materials Circulated	Number of Registered Borrowers
2013 – 2014	190.29	1,002,252	2,005,397	214,433
2014 – 2015	189.12	885,460	2,161,016	233,138
2015 – 2016	189.78	872,956	2,087,400	265,349
2016 – 2017	192.08	762,658	1,986,277	224,563
2017 – 2018	192.50	810,044	1,948,409	160,805
2018 – 2019	215.83	822,508	1,927,087	193,646
2019 – 2020	215.01	731,007	1,780,177	197,317
2020 – 2021	218.01	740,410	1,559,148	190,180
2021 – 2022	224.11	736,819	1,873,795	196,122
2022 – 2023	227.86	660,357	2,044,300	214,885

Kansas City Public Library
Circulation Summary by Location
Last Ten Fiscal Years

Fiscal Year	Central Library	L.H. Bluford Branch	North-East Branch	Plaza Branch	Southeast Branch	Sugar Creek Branch	Trails West Branch	Waldo Branch	Westport Branch	I.H. Ruiz Branch	Digital Branch	Total
2013 – 2014	581,394	51,315	83,728	430,500	59,833	20,541	157,982	206,318	71,262	23,408	319,116	2,005,397
2014 – 2015	536,014	58,012	83,060	428,707	60,687	19,387	141,478	203,123	64,827	21,826	543,895	2,161,016
2015 – 2016	496,529	47,143	72,683	405,117	52,953	15,286	111,914	190,034	57,705	19,655	618,381	2,087,400
2016 – 2017	487,994	42,365	61,580	374,379	41,309	14,964	93,194	175,594	48,769	16,259	629,870	1,986,277
2017 – 2018	498,040	44,172	57,035	356,755	38,033	12,470	85,313	168,855	44,499	15,361	627,876	1,948,409
2018 – 2019	452,027	45,243	53,530	350,097	35,545	11,664	74,841	161,274	39,165	15,998	687,703	1,927,087
2019 – 2020	319,701	33,656	27,830	250,952	27,230	9,511	62,064	127,019	27,364	12,709	882,141	1,780,177
2020 – 2021	201,127	15,246	10,099	117,233	17,334	3,585	29,796	58,775	11,555	5,316	1,089,082	1,559,148
2021 – 2022	306,036	30,022	32,636	234,659	24,802	7,114	42,710	124,000	20,838	7,938	1,043,040	1,873,795
2022 – 2023	337,512	28,126	37,105	240,020	26,490	6,730	47,733	132,843	21,937	11,912	1,153,892	2,044,300

Kansas City Public Library
Schedule of Service Locations
June 30, 2023

Library Name and Address	Square Feet	Meeting Room Capacity	Number of Hours of Operation/Wk.	Owned/Leased
Central Library 14 W. 10th Street Kansas City, Missouri 64105	175,000	Meeting Rooms 2,531	58	Owned
Plaza Branch 4801 Main Kansas City, Missouri 64112	51,522	Meeting Rooms 671	76	Owned
L. H. Bluford Branch 3050 Prospect Kansas City, Missouri 64128	14,200	Meeting Rooms 110	66	Owned
North-East Branch 6000 Wilson Road Kansas City, Missouri 64123	15,100	Meeting Rooms 90	64	Owned
Southeast Branch 6242 Swope Parkway Kansas City, Missouri 64130	14,200	Meeting Rooms 90	55	Owned
Trails West Branch 11401 E. 23rd Independence, Missouri 64052	14,200	Meeting Rooms 90	64	Owned
Waldo Branch 201 E. 75th Street Kansas City, Missouri 64114	14,200	Meeting Rooms 90	67	Owned
Westport Branch 118 Westport Road Kansas City, Missouri 64111	8,000	Meeting Room 60	46	Owned
Sugar Creek Branch 102 S. Sterling Sugar Creek, Missouri 64054	2,800	N/A -	36	Leased
Irene H. Ruiz Branch 2017 W. Pennway Kansas City, Missouri 64108	4,000	Meeting Room 25	42	Leased

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Board of Trustees
Kansas City Public Library
Kansas City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit and each major fund of the Kansas City Public Library (the Library), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated February 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Kansas City, Missouri
February 5, 2024