

# **Kansas City Public Library**

Annual Financial Report

June 30, 2022

**Kansas City Public Library**  
**June 30, 2022**

**Contents**

<b>Independent Auditor’s Report.....</b>	<b>1</b>
<b>Management’s Discussion and Analysis (Unaudited) .....</b>	<b>4</b>
<b>Basic Financial Statements</b>	
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
<b>Required Supplementary Information (Unaudited)</b>	
Schedule of the Library’s Proportionate Share of the Net Pension Liability .....	51
Schedule of Library Contributions .....	52
Notes to Required Supplementary Information.....	53

**Statistical Data Section (Unaudited)**

Net Position by Component – Last Ten Fiscal Years..... 55

Changes in Net Position – Last Ten Fiscal Years ..... 56

Fund Balances of Governmental Funds – Last Ten Fiscal Years..... 58

Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years..... 59

General Governmental Expenditures by Function – Last Ten Fiscal Years..... 60

General Governmental Revenues by Source – Last Ten Fiscal Years ..... 61

Property Tax Levies and Collections – Last Ten Fiscal Years..... 62

Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years..... 63

Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years ..... 64

Principal Property Taxpayers – Current Year and Ten Years Ago ..... 65

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt  
Per Capita – Last Ten Fiscal Years..... 66

Ratio of Annual Debt Service Expenditures for Outstanding Lease Payments to Total  
General Fund Expenditures – Last Ten Fiscal Years ..... 67

Property Value, Construction and Bank Deposits – Last Ten Fiscal Years ..... 68

Demographic and Economic Statistics – Last Ten Fiscal Years ..... 69

Principal Employers – Current Year and Ten Years Ago ..... 70

Full-Time and Part-Time Employees – Last Ten Fiscal Years ..... 71

Capital Asset Statistics by Function – Last Ten Fiscal Years ..... 72

Miscellaneous Statistical Data – Last Ten Fiscal Years..... 73

Circulation Summary by Location – Last Ten Fiscal Years..... 74

Schedule of Service Locations ..... 75

Schedule of Expenditures of Federal Awards ..... 76

Notes to the Schedule of Expenditures of Federal Awards ..... 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**

**Report on Compliance for the Major Federal Program and  
Report on Internal Control Over Compliance – Independent  
Auditor’s Report ..... 80**

**Schedule of Findings and Questioned Costs..... 83**

**Summary Schedule of Prior Audit Findings..... 85**



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## Independent Auditor's Report

Board of Trustees  
Kansas City Public Library  
Kansas City, Missouri

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying 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, 2022, 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 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.
- 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also have issued our report dated October 14, 2022, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

**FORVIS,LLP**

Kansas City, Missouri  
October 14, 2022

# Kansas City Public Library

## Management's Discussion and Analysis (Unaudited)

### June 30, 2022

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, 2022. 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 \$55,370,755 (*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 \$28,951,162 an increase of \$5,338,823 in comparison with the prior year. The increase is primarily the result of carryover funds resulting from decreased operations due to continued effects of the national coronavirus pandemic, as well as grants and contributions received by the Library.
- Approximately 47.4% of the total fund balance, or \$13,727,708, 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 \$13,086,645 was 56.6% of total general fund expenditures for the fiscal year.
- The Kansas City Public Library's total liabilities overall decreased by \$1,749,853 during the current fiscal year. The net decrease was primarily due to a decrease in net pension liability.

#### ***Overview of the Financial Statements***

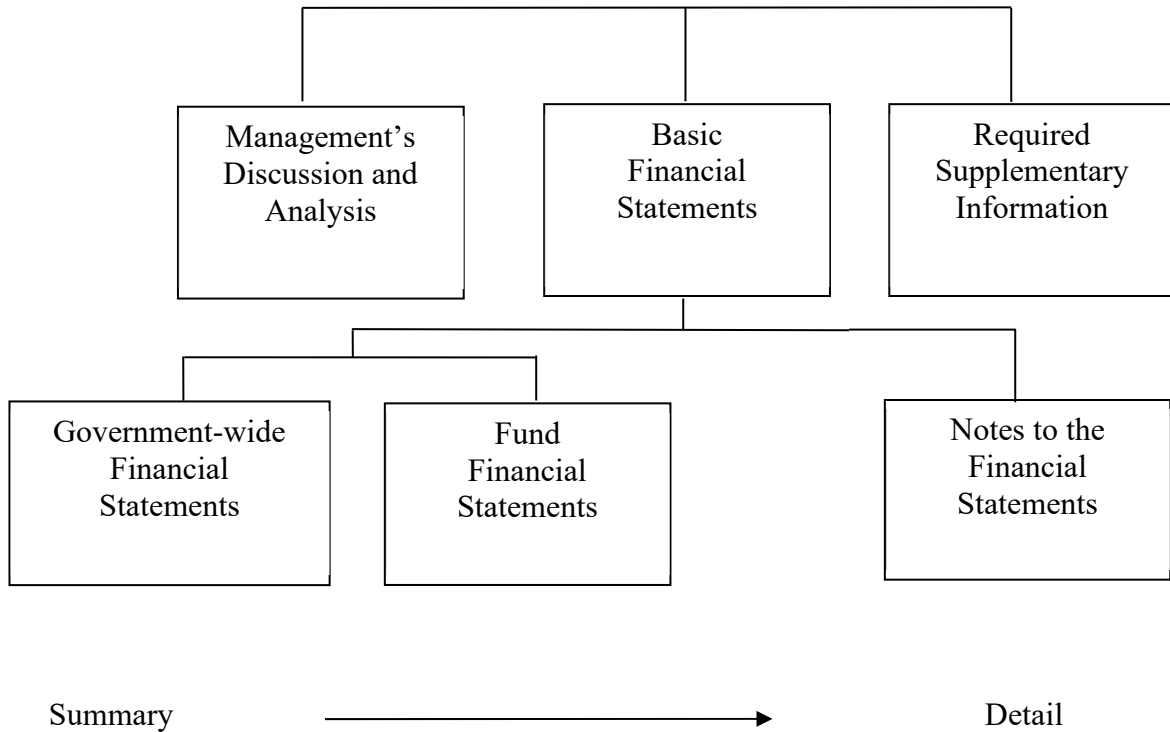
This discussion and analysis is intended to serve as an introduction to the Kansas City Public Library's basic financial statements. The Library's basic financial statements consist of three components:

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, 2022**

**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, 2022

#### ***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, 2022**

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, 2022**

**Kansas City Public Library's Net Position**  
**Exhibit 2**

	<b>Governmental Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>
Other assets	\$ 31,106,842	\$ 27,310,215	\$ 3,796,627
Capital assets	45,745,762	47,577,598	(1,831,836)
Total assets	76,852,604	74,887,813	1,964,791
Deferred outflows of resources	923,962	1,010,537	(86,575)
Total assets and deferred outflows of resources	77,776,566	75,898,350	1,878,216
Long-term liabilities	1,981,011	14,399,423	(12,418,412)
Unearned revenue	9,531,052	9,661,839	(130,787)
Other liabilities	12,651,036	2,750,881	9,900,155
Total liabilities	24,163,099	26,812,143	(2,649,044)
Deferred inflows of resources	2,615,883	1,404,104	1,211,779
Total liabilities and deferred inflows of resources	26,778,982	28,216,247	(1,437,265)
Net position			
Net investment in capital assets	34,604,340	35,809,234	(1,204,894)
Restricted	8,185,395	5,930,375	2,255,020
Unrestricted	8,207,849	5,942,494	2,265,355
Total net position	\$ 50,997,584	\$ 47,682,103	\$ 3,315,481
	<b>Business-type Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>
Other assets	\$ 455,602	\$ 281,507	\$ 174,095
Capital assets	3,917,446	3,999,762	(82,316)
Total assets	4,373,048	4,281,269	91,779
Accounts payable	-	-	-
Total liabilities	-	-	-
Net position			
Net investment in capital assets	3,917,446	3,999,762	(82,316)
Unrestricted	455,602	281,507	174,095
Total net position	\$ 4,373,048	\$ 4,281,269	\$ 91,779

**Kansas City Public Library**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2022**

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 \$55,370,755 as of June 30, 2022. The Library's net position increased by \$3,407,383 for the fiscal year ended June 30, 2022. The largest portion of the net position (69.6%) 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 \$8,185,395 (which consists of the Gifts and Grants, Endowment and Capital Development Funds) and unrestricted net position of \$8,663,574.

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

	<b>Governmental Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 384,858	\$ 241,889	\$ 142,969
Operating grants and contributions	2,451,254	1,961,611	489,643
Capital grants and contributions	800,000	475,000	325,000
General revenues			
Property taxes	25,613,331	23,218,393	2,394,938
Unrestricted investment earnings (loss)	(543,829)	866,110	(1,409,939)
Other	34,285	149,781	(115,496)
<b>Total revenues</b>	<b>28,739,899</b>	<b>26,912,784</b>	<b>1,827,115</b>
Program expenses			
Salaries and fringe benefits	13,620,824	12,739,085	881,739
Library materials	2,415,786	2,296,339	119,447
General operating	3,900,221	3,630,179	270,042
Building operations and maintenance	2,891,487	3,028,849	(137,362)
Other expenses	2,596,100	2,095,000	501,100
<b>Total expenses</b>	<b>25,424,418</b>	<b>23,789,452</b>	<b>1,634,966</b>
Transfers	-	57,500	(57,500)
<b>Change in Net Position</b>	<b>3,315,481</b>	<b>3,180,832</b>	<b>134,649</b>
<b>Net Position, Beginning of Year</b>	<b>47,682,103</b>	<b>44,501,271</b>	<b>3,180,832</b>
<b>Net Position, End of Year</b>	<b>\$ 50,997,584</b>	<b>\$ 47,682,103</b>	<b>\$ 3,315,481</b>

**Kansas City Public Library**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2022**

	<b>Business-type Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 513,016	\$ 331,825	\$ 181,191
Total revenues and transfers	513,016	331,825	181,191
Program expenses			
General operating	421,237	382,176	39,061
Total expenses	421,237	382,176	39,061
Transfers	-	(57,500)	57,500
<b>Change in Net Position</b>	91,779	(107,851)	199,630
<b>Net Position, Beginning of Year</b>	4,281,269	4,389,120	(107,851)
<b>Net Position, End of Year</b>	\$ 4,373,048	\$ 4,281,269	\$ 91,779

***Governmental Activities***

Governmental activities increased the Library's net position by \$3,315,481. The key elements of this net increase were carryover funds resulting from decreased operations due to the ongoing national pandemic.

***Business-type Activities***

Business-type activities reflected an increase to the Kansas City Public Library's net position of \$91,779. The key element of this net increase was improved program revenue as the impact of the pandemic eased.

***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, 2022**

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 \$13,086,522 while total fund balance reached \$15,117,251. 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 56.6% of total General Fund expenditures, while total fund balance represents 65.4% of that same amount.

At June 30, 2022, the governmental funds of the Kansas City Public Library reported a combined fund balance of \$28,951,039, an overall increase of \$5,338,700 in comparison with the prior year. The increase is primarily in the Capital Development Fund which had an increase of \$3,099,650 primarily due to additions associated with the Northeast branch. The General Fund had an increase of \$1,415,066 due to an increase in carryover funds resulting from reduced operations and closures during the ongoing coronavirus pandemic, and the Gifts/Grants Fund had an increase of \$821,233 due to an increase in grants received.

#### ***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.
- **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.
- **General Operating** – General Operating expenditures were lower than projected due to the ongoing pandemic and reduced operations expenses were lower than budgeted for the fiscal year
- **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 \$23,117,271 or 95.79% of the total budgeted expenditures of \$24,134,333.

**Kansas City Public Library**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2022**

**Capital Assets**

The Kansas City Public Library's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totals \$49,663,208 (net of accumulated depreciation). These assets include buildings, land, furniture and equipment and the library collection.

Major capital asset transactions during the year include the following:

- Library materials' additions of \$2,198,282 and reductions of \$1,562,662.

**Kansas City Public Library's Capital Assets**  
**Exhibit 4**

	<b>Governmental Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>
Land	\$ 3,529,876	\$ 3,529,876	\$ -
Buildings	32,998,429	34,459,551	(1,461,122)
Vehicles	244,615	177,197	67,418
Furniture, fixtures, equipment and artwork	1,824,379	2,322,662	(498,283)
Library collection	6,547,681	6,452,150	95,531
Leasehold improvements	584,282	615,497	(31,215)
Construction in progress	16,500	20,665	(4,165)
	<u>\$ 45,745,762</u>	<u>\$ 47,577,598</u>	<u>\$ (1,831,836)</u>
	<b>Business-type Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>
Land	\$ 2,520,000	\$ 2,520,000	\$ -
Buildings	1,347,046	1,406,915	(59,869)
Furniture, fixtures and equipment	50,400	72,847	(22,447)
	<u>\$ 3,917,446</u>	<u>\$ 3,999,762</u>	<u>\$ (82,316)</u>

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

**Long-term Debt**

As of June 30, 2022, the Kansas City Public Library had total long-term debt of \$1,630,000. This debt is for an outstanding lease payable. Long-term debt decreased by \$505,000 due to scheduled annual principal payments.

**Kansas City Public Library**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2022**

Additional information regarding the Kansas City Public Library's long-term debt can be found in *Note 6* of this report.

**Economic Factors and Next Year's Budgets**

***Governmental Activities***

A General Fund Operating Budget of \$25,744,228 for fiscal year 2022-2023 will be proposed, which is \$609,876 or 2.4% 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 decrease slightly due to the continued effects of the coronavirus pandemic. Salaries and Fringe and Operating expenditures have been increased as the Library plans to return to normal operations, and has added additional positions to build operating capacity. The Library continues to benefit from temporary 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 2022-2023 will be \$450,000, which is \$20,000 more than the previous year as revenues are expected to be higher. Capital expenditures are budgeted at \$100,000 to allow for additional capital projects and major 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, 2022**

	Primary Government			Component Unit KCPL Foundation
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Deposits and investments	\$ 20,564,837	\$ 412,524	\$ 20,977,361	\$ 360,361
Receivables (net of allowance for doubtful accounts)				
Property taxes	1,171,465	-	1,171,465	-
Due from other governments	682,380	-	682,380	-
Interest	19,923	-	19,923	-
Other	151,575	43,078	194,653	-
Restricted deposits and investments	8,257,975	-	8,257,975	-
Capital assets, non-depreciable	3,884,585	2,520,000	6,404,585	-
Capital assets, depreciable	41,861,177	1,397,446	43,258,623	-
Total assets	76,852,604	4,373,048	81,225,652	360,361
<b>Deferred Outflows of Resources - Pension</b>	923,962	-	923,962	-
Total assets and deferred outflows of resources	<u>\$ 77,776,566</u>	<u>\$ 4,373,048</u>	<u>\$ 82,149,614</u>	<u>\$ 360,361</u>
<b>Liabilities</b>				
Accounts payable	\$ 701,134	\$ -	\$ 701,134	\$ -
Accrued salaries and payroll taxes	451,074	-	451,074	-
Accrued interest payable	2,608	-	2,608	-
Unearned revenue	9,531,052	-	9,531,052	-
Compensated absences and benefits payable				
Due within one year	1,159,725	-	1,159,725	-
Due in more than one year	871,011	-	871,011	-
Retirement system contribution				
Due within one year	5,126	-	5,126	-
Lease payable				
Due within one year	520,000	-	520,000	-
Due in more than one year	1,110,000	-	1,110,000	-
Net pension liability	9,811,369	-	9,811,369	-
Total liabilities	24,163,099	-	24,163,099	-
<b>Deferred Inflows of Resources - Pension</b>	2,615,883	-	2,615,883	-
Total liabilities and deferred inflows of resources	<u>26,778,982</u>	<u>-</u>	<u>26,778,982</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	34,604,340	3,917,446	38,521,786	-
Restricted				
Permanently restricted	3,059,398	-	3,059,398	-
Capital improvements	4,712,614	-	4,712,614	-
Programming requirements	413,383	-	413,383	-
Unrestricted	8,207,849	455,602	8,663,451	360,361
Total net position	50,997,584	4,373,048	55,370,632	360,361
Total liabilities, deferred inflows of resources and net position	<u>\$ 77,776,566</u>	<u>\$ 4,373,048</u>	<u>\$ 82,149,614</u>	<u>\$ 360,361</u>

**Kansas City Public Library**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

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			
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
Governmental activities								
Program services	\$ 25,383,426	\$ 384,858	\$ 2,451,254	\$ 800,000	\$ (21,747,314)	\$ -	\$ (21,747,314)	\$ -
Interest expense	40,992	-	-	-	(40,992)	-	(40,992)	-
Total governmental activities	25,424,418	384,858	2,451,254	800,000	(21,788,306)	-	(21,788,306)	-
Business-type activities								
Parking garage	421,237	513,016	-	-	-	91,779	91,779	-
Total business-type activities	421,237	513,016	-	-	-	91,779	91,779	-
Total primary government	\$ 25,845,655	\$ 897,874	\$ 2,451,254	\$ 800,000	(21,788,306)	91,779	(21,696,527)	-
<b>Component Unit</b>								
KCPL Foundation	7,043	-	12,500	-	-	-	-	5,457
<b>General Revenues</b>								
Property taxes, levied for general purpose					25,613,331	-	25,613,331	-
Unrestricted investment loss					(543,829)	-	(543,829)	(28,954)
Other					34,285	-	34,285	-
Total general revenues					25,103,787	-	25,103,787	(28,954)
<b>Other Income/Expenses</b>								
Interfund transfers					-	-	-	-
<b>Change in Net Position</b>								
					3,315,481	91,779	3,407,260	(23,497)
<b>Net Position, Beginning of Year</b>								
					47,682,103	4,281,269	51,963,372	383,858
<b>Net Position, End of Year</b>								
					\$ 50,997,584	\$ 4,373,048	\$ 55,370,632	\$ 360,361

**Kansas City Public Library**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	Major Funds				Total Governmental Funds
	General Fund	Endowment Fund	Gifts/Grants Fund	Capital Development Fund	
<b>Assets</b>					
Deposits and investments	\$ 15,628,150	\$ -	\$ 4,936,687	\$ -	\$ 20,564,837
Receivables (net of allowance for doubtful accounts)					
Property taxes	1,171,465	-	-	-	1,171,465
Due from other governments	41,317	-	641,063	-	682,380
Interest	19,923	-	-	-	19,923
Other	13,144	-	138,431	-	151,575
Restricted deposits and investments	-	3,130,041	415,320	4,712,614	8,257,975
Total assets	<u>\$ 17,132,686</u>	<u>\$ 3,130,041</u>	<u>\$ 6,131,501</u>	<u>\$ 4,712,614</u>	<u>\$ 31,106,842</u>
<b>Liabilities</b>					
Accounts payable	\$ 681,394	\$ -	\$ 19,740	\$ -	\$ 701,134
Accrued salaries and payroll taxes	448,736	-	2,338	-	451,074
Pension contribution payable	5,126	-	-	-	5,126
Unearned revenue	19,630	-	-	-	19,630
Total liabilities	<u>1,154,886</u>	<u>-</u>	<u>22,078</u>	<u>-</u>	<u>1,176,964</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues, other	-	-	118,290	-	118,290
Unavailable revenues, property taxes	860,549	-	-	-	860,549
Total deferred inflows of resources	<u>860,549</u>	<u>-</u>	<u>118,290</u>	<u>-</u>	<u>978,839</u>
<b>Fund Balances</b>					
Nonspendable					
Endowment fund principal	-	3,059,398	-	-	3,059,398
Restricted					
Capital improvements	-	-	-	4,712,614	4,712,614
Programming requirements	-	-	413,383	-	413,383
Committed					
Endowment fund	-	-	4,936,687	-	4,936,687
Assigned					
Compensated absences	2,030,729	-	-	-	2,030,729
Endowment fund	-	70,643	-	-	70,643
Unassigned	<u>13,086,522</u>	<u>-</u>	<u>641,063</u>	<u>-</u>	<u>13,727,585</u>
Total fund balances	<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>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,132,686</u>	<u>\$ 3,130,041</u>	<u>\$ 6,131,501</u>	<u>\$ 4,712,614</u>	<u>\$ 31,106,842</u>
Fund balances of governmental funds					\$ 28,951,039
Amounts reported for governmental activities in the Statement of Net Position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds					45,745,762
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 and unearned rental revenue are not current obligations and, therefore, not recorded in the governmental funds statements					(13,172,158)
Deferred inflows of resources in the fund statements related to unavailable revenues are not recognized as revenue in the fund statements					978,839
Deferred outflows of resources in the governmental activities related to pensions and not recorded in the fund statements					923,962
Deferred inflows of resources in the governmental activities related to pensions and not recorded in the fund statements					(2,615,883)
Net pension liability in the governmental activities related to pensions is not recorded in the fund statements					<u>(9,811,369)</u>
Net position of governmental activities					<u>\$ 50,997,584</u>

**Kansas City Public Library**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	Major Funds				Total Governmental Funds
	General Fund	Endowment Fund	Gifts/Grants Fund	Capital Development Fund	
<b>Revenues</b>					
Property taxes	\$ 25,483,967	\$ -	\$ -	\$ -	\$ 25,483,967
State and federal funds	235,177	-	1,630,619	-	1,865,796
Charges for services	384,858	-	-	-	384,858
Investment income (loss)	93,355	21,744	(658,928)	-	(543,829)
Contributions	101,787	135	1,943,305	800,000	2,845,227
Other	34,285	-	-	-	34,285
Total revenues	<u>26,333,429</u>	<u>21,879</u>	<u>2,914,996</u>	<u>800,000</u>	<u>30,070,304</u>
<b>Expenditures</b>					
Current					
Program services					
Salaries and fringe benefits	13,926,378	-	327,659	-	14,254,037
Library materials	2,371,328	-	44,458	-	2,415,786
General operating	3,189,220	-	710,651	350	3,900,221
Building operations and maintenance	2,890,039	-	1,448	-	2,891,487
Capital outlay	194,314	-	529,767	-	724,081
Debt service					
Principal retirement	505,000	-	-	-	505,000
Interest	40,992	-	-	-	40,992
Total expenditures	<u>23,117,271</u>	<u>-</u>	<u>1,613,983</u>	<u>350</u>	<u>24,731,604</u>
<b>Excess of Revenues Over Expenditures</b>	<u>3,216,158</u>	<u>21,879</u>	<u>1,301,013</u>	<u>799,650</u>	<u>5,338,700</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	498,792	938	16,160	2,300,000	2,815,890
Transfers to other funds	(2,299,884)	(20,066)	(495,940)	-	(2,815,890)
Insurance proceeds	-	-	-	-	-
Total other financing sources and uses	<u>(1,801,092)</u>	<u>(19,128)</u>	<u>(479,780)</u>	<u>2,300,000</u>	<u>-</u>
Net change in fund balance	1,415,066	2,751	821,233	3,099,650	5,338,700
<b>Fund Balance, Beginning of Year</b>	<u>13,702,185</u>	<u>3,127,290</u>	<u>5,169,900</u>	<u>1,612,964</u>	<u>23,612,339</u>
<b>Fund Balance, End of Year</b>	<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>

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, 2022**

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

Net changes in fund balances – total governmental funds	\$ 5,338,700
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	2,455,778
Depreciation	(4,283,568)
Loss on capital disposal	(3,678)
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	(1,452,345)
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 and related items:	
Repayment of principal on lease payable	505,000
Interest expense on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due	
	808
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	(272,608)
Change in net pension liability	2,203,807
Change in pension deferred outflows/inflows	(1,298,354)
Change in net position of governmental activities	<u>\$ 3,315,481</u>

**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, 2022**

	<b>General Fund</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	
<b>Revenues</b>				
Property taxes	\$ 24,856,793	\$ 24,856,793	\$ 25,483,967	\$ 627,174
Grants	25,000	25,000	-	(25,000)
State and federal funds	251,071	251,071	235,177	(15,894)
Charges for services	362,858	362,858	384,858	22,000
Investment income	76,500	76,500	93,355	16,855
Contributions	200,000	200,000	101,787	(98,213)
Other	160,000	160,000	34,285	(125,715)
	<u>25,932,222</u>	<u>25,932,222</u>	<u>26,333,429</u>	<u>401,207</u>
<b>Expenditures</b>				
Current				
Program services				
Salaries and fringe benefits	15,019,281	14,469,281	13,926,378	(542,903)
Library materials	2,294,000	2,294,000	2,371,328	77,328
General operating	3,867,366	3,867,366	3,189,220	(678,146)
Building operations and maintenance	3,153,686	3,153,686	2,890,039	(263,647)
Capital outlay	800,000	350,000	194,314	(155,686)
Debt service				
Principal retirement	-	-	505,000	505,000
Interest	-	-	40,992	40,992
	<u>25,134,333</u>	<u>24,134,333</u>	<u>23,117,271</u>	<u>(1,017,062)</u>
<b>Revenues Over Expenditures</b>	<u>797,889</u>	<u>1,797,889</u>	<u>3,216,158</u>	<u>1,418,269</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	529,000	529,000	498,792	(30,208)
Transfers to other funds	(2,300,000)	(2,300,000)	(2,299,884)	(116)
	<u>(1,771,000)</u>	<u>(1,771,000)</u>	<u>(1,801,092)</u>	<u>(30,324)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (973,111)</u>	<u>\$ 26,889</u>	<u>\$ 1,415,066</u>	<u>\$ 1,387,945</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, 2022**

	<u>Gifts/Grants Fund</u>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	
<b>Revenues and Expenditures</b>				
Total revenues	\$ 4,139,000	\$ 4,139,000	\$ 2,914,996	\$ (1,224,004)
Total expenditures	<u>3,600,000</u>	<u>3,600,000</u>	<u>1,613,983</u>	<u>(1,986,017)</u>
Excess of revenues over expenditures	<u>539,000</u>	<u>539,000</u>	<u>1,301,013</u>	<u>762,013</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	-	-	16,160	16,160
Transfers to other funds	<u>(529,000)</u>	<u>(529,000)</u>	<u>(495,940)</u>	<u>(33,060)</u>
Total other financing sources and uses	<u>(529,000)</u>	<u>(529,000)</u>	<u>(479,780)</u>	<u>(16,900)</u>
Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 821,233</u>	<u>\$ 745,113</u>



**Kansas City Public Library**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<b>Enterprise Fund - Parking Garage</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 412,524
Other receivables	<u>43,078</u>
Total current assets	455,602
Capital assets	
Land, non-depreciable	2,520,000
Capital assets, net of depreciation	<u>1,397,446</u>
Total assets	<u><u>\$ 4,373,048</u></u>
<b>Net Position</b>	
Net investment in capital assets	\$ 3,917,446
Unrestricted	<u>455,602</u>
Total net position	<u>4,373,048</u>
Total liabilities and net position	<u><u>\$ 4,373,048</u></u>

**Kansas City Public Library**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Enterprise Fund - Parking Garage</b>
<b>Operating Revenues</b>	
Charges for services	<u>\$ 513,016</u>
Total operating revenues	<u>513,016</u>
<b>Operating Expenses</b>	
Operations and maintenance	338,921
Depreciation	<u>82,316</u>
Total operating expenses	<u>421,237</u>
<b>Operating Income</b>	<u>91,779</u>
<b>Change in Net Position</b>	91,779
<b>Total Net Position, Beginning of Year</b>	<u>4,281,269</u>
<b>Total Net Position, End of Year</b>	<u><u>\$ 4,373,048</u></u>

**Kansas City Public Library**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Enterprise Fund - Parking Garage</b>
<b>Operating Activities</b>	
Cash received from customers	\$ 481,146
Cash paid for goods and services	(338,921)
Net cash provided by operating activities	142,225
<b>Noncapital Financing Activities</b>	
Transfers to general fund	-
Net cash provided by noncapital financing activities	-
<b>Net Increase in Cash and Cash Equivalents</b>	142,225
<b>Cash and Cash Equivalents, Beginning of Year</b>	270,299
<b>Cash and Cash Equivalents, End of Year</b>	\$ 412,524
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 91,779
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>	
Depreciation	82,316
Changes in assets and liabilities	
Change in other receivables	(31,870)
Total adjustments	50,446
<b>Net Cash Provided by Operating Activities</b>	\$ 142,225

# Kansas City Public Library

## Notes to Basic Financial Statements

### June 30, 2022

#### 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, 2022, the Foundation provided support to the Library in the amount of \$3,226.

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, 2022

#### ***Basis of Presentation***

The Library's financial statements include both government-wide (reporting the Library and discretely presented component units 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.

##### 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.

# **Kansas City Public Library**

## **Notes to Basic Financial Statements**

### **June 30, 2022**

#### 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.

#### 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.

# Kansas City Public Library

## Notes to Basic Financial Statements

### June 30, 2022

#### 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.

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.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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, 2022, the balance sheet category "Deposits and Investments" consisted of demand deposits, certificates of deposit, 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, 2022**

**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 2021 was \$0.5504 per \$100 of assessed valuation and supports general Library operations.

Property taxes receivable has been reported net of an allowance for uncollectible taxes totaling \$1,171,465 for levies in 2017 through 2021. All uncollected taxes related to 2016 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:

<b>Asset Type</b>	<b>Estimated Useful Life In Years</b>
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, 2022**

***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.

***Capital and Lease Asset Impairment***

The Library evaluates capital and lease 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 or lease 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, 2022.

***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.

***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.

# Kansas City Public Library

## Notes to Basic Financial Statements

### June 30, 2022

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 assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of deferred rent and any bonds, mortgages, notes 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.

**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.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

***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.

***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.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**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.

**Note 2: Deposits and Investments**

At June 30, 2022, the carrying values of deposits and investments, which approximate cost, are summarized as follows:

Deposits and investments	
Deposits	\$ (294,351)
Certificates of deposits	9,684,000
Repurchase agreement	14,909,000
GKCCF pooled investments	<u>4,936,687</u>
 Total	 <u><u>\$ 29,235,336</u></u>

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

Primary government	
Deposits and investments	\$ 20,977,361
Restricted deposits and investments	<u>8,257,975</u>
 Total	 <u><u>\$ 29,235,336</u></u>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**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:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Rating as of June 30, 2022</b>
Repurchase agreement	\$ 14,909,000	Aaa

**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.

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, 2022.

**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, 2022, the Library had the following investments and original maturities:

<b>Investment Type</b>	<b>Total Fair Value</b>	<b>Investment Maturities (in Years)</b>	
		<b>Less Than 1</b>	<b>1 - 5</b>
Repurchase agreement	\$ 14,909,000	\$ 14,909,000	\$ -
Certificate of deposits	9,684,000	7,225,000	2,459,000
Total	<u>\$ 24,593,000</u>	<u>\$ 22,134,000</u>	<u>\$ 2,459,000</u>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Concentration of Credit Risk**

As of June 30, 2022, investments, subject to credit risk categorization, in any one issuer that represent 5% or more of total Library's investments, are as follows:

<b>Issuer</b>	<b>Investment Type</b>	<b>Total Fair Value</b>
GKCCF Pooled Investments	External investment pool	\$ 4,936,687
UMB Bank, n.a.	Repurchase Agreement	<u>14,909,000</u>
Total		<u><u>\$ 19,845,687</u></u>

**Investment Loss**

Investment loss for the year ended June 30, 2022 consisted of:

Interest and dividend loss	<u>\$ (543,829)</u>
	<u><u>\$ (543,829)</u></u>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Note 3: Capital and Lease Assets**

A summary of changes in capital assets is as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<b>Governmental Activities</b>					
Capital assets not being depreciated					
Land	\$ 3,529,876	\$ -	\$ -	\$ -	\$ 3,529,876
Artwork	338,209	-	-	-	338,209
Construction in progress	20,665	16,500	20,665	-	16,500
Total capital assets, not being depreciated	<u>3,888,750</u>	<u>16,500</u>	<u>20,665</u>	<u>-</u>	<u>3,884,585</u>
Capital assets, being depreciated					
Buildings	55,222,759	-	-	-	55,222,759
Furniture, fixtures and equipment	14,110,025	159,497	70,927	-	14,198,595
Library collection	11,565,556	2,198,282	1,562,662	-	12,201,176
Vehicles	304,892	102,164	18,558	-	388,498
Leasehold improvements	1,213,300	-	-	-	1,213,300
Total capital assets, being depreciated	<u>82,416,532</u>	<u>2,459,943</u>	<u>1,652,147</u>	<u>-</u>	<u>83,224,328</u>
Less accumulated depreciation for					
Buildings	20,763,208	1,461,122	-	-	22,224,330
Furniture, fixtures and equipment	12,125,572	653,735	66,882	-	12,712,425
Library collection	5,113,406	2,102,751	1,562,662	-	5,653,495
Vehicles	127,695	34,745	18,557	-	143,883
Leasehold improvements	597,803	31,215	-	-	629,018
Total accumulated depreciation	<u>38,727,684</u>	<u>4,283,568</u>	<u>1,648,101</u>	<u>-</u>	<u>41,363,151</u>
Total capital assets being depreciated, net	<u>43,688,848</u>	<u>(1,823,625)</u>	<u>4,046</u>	<u>-</u>	<u>41,861,177</u>
Governmental activities capital assets, net	<u>\$ 47,577,598</u>	<u>\$ (1,807,125)</u>	<u>\$ 24,711</u>	<u>\$ -</u>	<u>\$ 45,745,762</u>
<b>Business-type Activities</b>					
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>-</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>-</u>	<u>2,472,459</u>
Less accumulated depreciation for					
Buildings	808,227	59,869	-	-	868,096
Furniture, fixtures and equipment	184,470	22,447	-	-	206,917
Total accumulated depreciation	<u>992,697</u>	<u>82,316</u>	<u>-</u>	<u>-</u>	<u>1,075,013</u>
Total capital assets being depreciated, net	<u>1,479,762</u>	<u>(82,316)</u>	<u>-</u>	<u>-</u>	<u>1,397,446</u>
Business-type activities capital assets, net	<u>\$ 3,999,762</u>	<u>\$ (82,316)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,917,446</u>



**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

A summary of changes in lease assets is as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balances</b>
<b>Lease Assets</b>					
Buildings	\$ 319,982	\$ -	\$ -	\$ -	\$ 319,982
Furniture, fixtures and equipment	7,863	-	-	-	7,863
Total lease assets	<u>327,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,845</u>
Less accumulated depreciation for					
Buildings	-	5,501	-	-	5,501
Furniture, fixtures and equipment	-	262	-	-	262
Total accumulated depreciation	<u>-</u>	<u>5,763</u>	<u>-</u>	<u>-</u>	<u>5,763</u>
Total lease assets, net	<u>\$ 327,845</u>	<u>\$ (5,763)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,082</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.kcprs.org](http://www.kcprs.org).

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.

# **Kansas City Public Library**

## **Notes to Basic Financial Statements**

### **June 30, 2022**

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.
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.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

***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, 2022 was \$1,072,383.

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

At June 30, 2022, the Library reported a liability of \$9,811,369 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2021, the Library's proportion was 3.96%, which was an increase of 0.06% from its proportion measured as of December 31, 2020.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

For the year ended June 30, 2022, the Library recognized pension expense of \$148,658. At June 30, 2022, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 11,015	\$ 160,174
Changes of assumptions	7,478	-
Net difference between projected and actual earning on pension plan investments	-	2,455,709
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	348,226	-
Library's contributions subsequent to the measurement date *	557,243	-
Total	\$ 923,962	\$ 2,615,883

\* 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, 2022, related to pensions will be recognized in pension expense as follows:

**Year Ending June 30:**

2023	\$ (180,807)
2024	(1,081,962)
2025	(585,976)
2026	(400,419)
	\$ (2,249,164)

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

***Actuarial Assumptions***

The total pension liability in the December 31, 2021 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-2020. Mortality rates for disabled participants was based on the Pub-2010 Disabled Mortality Table.

The actuarial assumptions used in the December 31, 2021 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, 2022**

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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, 2021. 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, 2022**

***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:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Library's proportionate share of the net pension liability	\$ 13,730,856	\$ 9,811,369	\$ 6,493,371

***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, 2022, the Library reported a payable of \$5,126 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 \$106,690 for the year ended June 30, 2022. 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, 2022**

**Note 6: Long-term Obligations**

The following is a summary of long-term obligation transactions for the year ended June 30, 2022:

	<b>Balance June 30, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2022</b>	<b>Amounts Due Within One Year</b>
Long-term debt					
Lease payable	\$ 2,135,000	\$ -	\$ 505,000	\$ 1,630,000	\$ 520,000
Total long-term debt	<u>2,135,000</u>	<u>-</u>	<u>505,000</u>	<u>1,630,000</u>	<u>520,000</u>
Other long-term liabilities					
Compensated absences *	1,758,496	904,078	631,838	2,030,736	1,159,725
Retirement system contribution payable	31,037	5,126	31,037	5,126	5,126
Net pension liability	<u>12,015,176</u>	<u>-</u>	<u>2,203,807</u>	<u>9,811,369</u>	<u>-</u>
Total other long-term liabilities	<u>13,804,709</u>	<u>909,204</u>	<u>2,866,682</u>	<u>11,847,231</u>	<u>1,164,851</u>
Total long-term obligations	<u>\$ 15,939,709</u>	<u>\$ 909,204</u>	<u>\$ 3,371,682</u>	<u>\$ 13,477,231</u>	<u>\$ 1,684,851</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 payments are payable in semi-annual installments through June 1, 2026. The lease 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, 2022, are as follows:

<b>Year Ending June 30,</b>	<b>Total to be Paid</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 551,296	\$ 520,000	\$ 31,296
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>\$ 1,694,224</u>	<u>\$ 1,630,000</u>	<u>\$ 64,224</u>



**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**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, 2022, the Library recognized \$68,813 of rental expense for various leases.

Under current leases, the minimum annual rental payments will be as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>
2023	\$ 51,774
2024	52,680
2025	53,604
2026	54,546
2027	<u>27,510</u>
Total	<u>\$ 240,114</u>

**Note 8: 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.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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, 2022, in the government-wide statement of activities. The deferred rental revenue outstanding at June 30, 2022 was \$9,511,423.

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.

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

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>	<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>
2023	\$ 134,415	2053-2057	\$ 1,732,143
2024	138,447	2058-2062	2,008,029
2025	142,600	2063-2067	2,327,862
2026	146,878	2068-2072	2,698,633
2027	151,284	2073-2077	3,128,456
2028-2032	827,286	2078-2082	3,626,732
2033-2037	959,047	2083-2087	4,204,371
2038-2042	1,111,796	2088-2092	4,874,016
2043-2047	1,288,877	2093-2097	5,650,323
2048-2052	1,494,160	2098-2101	<u>4,477,600</u>
		Total	<u><u>\$ 41,122,955</u></u>

Total common area maintenance expense for the year ended June 30, 2022 was \$130,949.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**Note 9: Commitments and Contingencies**

**Commitments**

There were no outstanding commitments/encumbrances on uncompleted construction contracts at June 30, 2022.

**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.

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 reasonable estimated at this time.

**Note 10: Inter-fund Transfers**

Inter-fund transfers made in the year ended June 30, 2022 were as follows:

<b>Transfers From</b>	<b>Transfers To</b>				<b>Total</b>
	<b>General Fund</b>	<b>Endowment Fund</b>	<b>Capital Development Fund</b>	<b>Gifts/Grants Fund</b>	
General	\$ -	\$ -	\$ 2,300,000	\$ -	\$ 2,300,000
Endowment	2,852	938	-	16,544	20,334
Gifts/Grants Fund	495,556	-	-	-	495,556
<b>Total</b>	<b>\$ 498,408</b>	<b>\$ 938</b>	<b>\$ 2,300,000</b>	<b>\$ 16,544</b>	<b>\$ 2,815,890</b>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

Transfers from/to other funds consisted of the following:

General Fund to Capital Development Fund for capital expenditures	\$ 2,300,000
Endowment Fund to General Fund for operating activities	2,852
Endowment Fund to Endowment Fund for project allocation	938
Endowment Fund to Gifts/Grants Fund for operating activities	16,544
Gifts/Grants Fund to General Fund for operating activities	494,000
Gifts/Grants Fund to General Fund for project allocation	1,556
	\$ 2,815,890

**Note 11: Donor Endowments**

During the year ended June 30, 2022, the Endowment Fund experienced \$22,812 of contributions and net appreciation on assets. The amount of net appreciation available for expenditure was \$21,744 at June 30, 2022, 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.

**Note 12: 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, 2022:

- Repurchase agreement of \$14,909,000 is valued using observable inputs (Level 2 inputs)

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

- Pooled investments held at the Greater Kansas City Community Foundation (GKCCF) of \$4,936,687 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)

**Note 13: Tax Abatements**

For the fiscal year ended June 30, 2022, 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 \$4,284,009, under the following programs:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated during the Fiscal Year</b>
Tax Increment Financing	\$ 1,439,812
Chapter 353 and PIEA Abatement	1,929,264
Chapter 100 Bonds	352,313
LCRA	346,845
EEZ	109,580
PortKC	106,195
	\$ 4,284,009

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.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

- 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.

**Note 14: Adoption of New Accounting Pronouncements**

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this statement is to provide financial statement users with guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The adoption of this accounting pronouncement will have some impact on the financial statements.

## **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**

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

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

	<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	\$ 1,072,383	\$ 1,020,599	\$ 784,734	\$ 647,906	\$ 641,867	\$ 636,430	\$ 587,212	\$ 550,376
Contribution in relation to the contractually required contribution	<u>1,072,383</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>
Library's covered-employee payroll	\$ 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	12.05%	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, 2022**

**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:

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%.
- The assumed interest rate credited on employee account balances was lowered from 3.25% to 2.50%.

**Kansas City Public Library**  
**Notes to Required Supplementary Information (Unaudited)**  
**June 30, 2022**

- 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 35,427,070	\$ 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
Restricted	5,220,846	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
Unrestricted	<u>11,676,621</u>	<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>
Total governmental activities net position	<u>\$ 52,324,537</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 4,425,510	\$ 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
Unrestricted	<u>344,085</u>	<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>
Total business-type activities net position	<u>\$ 4,769,595</u>	<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>
Primary government										
Net investment in capital assets	\$ 39,852,580	\$ 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
Restricted	5,220,846	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
Unrestricted	<u>12,020,706</u>	<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>
Total primary government net position	<u>\$ 57,094,132</u>	<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>

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 75.

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities	\$ 20,040,879	\$ 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
Business-type activities	366,307	350,670	395,028	370,624	385,673	441,230	471,933	680,698	382,176	421,237
Total primary government expenses	<u>20,407,186</u>	<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>
<b>Program revenues</b>										
<b>Governmental activities</b>										
Charges for services	782,677	708,833	709,862	676,389	759,345	810,666	837,037	588,224	241,889	384,858
Operating grants and contributions	1,488,113	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
Capital grants and contributions	1,000	40,500	17,500	102,997	27,467	358,200	-	451,000	475,000	800,000
Total governmental activities program revenues	<u>2,271,790</u>	<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>
<b>Business-type activities</b>										
Charges for services	455,952	385,898	382,091	549,124	302,019	556,734	573,717	624,527	331,825	513,016
Total business-type activities program revenues	<u>455,952</u>	<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>
Total primary government program revenue	<u>2,727,742</u>	<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>
<b>Net revenues (expenses)</b>										
Governmental activities	(17,769,089)	(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)
Business-type activities	89,645	35,228	(12,937)	178,500	(83,654)	115,504	101,784	(56,171)	(50,351)	91,779
Total net revenues (expenses)	<u>(17,679,444)</u>	<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>

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 16,315,300	\$ 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
Investment income (loss)	(52,173)	97,440	99,889	89,888	145,346	298,132	480,374	413,067	866,110	(543,829)
Transfers	50,000	100,000	75,000	145,000	165,000	165,000	165,000	165,000	57,500	-
Other general revenues	31,972	6,915	44,565	94,567	150,566	138,892	82,593	60,571	149,781	34,285
Total governmental activities	<u>16,345,099</u>	<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>
Business-type activities										
Transfers	(50,000)	(100,000)	(75,000)	(145,000)	(165,000)	(165,000)	(165,000)	(165,000)	(57,500)	-
Capital contributions	-	-	-	11,271	-	-	-	-	-	-
Total business-type activities	<u>(50,000)</u>	<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>
Total primary government	<u>16,295,099</u>	<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>
Changes in net position										
Governmental activities	(1,423,990)	(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
Business-type activities	39,645	(64,772)	(87,937)	44,771	(248,654)	(49,496)	(63,216)	(221,171)	(107,851)	91,779
Total primary government	<u>\$ (1,384,345)</u>	<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>

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Committed	\$ 250,666	\$ 277,102	\$ 288,503	\$ 322,713	\$ 320,335	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	2,171,212	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
Unassigned	10,147,228	8,117,349	8,280,991	7,964,349	8,394,443	9,028,597	9,404,964	11,300,296	11,943,689	13,086,645
Total general fund	<u>\$ 12,569,106</u>	<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>
All other governmental funds										
Nonspendable										
Endowment fund principal	\$ 2,665,036	\$ 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
Restricted										
Debt service	644,143	644,180	644,186	644,196	-	-	-	-	-	-
Capital improvements	401,051	401,551	901,551	852,690	1,528,289	1,301,551	1,153,724	1,745,139	1,612,964	4,712,614
Programming requirements	1,510,616	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
Committed										
Endowment fund	-	-	-	-	-	1,091,522	2,132,415	3,157,080	3,911,752	4,936,687
Assigned										
Endowment fund	126,344	121,353	132,281	56,096	61,069	85,015	111,136	101,609	68,027	70,643
Debt service fund	43	-	-	-	-	-	-	-	-	-
Gift/grants fund	-	-	-	-	-	-	-	-	-	641,063
Total all other governmental funds	<u>\$ 5,347,233</u>	<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>



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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Property taxes	\$ 16,451,358	\$ 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
Grants	707,427	907,260	731,373	605,288	430,354	746,205	511,375	-	-	-
State and federal funds	418,763	505,696	429,941	873,500	248,249	235,888	246,829	760,577	1,127,756	1,865,796
Charges for services	782,677	708,833	709,862	676,389	759,345	810,666	837,037	588,224	241,889	384,858
Investment income (loss)	(488)	97,440	99,889	89,888	145,346	298,132	480,374	413,067	866,110	(543,829)
Contributions	1,229,894	1,044,744	1,133,789	821,654	2,340,903	680,475	1,608,059	1,961,132	827,570	2,845,227
Other	31,972	6,915	44,565	94,567	150,566	138,892	82,593	60,571	149,781	34,285
<b>Total revenues</b>	<u>19,621,603</u>	<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>
<b>Expenditures</b>										
Program services										
Salaries and fringe benefits	10,596,204	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
Library materials	2,380,819	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
General operating	2,345,915	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
Building operating	2,551,911	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
Debt service	725,737	2,729,534	612,644	612,301	569,675	548,048	544,024	544,904	550,592	545,992
Capital outlay	292,778	466,311	425,932	913,361	1,042,755	1,097,170	956,307	2,092,467	2,713,003	724,081
<b>Total expenditures</b>	<u>18,893,364</u>	<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>
Excess (deficiency) of revenues over (under) expenditures	<u>728,239</u>	<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>
<b>Other financial sources (uses)</b>										
Transfers in	1,570,549	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
Transfers out	(1,520,549)	(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)
Issuance of debt	-	-	-	-	4,480,000	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	(4,425,000)	-	-	-	-	-
Insurance proceeds	-	-	-	-	-	-	-	-	40,000	-
	<u>50,000</u>	<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>
<b>Net change in fund balance</b>	<u>\$ 778,239</u>	<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>

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

<b>Fiscal Year</b>	<b>Program Services</b>	<b>Capital Outlay</b>	<b>Debt Service</b>	<b>Totals</b>
2012 – 2013	\$ 17,874,849	\$ 292,778	\$ 725,737	\$ 18,893,364
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

Includes only governmental funds.

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

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Grants</b>	<b>State and Federal Funds</b>	<b>Charges for Services</b>	<b>Investment Income(Loss)</b>	<b>Contributions</b>	<b>Other</b>	<b>Total</b>
2012 – 2013	\$ 16,451,358	\$ 707,427	\$ 418,763	\$ 782,677	\$ (488)	\$ 1,229,894	\$ 31,972	\$ 19,621,603
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

Includes only governmental funds.

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

<b>Fiscal Year</b>	<b>Current Tax Levy (1)</b>	<b>Current Tax Collections</b>	<b>% of Current Tax Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collection to Current Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Current Tax Levy</b>
2012 – 2013	\$ 15,020,972	\$ 14,657,869	97.6%	\$ 1,430,004	\$ 16,087,873	107.1%	\$ 1,043,711	6.9%
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%

(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)*

<b>Fiscal Year</b>	<b>Real Estate</b>		<b>Personal Property</b>		<b>Total</b>		<b>Ratio of Total Assessed to Total Estimated Value</b>
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
2012 – 2013	\$ 2,338,720	\$ 10,262,339	\$ 665,475	\$ 1,986,492	\$ 3,004,195	\$ 12,248,831	24.5%
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%

**Kansas City Public Library**  
**Property Tax Rates<sup>(1)</sup> – Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

	<u>2012-2013</u>	<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>
Kansas City Public Library	0.5000 %	0.5000 %	0.5000 %	0.4933 %	0.4940 %	0.4676 %	0.5065 %	0.5644 %	0.5644 %	0.5504 %
City of Kansas City	1.5875	1.5932	1.5997	1.5806	1.5906	1.6006	1.6783	1.5960	1.7529	1.6981
City of Independence	0.7281	0.7429	0.7393	0.7165	0.7216	0.7031	0.7105	0.6078	0.6672	0.6103
City of Sugar Creek	1.1300	1.1300	1.1300	1.1182	1.1300	1.0448	1.0469	0.9579	0.9910	0.9696
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	0.5298	0.5141	0.4956	0.5025	0.4849	0.7013	0.6110	0.6110	0.5824
Metropolitan Community Colleges	0.2349	0.2369	0.2374	0.2343	0.2339	0.2297	0.2305	0.2047	0.2128	0.2028
Kansas City Missouri School District	4.9500	4.9500	4.9500	4.9599	4.9599	4.9599	4.9599	4.9599	4.9599	4.9599
Mental Health Fund	0.1218	0.1218	0.1223	0.1198	0.1201	0.1160	0.1171	0.1008	0.1056	0.1077
Developmentally Disabled	<u>0.0748</u>	<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>
Total	<u>9.8869 %</u>	<u>9.9094 %</u>	<u>9.8981 %</u>	<u>9.8220 %</u>	<u>9.8564 %</u>	<u>9.7079 %</u>	<u>10.0530 %</u>	<u>9.6945 %</u>	<u>9.9597 %</u>	<u>9.7775 %</u>

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

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

Taxpayer	2021-2022		2012-2013	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value (1)	Taxable Assessed Value	Percent of Total City Taxable Assessed Value (2)
Evergo Metro	\$ 181,633,388	4.41 %		%
Country Club Plaza JV LLC	86,733,810	2.11		
Southern Union Company dba MO Gas Energy	76,744,000	1.86	\$ 18,281,165	0.61
Crown Power & Redevelopment Corp.	46,317,760	1.12		
Federal Reserve Bank of KC	31,084,480	0.75		
Town Pavilion Holdings LLC	26,897,238	0.65	22,247,150	0.74
Google Fiber Missouri LLC	21,378,752	0.52		
KC Southern Railroad	19,437,064	0.47		
Union Pacific	18,327,849	0.45	13,176,059	0.44
CIP18LC Grand Blvd LLC	15,680,000	0.38		
K. C. Power & Light			121,574,617	4.05
Hallmark			61,763,628	2.06
AT&T & SWB			53,896,801	1.79
J C Nichols & Highwoods Realty			26,845,301	0.89
Bayer Corp Science			20,774,811	0.69
Kansas City Terminal RR			14,466,651	0.48
Twentieth Century Realty			14,164,528	0.47
	\$ 524,234,341	12.72 %	\$ 367,190,711	12.22 %

(1) Total assessed value for 2021-2022 was \$4,405,789,187

(2) Total assessed value for 2012-2013 was \$3,004,194,305

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

<b>Fiscal Year</b>	<b>Estimated Population</b>	<b>Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Debt Service Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Ratio of Net Bonded Debt Per Capita</b>
2012 – 2013	\$ 190,873	\$ 3,004,194,305	\$ 7,550,000	\$ -	\$ 7,550,000	0.25%	39.56%
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%



**Kansas City Public Library**  
**Ratio of Annual Debt Service Expenditures for**  
**Outstanding Lease Payments to Total General Fund Expenditures**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Debt Service</b>	<b>Total General Expenditures</b>	<b>Ratio of Total Debt Service to Total General Fund Expenditures</b>
2012 – 2013	\$ 355,000	\$ 367,437	\$ 722,437	\$ 18,893,364	3.82%
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	545,992	24,731,604	2.21%

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

<b>Fiscal Year</b>	<b>Estimated Actual Property Value (1)</b>	<b>Construction (2)</b>	<b>Bank Deposits (2)</b>
2012 – 2013	\$ 12,248,830,845	\$ 380,756,843	\$ 16,847,493,000
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

(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 (1)
2013	190,873 (2)	\$ 4,564,919	\$ 23,916 (2)	7.40%
2014	188,538 (3)	4,659,151	24,712 (3)	7.40%
2015	190,476 (4)	4,756,567	24,972 (4)	6.70%
2016	208,676 (5)	5,296,751	26,131 (6)	4.10%
2017	193,025 (7)	5,664,512	29,346 (7)	3.90%
2018	197,126 (8)	5,631,298	28,567 (8)	3.60%
2019	212,532 (9)	6,040,499	29,164 (9)	3.30%
2020	214,721 (10)	6,426,064	29,918 (11)	7.80%
2021	218,733 (12)	6,690,666	30,595 (12)	4.40%
2022	224,236 (13)	6,627,295	29,555 (13)	4.22%

(1) Source: U.S. Department of Labor, Bureau of Labor Statistics

(2) Source: 2009-2011 American Community Survey - Kansas City Public School District

(3) Source: 2010-2012 American Community Survey - Kansas City Public School District

(4) Source: 2011-2013 American Community Survey - Kansas City Public School District

(5) Source: 2010-2014 American Community Survey 5-year estimate - Kansas City Public Library District

(6) Source: 2010-2014 American Community Survey 5-year estimate - Kansas City School District

(7) Source: 2015 American Community Survey 1-year estimate - Kansas City Public School District

(8) Source: 2016 American Community Survey 1-year estimate - Kansas City Public School District

(9) Source: 2013-2017 American Community Survey 5-year estimate - Kansas City Public Library District

(10) Source: 2014-2018 American Community Survey 5-year estimate - Library District

(11) Source: 2014-2018 American Community Survey 5-year estimate - Kansas City Public School District

(12) Source: 2015-2019 American Community Survey 5-year estimate - Library District

(13) Source: BCA Report Demographics - Library Service Area

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

<b>Employer</b>	<b>2022</b>		<b>2013</b>	
	<b>Number of Employees (1)</b>	<b>Percent of Total Employment (2)</b>	<b>Number of Employees (3)</b>	<b>Percent of Total Employment (4)</b>
Federal Government	28,396	4.7%	27,500	5.0%
University of Kansas Health System	12,839	2.1%		
Oracle Corporation (formerly Cerner Corp.)	12,778	2.1%	8,300	1.5%
HCA Midwest Health System	10,076	1.7%	9,367	1.7%
Saint Luke's Health System	9,056	1.5%	7,080	1.3%
Sprint Nextel Corp.			7,600	1.4%

(1) Source: Kansas City Business Journal - Book of Lists

(2) Source: Bureau of Labor Statistics - Total Nonfarm Employees for Kansas City, MO in June 2022 was 600,200

(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 2013 was 554,900

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

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General government	185.20	190.29	189.12	189.78	192.08	192.50	215.83	218.01	218.01	224.11
Business-activity	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<u>185.20</u>	<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>

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Government										
Branches	10	10	10	10	10	10	10	10	10	10
Vehicles	8	8	8	8	8	7	7	7	9	10
Maintenance lift	1	1	1	1	1	1	1	1	1	1
Collection (Volumes/items owned)	1,036,044	996,270	885,460	872,956	762,658	810,044	822,508	731,007	740,410	736,819

**Kansas City Public Library**  
**Miscellaneous Statistical Data**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Full-Time Equivalents</b>	<b>Number of Volumes Owned</b>	<b>Number of Materials Circulated</b>	<b>Number of Registered Borrowers</b>
2012 – 2013	185.20	1,036,044	2,053,473	275,468
2013 – 2014	190.29	996,270	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	218.01	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

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

<b>Fiscal Year</b>	<b>Central Library</b>	<b>L.H. Bluford Branch</b>	<b>North-East Branch</b>	<b>Plaza Branch</b>	<b>Southeast Branch</b>	<b>Sugar Creek Branch</b>	<b>Trails West Branch</b>	<b>Waldo Branch</b>	<b>Westport Branch</b>	<b>I.H. Ruiz Branch</b>	<b>Digital Branch</b>	<b>Total</b>
2012 – 2013	640,522	59,245	93,641	477,748	58,262	25,570	176,705	236,957	81,452	30,641	172,730	2,053,473
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



**Kansas City Public Library**  
**Schedule of Service Locations**  
**June 30, 2022**

<b>Library Name and Address</b>	<b>Square Feet</b>	<b>Meeting Room Capacity</b>	<b>Number of Hours of Operation/Wk.</b>	<b>Owned/Leased</b>
Central Library 14 W. 10th Street Kansas City, Missouri 64105	175,000	Meeting Rooms 2,531	64	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	15,000	Meeting Rooms 110	66	Owned
North-East Branch 6000 Wilson Road Kansas City, Missouri 64123	15,000	Meeting Rooms 90	66	Owned
Southeast Branch 6242 Swope Parkway Kansas City, Missouri 64130	15,000	Meeting Rooms 90	57	Owned
Trails West Branch 11401 E. 23rd Independence, Missouri 64052	15,000	Meeting Rooms 90	66	Owned
Waldo Branch 201 E. 75th Street Kansas City, Missouri 64114	15,000	Meeting Rooms 90	67	Owned
Westport Branch 118 Westport Road Kansas City, Missouri 64111	7,325	Meeting Room 60	48	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

**Kansas City Public Library**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
National Endowment for Humanities (NEH) - Grants to States				
Missouri State Library- ARP Rescue Plan Grant	45.310		\$ -	\$ 85,943
Missouri State Library- Strengthen Missourians	45.310		-	137,711
Missouri State Library- LSTA (IMLS)- Summer Reading Program	45.310		-	6,915
Missouri State Library- LSTA (IMLS)- Spotlight on Literacy	45.310		-	2,608
Missouri State Library- LSTA (IMLS)- Spotlight on Literacy	45.310		-	7,175
Missouri State Library- LSTA (IMLS)- Tech Ladder	45.310		-	7,184
Total assistance listing 45.310			-	<u>247,536</u>
NEA- Arts Midwest - 2022 Big Read	45.024		-	20,000
Institute of Museum and Library Services- ADTC - Communities for Immunity	45.312		-	79,935
Institute of Museum and Library Services - Accelerating Promising Practices	45.312		-	132,828
Total assistance listing 45.312			-	<u>212,763</u>
National Science Foundation (University of Kansas Center for Research)- CNS- Civic Innovation Challenge	45.070		-	5,256
Universal Service Administrative Co. - Emergency Connectivity Fund	32.009		-	641,063
COVID - 19 Jackson County (CARES Act) - County Agreement for Distribtuion of CARES Act Funds	21.019		-	210
Total assistance			<u>\$ -</u>	<u>\$ 1,126,828</u>

**Kansas City Public Library**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Kansas City Public Library under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Library, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Library.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3: Indirect Cost Rate**

The Library has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **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, 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, 2022, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated October 14, 2022.

#### ***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) to determine the 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 Library'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 may exist that have not been 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 Library'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 Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**FORVIS, LLP**

Kansas City, Missouri  
October 14, 2022

## Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

### Independent Auditor's Report

Board of Trustees  
Kansas City Public Library  
Kansas City, Missouri

#### Report on Compliance for the Major Federal Program

##### *Opinion on the Major Federal Program*

We have audited the Kansas City Public Library's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Library's major federal program for the year ended June 30, 2022. The Library's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Library complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

##### *Basis for Opinion on the Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Library and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Library's compliance with the compliance requirements referred to above.

##### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Library's federal program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Library's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Library's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Library's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Library's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**FORVIS,LLP**

Kansas City, Missouri  
October 14, 2022



**Kansas City Public Library**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2022**

**Section I – Summary of Auditor’s Results**

*Financial Statements*

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:  
 Unmodified       Qualified       Adverse       Disclaimer
  
2. Internal control over financial reporting:  
 Significant deficiency(ies) identified?       Yes       None Reported  
 Material weakness(es) identified?       Yes       No
  
3. Noncompliance material to the financial statements noted?       Yes       No

*Federal Awards*

4. Internal control over major federal awards program:  
 Significant deficiency(ies) identified?       Yes       None Reported  
 Material weakness(es) identified?       Yes       No
  
5. Type of auditor’s report issued on compliance for major federal program:  
 Unmodified       Qualified       Adverse       Disclaimer
  
6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)?       Yes       No
  
7. Identification of major federal program:

Assistance Listing Number(s)	Name of Federal Program or Cluster
32.009	Emergency Connectivity Fund

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
  
9. Auditee qualified as a low-risk auditee?       Yes       No

**Kansas City Public Library**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2022**

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

**Kansas City Public Library**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2022**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.