

# **Kansas City Public Library**

Annual Financial Report

June 30, 2014



**Kansas City Public Library**  
**June 30, 2014**

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## Independent Auditor's Report

Board of Trustees  
Kansas City Public Library  
Kansas City, Missouri

### Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Kansas City Public Library (the Library), as of and for the year ended June 30, 2014, and the related notes to the basic financial statements, which collectively comprise the Library's basic financial statements listed in the table of contents.

### *Management's Responsibility 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; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Kansas City Public Library as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, in 2014 the Library implemented the provisions of GASB Statement No. 65, which changed its method of accounting for bond issuance costs and reporting of deferred outflows and inflows through retroactive application to prior year's financial statements. Our opinions are not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's basic financial statements. The accompanying supplementary information, including the combining fund financial statements and budgetary schedules listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2014, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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.

*BKD, LLP*

Kansas City, Missouri  
August 28, 2014

# Kansas City Public Library

## Management's Discussion and Analysis

### June 30, 2014

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, 2014. 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 of the Kansas City Public Library exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$55,346,906 (*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 \$15,779,375, a decrease of \$2,136,964 in comparison with the prior year. The decrease was primarily a result of a budgeted redemption of leasehold revenue bonds in the principal amount of \$2,000,000.
- Approximately 51.4% of the total fund balance, or \$8,117,349 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 \$8,117,349 was 45.7% percent of total general fund expenditures for the fiscal year.
- The Kansas City Public Library's total liabilities decreased by \$2,262,689 during the current fiscal year primarily as a result of the redemption of \$2,000,000 in leasehold revenue bonds combined with the scheduled annual payments for the bonds.

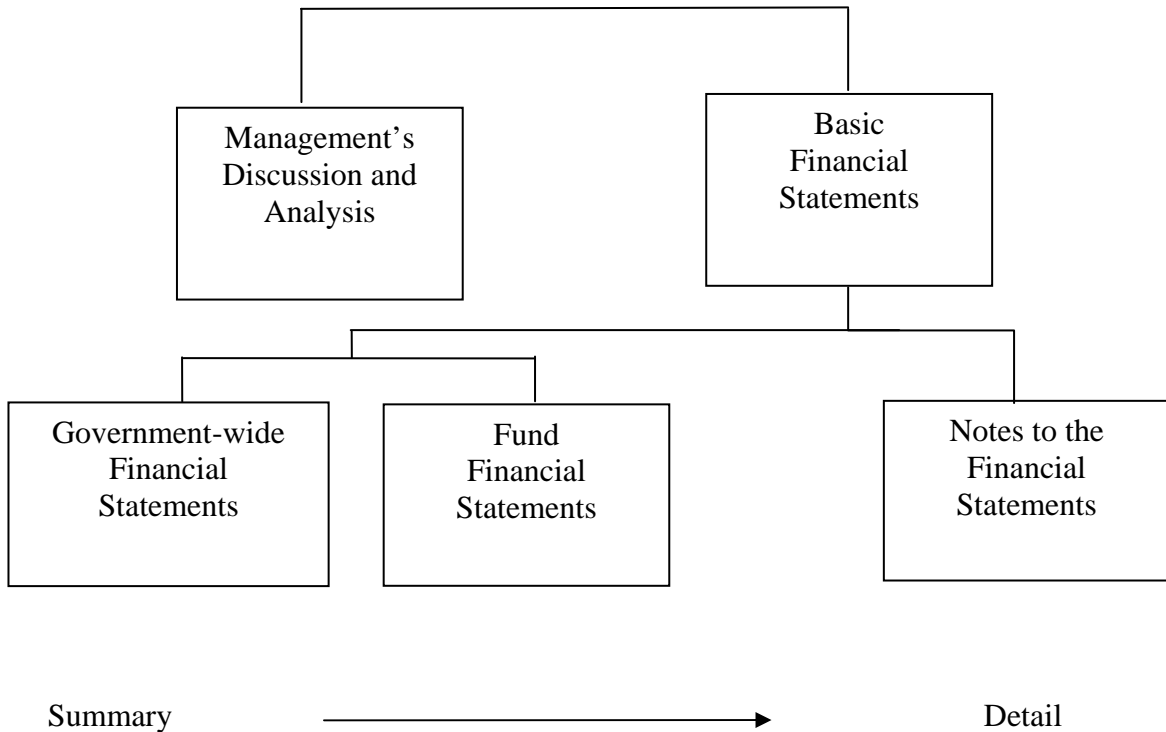
#### ***Overview of the Financial Statements***

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 other supplemental 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**  
**June 30, 2014**

**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, **Supplementary Information** is provided to show details about the Library's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.



# Kansas City Public Library

## Management's Discussion and Analysis

### June 30, 2014

#### ***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 difference between the two 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 this report.

#### ***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.

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 statements are provided for the general and major special revenue funds.

# Kansas City Public Library

## Management's Discussion and Analysis

### June 30, 2014

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 supplementary information concerning the Kansas City Public Library's other budgeted funds.

#### ***Implementation of New Accounting Principle***

In 2014, the Library implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. In the analysis below, the Library has not restated the 2013 financial information. See more detailed information in Note 1.

**Kansas City Public Library**  
**Management's Discussion and Analysis**  
**June 30, 2014**

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

	<b>Governmental Activities</b>		
	<b>2014</b>	<b>2013</b>	<b>Increase (Decrease)</b>
Other assets	\$ 18,356,626	\$ 20,969,692	\$ (2,613,066)
Capital assets	52,007,664	53,342,671	(1,335,007)
Total assets	<u>70,364,290</u>	<u>74,312,363</u>	<u>(3,948,073)</u>
Long-term liabilities	6,268,804	8,503,579	(2,234,775)
Unearned revenue	10,615,920	10,619,585	(3,665)
Other liabilities	2,837,483	2,864,662	(27,179)
Total liabilities	<u>19,722,207</u>	<u>21,987,826</u>	<u>(2,265,619)</u>
Net position			
Net investment in capital assets	36,245,586	35,427,070	818,516
Restricted	5,148,320	5,220,846	(72,526)
Unrestricted	9,248,177	11,676,621	(2,428,444)
Total net position	<u>\$ 50,642,083</u>	<u>\$ 52,324,537</u>	<u>\$ (1,682,454)</u>
	<b>Business-type Activities</b>		
	<b>2014</b>	<b>2013</b>	<b>Increase (Decrease)</b>
Other assets	\$ 323,479	\$ 344,085	\$ (20,606)
Capital assets	4,384,274	4,425,510	(41,236)
Total assets	<u>4,707,753</u>	<u>4,769,595</u>	<u>(61,842)</u>
Accounts payable	2,930	-	2,930
Total liabilities	<u>2,930</u>	<u>-</u>	<u>2,930</u>
Net position			
Net investment in capital assets	4,384,274	4,425,510	(41,236)
Unrestricted	320,549	344,085	(23,536)
Total net position	<u>\$ 4,704,823</u>	<u>\$ 4,769,595</u>	<u>\$ (64,772)</u>

**Kansas City Public Library**  
**Management's Discussion and Analysis**  
**June 30, 2014**

As noted earlier, the net position may serve over time as one useful indicator of a government's financial condition. The assets of the Kansas City Public Library exceeded liabilities and deferred inflows of resources by \$55,346,906 as of June 30, 2014. The Library's net position decreased by \$1,535,319 for the fiscal year ended June 30, 2014. The largest portion of the net position (73.41%) 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 \$5,148,320 (which consists of the Gifts and Grants, Endowment, Capital Development and Debt Service Funds) and unrestricted net position of \$9,248,177.

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

	<b>Governmental Activities</b>		
	<b>2014</b>	<b>2013</b>	<b>Increase (Decrease)</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 708,833	\$ 782,677	\$ (73,844)
Operating grants and contributions	1,899,180	1,488,113	411,067
Capital grants and contributions	40,500	1,000	39,500
General revenues			
Property taxes	16,002,644	16,315,300	(312,656)
Interest and dividend income	37,420	51,685	(14,265)
Net change in fair value of investments	60,020	(52,173)	112,193
Other	6,915	31,972	(25,057)
<b>Total revenues</b>	<b>18,755,512</b>	<b>18,618,574</b>	<b>136,938</b>
Program expenses			
Salaries and fringe benefits	10,629,758	10,597,355	32,403
Library materials	2,566,864	2,380,819	186,045
General operating	2,231,265	2,345,915	(114,650)
Building operations and maintenance	4,540,913	4,330,771	210,142
Other expenses and transfers	257,259	336,019	(78,760)
<b>Total expenses and transfers</b>	<b>20,226,059</b>	<b>19,990,879</b>	<b>235,180</b>
<b>Change in Net Position</b>	<b>(1,470,547)</b>	<b>(1,372,305)</b>	<b>(98,242)</b>
Net position, beginning of year, before restatement	52,324,537	53,696,842	(1,372,305)
Adjustment for implementation of GASB 65	(211,907)	-	(211,907)
Net position, beginning of year, after restatement	52,112,630	53,696,842	(1,584,212)
<b>Net Position, End of Year</b>	<b>\$ 50,642,083</b>	<b>\$ 52,324,537</b>	<b>\$ (1,682,454)</b>

**Kansas City Public Library**  
**Management's Discussion and Analysis**  
**June 30, 2014**

	<b>Business-type Activities</b>		
	<b>2014</b>	<b>2013</b>	<b>Increase (Decrease)</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 385,898	\$ 455,952	\$ (70,054)
Non-operating Transfers	(100,000)	(50,000)	(50,000)
Total revenues	<u>285,898</u>	<u>405,952</u>	<u>(120,054)</u>
Program expenses			
General operating	<u>350,670</u>	<u>366,307</u>	<u>(15,637)</u>
Total expenses	<u>350,670</u>	<u>366,307</u>	<u>(15,637)</u>
<b>Change in Net Position</b>	(64,772)	39,645	(104,417)
<b>Net Position, July 1</b>	<u>4,769,595</u>	<u>4,729,950</u>	<u>39,645</u>
<b>Net Position, June 30</b>	<u><u>\$ 4,704,823</u></u>	<u><u>\$ 4,769,595</u></u>	<u><u>\$ (64,772)</u></u>

***Governmental Activities***

Governmental activities decreased the Library's net position by \$1,470,547. The key element of this net decrease was depreciation of capital assets.

***Business-type Activities***

Business-type activities reflected a decrease to the Kansas City Public Library's net position of \$64,772. The key element of this net decrease was depreciation of capital assets and a transfer of fund balance to the General Fund.

***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

### June 30, 2014

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 \$8,117,349 while total fund balance reached \$10,509,702. 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 45.7 percent of total General Fund expenditures, while total fund balance represents 59.1 percent of that same amount.

At June 30, 2014, the governmental funds of the Kansas City Public Library reported a combined fund balance of \$15,779,375. The category of General Fund had a decrease due to the redemption of leasehold revenue bonds. The category of Other Governmental Funds had a decrease primarily due to the expenditure of grant funding.

#### ***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 Tax** – Property tax revenue was less than projected in both the Back Tax and In-Lieu of Taxes categories.
- **General Operating and Building Operations and Maintenance** – General operating expenditures were lower than projected by 25%, which was offset by Building operations and maintenance expenditures totaling 23% more than projected.
- **Salaries and Fringe Benefits** – Salaries and fringe benefits expenditures were less than projected.
- **Capital Outlay** – Capital expenditures were less than projected.

Overall, the General Fund's actual expenditures were \$17,770,382 – 97.7 percent of the total budgeted expenditures of \$18,186,809.

#### ***Capital Assets***

The Kansas City Public Library's investment in capital assets for its governmental and business-type activities as of June 30, 2014, totals \$56,391,938 (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' addition of \$2,071,477 and reduction of \$2,437,393.
- Chair and Table Replacements totaling \$106,674.
- Computer Servers and server software replacements totaling \$74,446.

**Kansas City Public Library**  
**Management's Discussion and Analysis**  
**June 30, 2014**

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

	<b>Governmental Activities</b>		
	<b>2014</b>	<b>2013</b>	<b>Increase (Decrease)</b>
Land	\$ 3,529,876	\$ 3,529,876	\$ -
Buildings	40,080,043	42,214,922	(2,134,879)
Vehicles	40,600	46,414	(5,814)
Furniture, fixtures and equipment	1,496,885	1,436,083	60,802
Library collection	6,114,547	5,984,045	130,502
Leasehold improvements	745,713	-	745,713
Construction in progress	-	131,331	(131,331)
	<u>\$ 52,007,664</u>	<u>\$ 53,342,671</u>	<u>\$ (1,335,007)</u>
	<b>Business-type Activities</b>		
	<b>2014</b>	<b>2013</b>	<b>Increase (Decrease)</b>
Land	\$ 2,520,000	\$ 2,520,000	\$ -
Buildings	1,825,996	1,885,864	(59,868)
Furniture, fixtures and equipment	38,278	19,646	18,632
	<u>\$ 4,384,274</u>	<u>\$ 4,425,510</u>	<u>\$ (41,236)</u>

Additional information on the Library's capital assets can be found in Note 4 of the basic financial statements.

***Long-term Liabilities***

As of June 30, 2014, the Kansas City Public Library had total long-term liabilities of \$6,268,804. Of this, \$4,810,000 is for outstanding leasehold revenue bonds, and \$1,181,702 is for the employees' compensated absences and benefits. The remainder is the Library's contribution to the employees' retirement fund.

Additional information regarding the Kansas City Public Library's long-term liabilities can be found in Note 7 of this report.

**Kansas City Public Library**  
**Management's Discussion and Analysis**  
**June 30, 2014**

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

***Governmental Activities***

A General Fund Operating Budget of \$18,673,243 for fiscal year 2014-2015 will be proposed, which is \$486,434 or 2.7% more than the previous year. The increase is primarily attributable to an increase in requested funding through the federal E-rate Program for a computer network upgrade. Property tax revenue projections remain essentially the same as the previous year and the Library continues to hold approximately 17 vacant positions open to maintain a balanced budget. 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 2014–2015 will be \$420,000, which is the same as the previous year. Revenues are expected to stay the same as the previous year and additional capital expenditures are planned. The Library Parking Garage was acquired in May 2008.

***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, 2014**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>KCPL Foundation</b>
<b>Assets</b>				
Deposits and investments	\$ 11,640,200	\$ 323,479	\$ 11,963,679	\$ 266,126
Receivables (net of allowance for doubtful accounts)				
Property taxes	1,069,583	-	1,069,583	-
Contributions	123,081	-	123,081	-
Due from other governments	119,141	-	119,141	-
Due from KCPL Foundation	88,483	-	88,483	-
Interest	33,244	-	33,244	-
Other	101,074	-	101,074	-
Restricted deposits and investments	5,142,905	-	5,142,905	-
Prepaid interest on investments	73	-	73	-
Prepaid insurance costs	38,842	-	38,842	-
Capital assets				
Land and artwork, non-depreciable	3,716,716	2,520,000	6,236,716	-
Other capital assets, net of depreciation	48,290,948	1,864,274	50,155,222	-
	<u>52,007,664</u>	<u>4,384,274</u>	<u>56,391,938</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 70,364,290</u>	<u>\$ 4,707,753</u>	<u>\$ 75,072,043</u>	<u>\$ 266,126</u>
<b>Liabilities</b>				
Accounts payable	\$ 617,013	\$ 2,930	\$ 619,943	\$ -
Due to primary government	-	-	-	88,483
Accrued salaries and payroll taxes	383,699	-	383,699	-
Accrued interest payable	19,529	-	19,529	-
Unearned revenue	10,615,920	-	10,615,920	-
Compensated absences and benefits payable				
Due within one year	933,549	-	933,549	-
Due in more than one year	1,181,702	-	1,181,702	-
Retirement system contribution				
Due within one year	508,693	-	508,693	-
Due in more than one year	277,102	-	277,102	-
Bonds payable				
Due within one year	375,000	-	375,000	-
Due in more than one year	4,810,000	-	4,810,000	-
Total liabilities	<u>19,722,207</u>	<u>2,930</u>	<u>19,725,137</u>	<u>88,483</u>
<b>Net Position</b>				
Net investment in capital assets	36,245,586	4,384,274	40,629,860	-
Restricted				
Permanently restricted	2,708,685	-	2,708,685	-
Debt service	644,180	-	644,180	-
Capital improvements	401,551	-	401,551	-
Programming requirements	1,393,904	-	1,393,904	-
Unrestricted	9,248,177	320,549	9,568,726	177,643
Total net position	<u>50,642,083</u>	<u>4,704,823</u>	<u>55,346,906</u>	<u>177,643</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 70,364,290</u>	<u>\$ 4,707,753</u>	<u>\$ 75,072,043</u>	<u>\$ 266,126</u>

**Kansas City Public Library**  
**Statement of Activities**  
**For the Year Ended June 30, 2014**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
Governmental activities							
Program services	\$ 19,959,214	\$ 708,833	\$ 1,899,180	\$ 40,500	\$ (17,310,701)	\$ -	\$ (17,310,701)
Interest expense	366,845	-	-	-	(366,845)	-	(366,845)
Total governmental activities	20,326,059	708,833	1,899,180	40,500	(17,677,546)	-	(17,677,546)
Business-type activities							
Parking garage	350,670	385,898				35,228	35,228
Total business-type activities	350,670	385,898				35,228	35,228
Total primary government	\$ 20,676,729	\$ 1,094,731	\$ 1,899,180	\$ 40,500	(17,677,546)	35,228	(17,642,318)
<b>General Revenues</b>							
Property taxes, levied for general purpose					16,002,644	-	16,002,644
Unrestricted investment earnings					97,440	-	97,440
Other					6,915	-	6,915
Total general revenues					16,106,999	-	16,106,999
<b>Other Income/Expenses</b>							
Interfund transfers					100,000	(100,000)	-
<b>Change in Net Position</b>							
Net position, beginning of year, before restatement					52,324,537	4,769,595	57,094,132
Adjustment for implementation of GASB 65					(211,907)	-	(211,907)
Net position, beginning of year, after restatement					52,112,630	4,769,595	56,882,225
<b>Net Position, End of Year</b>					\$ 50,642,083	\$ 4,704,823	\$ 55,346,906

See Notes to Basic Financial Statements

**Kansas City Public Library**  
**Statement of Activities**  
**Kansas City Public Library Foundation**  
**(A Component Unit of Kansas City Public Library)**  
**For the Year Ended June 30, 2014**

<b>Income</b>		
Contributions	\$	35,504
Interest income		<u>16,553</u>
		<u>52,057</u>
<b>Expenses</b>		
Project expenditures		32,989
Administrative fees		<u>5,651</u>
Total expenses		<u>38,640</u>
<b>Increase in Net Assets</b>		13,417
<b>Net Assets, Beginning of Year</b>		<u>164,226</u>
<b>Net Assets, End of Year</b>	\$	<u><u>177,643</u></u>

**Kansas City Public Library**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	<u>Major Funds</u>				<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Endowment Fund</u>	<u>Gifts/Grants Fund</u>	<u>Debt Service Fund</u>		
<b>Assets</b>						
Deposits and investments	\$ 11,415,393	\$ 121,353	\$ 103,454	\$ -	\$ -	\$ 11,640,200
Receivables (net of allowance for doubtful accounts)						
Property taxes	1,069,583	-	-	-	-	1,069,583
Due from other governments	119,141	-	-	-	-	119,141
Due from KCPL Foundation	88,483	-	-	-	-	88,483
Interest	28,679	-	-	-	-	28,679
Other	95,659	-	5,415	-	-	101,074
Prepaid interest on investments	73	-	-	-	-	73
Restricted deposits and investments	-	2,708,685	1,388,489	644,180	401,551	5,142,905
Total assets	<u>\$ 12,817,011</u>	<u>\$ 2,830,038</u>	<u>\$ 1,497,358</u>	<u>\$ 644,180</u>	<u>\$ 401,551</u>	<u>\$ 18,190,138</u>
<b>Liabilities</b>						
Accounts payable	\$ 513,559	\$ -	\$ 103,454	\$ -	\$ -	\$ 617,013
Accrued salaries and payroll taxes	383,699	-	-	-	-	383,699
Pension contribution payable	508,693	-	-	-	-	508,693
Unearned revenue	128,967	-	-	-	-	128,967
Total liabilities	<u>1,534,918</u>	<u>-</u>	<u>103,454</u>	<u>-</u>	<u>-</u>	<u>1,638,372</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenues, property taxes	772,391	-	-	-	-	772,391
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Endowment fund principal	-	2,708,685	-	-	-	2,708,685
<b>Restricted</b>						
Debt service	-	-	-	644,180	-	644,180
Capital improvements	-	-	-	-	401,551	401,551
Programming requirements	-	-	1,393,904	-	-	1,393,904
<b>Committed</b>						
Retirement system contribution	277,102	-	-	-	-	277,102
<b>Assigned</b>						
Compensated absences	2,115,251	-	-	-	-	2,115,251
Endowment fund	-	121,353	-	-	-	121,353
<b>Unassigned</b>						
General fund	8,117,349	-	-	-	-	8,117,349
Total fund balances	<u>10,509,702</u>	<u>2,830,038</u>	<u>1,393,904</u>	<u>644,180</u>	<u>401,551</u>	<u>15,779,375</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,817,011</u>	<u>\$ 2,830,038</u>	<u>\$ 1,497,358</u>	<u>\$ 644,180</u>	<u>\$ 401,551</u>	<u>\$ 18,190,138</u>
Fund balances of governmental funds						\$ 15,779,375
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						52,007,664
Receivables for contributions not expected to be available as current financial resources and not recorded in the funds						123,081
Receivable for interest not expected to be available as current financial resources and not recorded in the funds						4,565
Prepaid insurance costs, net of related amortization, are not recorded as an asset in the governmental funds						38,842
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditures when due						(19,529)
Long-term and unmatured liabilities for items such as compensated absences, required future retirement system contributions, bonds payable and unearned rental revenue are not current obligations and, therefore, not recorded in the governmental funds statements						(18,064,306)
Deferred inflows of resources in the fund statements						772,391
Net position of governmental activities						<u>\$ 50,642,083</u>

**Kansas City Public Library**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Endowment Fund	Gifts/Grants Fund	Debt Service Fund		
<b>Revenues</b>						
Property taxes	\$ 15,845,002	\$ -	\$ -	\$ -	\$ -	\$ 15,845,002
Grants	-	-	907,260	-	-	907,260
State and federal funds	412,907	-	-	92,789	-	505,696
Charges for services	708,833	-	-	-	-	708,833
Investment income	90,339	6,346	-	755	-	97,440
Contributions	59,573	43,619	941,052	-	500	1,044,744
Other	6,915	-	-	-	-	6,915
Total revenues	<u>17,123,569</u>	<u>49,965</u>	<u>1,848,312</u>	<u>93,544</u>	<u>500</u>	<u>19,115,890</u>
<b>Expenditures</b>						
Current						
Program services						
Salaries and fringe benefits	10,441,075	-	218,208	-	-	10,659,283
Library materials	2,289,137	-	277,727	-	-	2,566,864
General operating	2,025,582	-	205,683	-	-	2,231,265
Building operations and maintenance	2,659,982	-	39,615	-	-	2,699,597
Capital outlay	354,606	-	111,705	-	-	466,311
Debt service						
Principal retirement	-	-	-	2,365,000	-	2,365,000
Interest	-	-	-	361,234	-	361,234
Fiscal agent fees	-	-	-	3,300	-	3,300
Total expenditures	<u>17,770,382</u>	<u>-</u>	<u>852,938</u>	<u>2,729,534</u>	<u>-</u>	<u>21,352,854</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(646,813)</u>	<u>49,965</u>	<u>995,374</u>	<u>(2,635,990)</u>	<u>500</u>	<u>(2,236,964)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers from other funds	1,223,393	-	9,920	2,635,984	-	3,869,297
Transfers to other funds	(2,635,984)	(11,307)	(1,122,006)	-	-	(3,769,297)
Total other financing sources and uses	<u>(1,412,591)</u>	<u>(11,307)</u>	<u>(1,112,086)</u>	<u>2,635,984</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	(2,059,404)	38,658	(116,712)	(6)	500	(2,136,964)
<b>Fund Balance, Beginning of Year</b>	<u>12,569,106</u>	<u>2,791,380</u>	<u>1,510,616</u>	<u>644,186</u>	<u>401,051</u>	<u>17,916,339</u>
<b>Fund Balance, End of Year</b>	<u>\$ 10,509,702</u>	<u>\$ 2,830,038</u>	<u>\$ 1,393,904</u>	<u>\$ 644,180</u>	<u>\$ 401,551</u>	<u>\$ 15,779,375</u>

**Kansas City Public Library**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds (Continued)**  
**For the Year Ended June 30, 2014**

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

Net changes in fund balances – total governmental funds	\$ (2,136,964)
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	2,504,112
Depreciation	(3,878,950)
Capital contributions	40,000
Loss on capital disposal	(167)
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	157,642
Amortization of unearned rent	121,941
Contributions receivable	(676,919)
Interest subsidy on bond	(3,042)
The issuance of bonds provides current financial resources to governmental funds, while the repayment of the principal and 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 debt	2,365,000
Interest and amortization of discount	7,882
Amortization of bond insurance premium	(607)
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	55,961
Change in long-term retirement system contribution payable	(26,436)
Change in net position of governmental activities	\$ (1,470,547)

**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, 2014**

	<b>General Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance With Final Budget Over (Under)</b>
<b>Revenues</b>				
Property taxes	\$ 16,171,703	\$ 16,171,703	\$ 15,845,002	\$ (326,701)
Grants	25,000	25,000	-	(25,000)
State and federal funds	1,372,496	422,496	412,907	(9,589)
Charges for services	757,960	757,960	708,833	(49,127)
Investment income	80,000	80,000	90,339	10,339
Contributions	50,000	50,000	59,573	9,573
Other	20,000	20,000	6,915	(13,085)
Total revenues	<u>18,477,159</u>	<u>17,527,159</u>	<u>17,123,569</u>	<u>(403,590)</u>
<b>Expenditures</b>				
Current				
Program services				
Salaries and fringe benefits	10,611,157	10,611,157	10,441,075	(170,082)
Library materials	2,256,703	2,256,703	2,289,137	32,434
General operating	2,688,146	2,688,146	2,025,582	(662,564)
Building operations and maintenance	2,155,416	2,155,416	2,659,982	504,566
Capital outlay	1,425,387	475,387	354,606	(120,781)
Total expenditures	<u>19,136,809</u>	<u>18,186,809</u>	<u>17,770,382</u>	<u>(416,427)</u>
<b>Revenues Under Expenditures</b>	<u>(659,650)</u>	<u>(659,650)</u>	<u>(646,813)</u>	<u>12,837</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	1,085,859	1,185,859	1,223,393	37,534
Transfers to other funds	(2,625,581)	(2,625,581)	(2,635,984)	(10,403)
Total other financing sources and uses	<u>(1,539,722)</u>	<u>(1,439,722)</u>	<u>(1,412,591)</u>	<u>27,131</u>
Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis	<u>\$ (2,199,372)</u>	<u>\$ (2,099,372)</u>	<u>\$ (2,059,404)</u>	<u>\$ 39,968</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, 2014**

	Gifts/Grants Fund			Variance With Final Budget Over (Under)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues and Expenditures</b>				
Total revenues	\$ 2,430,543	\$ 2,430,543	\$ 1,848,312	\$ (582,231)
Total expenditures	<u>1,923,843</u>	<u>1,923,843</u>	<u>852,938</u>	<u>(1,070,905)</u>
Excess of revenues over expenditures	<u>506,700</u>	<u>506,700</u>	<u>995,374</u>	<u>488,674</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	-	-	9,920	9,920
Transfers to other funds	<u>(1,085,859)</u>	<u>(1,085,859)</u>	<u>(1,122,006)</u>	<u>(36,147)</u>
Total other financing sources and uses	<u>(1,085,859)</u>	<u>(1,085,859)</u>	<u>(1,112,086)</u>	<u>(26,227)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u>\$ (579,159)</u>	<u>\$ (579,159)</u>	<u>\$ (116,712)</u>	<u>\$ 462,447</u>

**Kansas City Public Library**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	<b>Enterprise Fund - Parking Garage</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 323,479
Total current assets	323,479
Capital assets	
Land, non-depreciable	2,520,000
Capital assets, net of depreciation	1,864,274
Total assets	4,707,753
<b>Liabilities</b>	
Current liabilities	
Accrued accounts payable	2,930
Total liabilities	2,930
<b>Net Position</b>	
Net investment in capital assets	4,384,274
Unrestricted	320,549
Total net position	\$ 4,704,823

**Kansas City Public Library**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

	<b>Enterprise Fund - Parking Garage</b>
<b>Operating Revenues</b>	
Charges for services	\$ 385,898
Total operating revenues	385,898
<b>Operating Expenses</b>	
Operations and maintenance	284,666
Depreciation	66,004
Total operating expenses	350,670
<b>Operating Income</b>	35,228
<b>Nonoperating Revenues</b>	
Transfers to other funds	(100,000)
<b>Change in Net Position</b>	(64,772)
<b>Total Net Position, Beginning of Year</b>	4,769,595
<b>Total Net Position, End of Year</b>	\$ 4,704,823

**Kansas City Public Library**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

	<b>Enterprise Fund - Parking Garage</b>
<b>Operating Activities</b>	
Cash received from customers	\$ 389,636
Cash paid for goods and services	(281,736)
Net cash provided by operating activities	<u>107,900</u>
<b>Noncapital Financing Activities</b>	
Contributions to general fund	<u>(100,000)</u>
Net cash used in noncapital financing activities	<u>(100,000)</u>
<b>Capital and Related Financing Activities</b>	
Purchase of capital assets	<u>(24,768)</u>
Net cash used in capital and related financing activities	<u>(24,768)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(16,868)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>340,347</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 323,479</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	<u>\$ 35,228</u>
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>	
Depreciation	66,004
Changes in assets and liabilities	
Decrease in accounts receivable and other assets	3,738
Increase in accounts payable	2,930
Total adjustments	<u>72,672</u>
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 107,900</u></u>

# Kansas City Public Library

## Notes to Basic Financial Statements

### June 30, 2014

#### **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 1996, 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 non-major governmental funds. 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) 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 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, 2014, the Foundation provided support to the Library in the amount of \$22,989.

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. No modifications have been made to the Foundation's statements in the Library's financial reporting entity for these differences.

# Kansas City Public Library

## Notes to Basic Financial Statements

### June 30, 2014

#### ***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.

# **Kansas City Public Library**

## **Notes to Basic Financial Statements**

### **June 30, 2014**

#### Endowment Fund

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

#### Gifts/Grants Fund

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

#### Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for and the payment of long-term debt principal and interest.

### ***Proprietary Fund Financial Statements***

#### Parking Garage Fund

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

### ***Measurement Focus and Basis of Accounting***

#### Government-wide Financial Statements

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

#### Governmental Fund Financial Statements

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

# Kansas City Public Library

## Notes to Basic Financial Statements

### June 30, 2014

#### Revenue Recognition

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

#### Expenditure Recognition

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

#### Proprietary Fund Financial Statements

All proprietary funds are accounted for using the 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.

#### ***Implementation of New Accounting Principles***

In 2014, the Library implemented the provision of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This resulted, in part, in the reclassification of \$772,391 of unavailable property taxes from liabilities to deferred inflows of resources on the balance sheet for governmental funds.



# **Kansas City Public Library**

## **Notes to Basic Financial Statements**

### **June 30, 2014**

Adoption of GASB 65 also changed how the Library reports various debt issuance costs. This resulted in an adjustment to the beginning net position on the statement of activities of \$211,907 to remove deferred bond issuance costs no longer required to be capitalized in accordance with GASB 65.

#### ***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 31<sup>st</sup> day of August 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 \$10,000 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 \$10,000 require formal approval of the Board of Trustees.

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

#### ***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 bank's account at the Federal Reserve Bank.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

At June 30, 2014, the balance sheet category “Deposits and Investments” consisted of demand deposits, certificates of deposit, federal agency securities, 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.

**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 2013 was \$.5000 per \$100 of assessed valuation and supports general Library operations.

Property taxes receivable has been reported net of an allowance for uncollectible taxes totaling \$1,069,583 for levies in 2009 through 2013. All uncollected taxes related to 2008 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 fair 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, 2014

#### ***Unearned Revenue***

The Library reports unearned revenue on its governmental funds balance sheet. Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also 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 three fiscal years. Additionally, there were no significant reductions in coverage from prior years.

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

#### ***Net Position Classifications***

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

- a. Net investment in capital assets – Consists of capital 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.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

**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.

***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.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

***Inter-fund Activity***

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

***Statement of Cash Flows***

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

***Use of Estimates***

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

**Note 2: Deposits and Investments**

At June 30, 2014, the carrying values of deposits and investments, which approximate cost, are summarized as follows:

Deposits and investments	
Deposits	\$ (147,356)
Certificates of deposit	1,960,000
Repurchase agreement	9,129,000
Money market funds	644,180
Federal agency securities	5,520,760
	<hr/>
Total	\$ 17,106,584
	<hr/> <hr/>

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

Primary government	
Deposits and investments	\$ 11,963,679
Restricted deposits and investments	5,142,905
	<hr/>
Total	\$ 17,106,584
	<hr/> <hr/>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

**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, 2014</b>
Repurchase agreement	\$ 9,129,000	<i>(Unrated)</i>
Money market funds	644,180	<i>Aaa</i>
Federal agency securities	5,520,760	<i>Aaa</i>
Total	<u>\$ 15,293,940</u>	

**Custodial Credit Risk**

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

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 was exposed to custodial credit risk as of June 30, 2014.

**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, 2014, 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	\$ 9,129,000	\$ 9,129,000	\$ -
Money market funds	644,180	644,180	-
Federal agency securities	5,520,760	-	5,520,760
Total	<u>\$ 15,293,940</u>	<u>\$ 9,773,180</u>	<u>\$ 5,520,760</u>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

**Concentration of Credit Risk**

As of June 30, 2014, 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>
Federal Home Loan Bank	U.S. Agency Obligations	\$ 501,440
Federal National Mortgage Association	U.S. Agency Obligations	3,520,625
Federal Home Loan Mortgage Corp.	U.S. Agency Obligations	1,498,695
UMB Bank, n.a.	Repurchase Agreement	9,129,000
Other	Money Market Funds	644,180
Total		<u>\$ 15,293,940</u>

**Investment Income**

Investment income for year ended June 30, 2014 consisted of:

Interest and dividend income	\$ 37,420
Net increase in fair value of investments	<u>60,020</u>
	<u>\$ 97,440</u>

**Note 3: Contributions Receivable**

Contributions receivable reported on the government-wide statement of net position at June 30, 2014 consisted of unconditional promises to give that are due in less than one year.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

**Note 4: Capital 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	146,840	40,000	-	-	186,840
Construction in progress	131,331	-	7,500	(123,831)	-
Total capital assets, not being depreciated	<u>3,808,047</u>	<u>40,000</u>	<u>7,500</u>	<u>(123,831)</u>	<u>3,716,716</u>
Capital assets, being depreciated					
Buildings	52,380,044	-	-	(1,138,208)	51,241,836
Equipment, furniture and fixtures	9,038,137	427,235	5,460	123,831	9,583,743
Library collection	15,580,017	2,071,477	2,437,393	-	15,214,101
Vehicles	72,199	5,400	15,775	-	61,824
Leasehold improvements	-	-	-	1,138,208	1,138,208
Total capital assets, being depreciated	<u>77,070,397</u>	<u>2,504,112</u>	<u>2,458,628</u>	<u>123,831</u>	<u>77,239,712</u>
Less accumulated depreciation for					
Buildings	10,165,122	1,389,166	-	(392,495)	11,161,793
Equipment, furniture and fixtures	7,748,894	537,594	12,790	-	8,273,698
Library collection	9,595,972	1,940,976	2,437,394	-	9,099,554
Vehicles	25,785	11,214	15,775	-	21,224
Leasehold improvements	-	-	-	392,495	392,495
Total accumulated depreciation	<u>27,535,773</u>	<u>3,878,950</u>	<u>2,465,959</u>	<u>-</u>	<u>28,948,764</u>
Total capital assets being depreciated, net	<u>49,534,624</u>	<u>(1,374,838)</u>	<u>(7,331)</u>	<u>123,831</u>	<u>48,290,948</u>
Governmental activities capital assets, net	<u>\$ 53,342,671</u>	<u>\$ (1,334,838)</u>	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ 52,007,664</u>
<b>Business-type Activities</b>					
Capital assets not being depreciated					
Land	\$ 2,520,000	\$ -	\$ -	\$ -	\$ 2,520,000
Capital assets, being depreciated					
Buildings	2,215,142	-	-	-	2,215,142
Equipment, furniture and fixtures	75,419	24,767	-	-	100,186
Total capital assets, being depreciated	<u>2,290,561</u>	<u>24,767</u>	<u>-</u>	<u>-</u>	<u>2,315,328</u>
Less accumulated depreciation for					
Buildings	329,278	59,868	-	-	389,146
Equipment, furniture and fixtures	55,773	6,135	-	-	61,908
Total accumulated depreciation	<u>385,051</u>	<u>66,003</u>	<u>-</u>	<u>-</u>	<u>451,054</u>
Total capital assets being depreciated, net	<u>1,905,510</u>	<u>(41,236)</u>	<u>-</u>	<u>-</u>	<u>1,864,274</u>
Business-type activities capital assets, net	<u>\$ 4,425,510</u>	<u>\$ (41,236)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,384,274</u>



**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

**Note 5: 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. Library employees represent approximately 2.4% of the total members of the Retirement System. 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, or by calling (816) 472-5800.

Operation of the Retirement System is governed by Missouri state law. The Retirement System is not subject to the provisions of the *Employee Retirement Income Security Act of 1974*. 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 Plan B and C. Certain significant provisions of Plan B and C are described below.

**Pension Benefits**

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

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

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

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

***Death and Disability Benefits***

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

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

***Contributions Required and Contributions Made***

As of January 1, 2014, members in Plan B and C are required to contribute 8.0% of earnable annual compensation. Prior to that time, the required contribution rate was 7.5% for members of Plan B and C. The Library is required to contribute at a rate specified by Missouri statute as enacted by the Missouri Legislature with the approval of the Governor. Missouri statute provides that the maximum employer contribution rate is 7.5% for calendar year ended December 31, 2013. The Library's contribution for the calendar year ended December 31, 2012 was paid by the Library in December 2013 at a rate of 7.5% of members' payroll. The contribution for the year ended December 31, 2013 is due and payable by the Library in December 2014 and will be calculated at a rate of 7.5% of members' payroll.

The unfunded contribution for the six months ended June 30, 2014 has been recorded in the government-wide statements.

The Library's contributions to the Retirement System for the years ended June 30, 2014, 2013 and 2012 were \$508,693, \$494,843 and \$489,090, respectively, equal to the required contributions for each year.

**Note 6: Deferred Compensation Plan**

The Library offers its employees four 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 \$61,103 for the year ended June 30, 2014. 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, 2014**

**Note 7: Long-Term Obligations**

The following is a summary of long-term obligation transactions for the year ended June 30, 2014:

	<b>Balance June 30, 2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2014</b>	<b>Amounts Due Within One Year</b>
Long-term debt					
Revenue bonds payable					
Series 2009A	\$ 2,345,000	\$ -	\$ 365,000	\$ 1,980,000	\$ 375,000
Series 2009B	5,205,000	-	2,000,000	3,205,000	-
Total long-term debt	<u>7,550,000</u>	<u>-</u>	<u>2,365,000</u>	<u>5,185,000</u>	<u>375,000</u>
Other long-term liabilities					
Compensated absences *	2,171,212	811,949	867,910	2,115,251	933,549
Retirement system contribution payable *	745,509	506,050	465,764	785,795	508,693
Total other long-term liabilities	<u>2,916,721</u>	<u>1,317,999</u>	<u>1,333,674</u>	<u>2,901,046</u>	<u>1,442,242</u>
Total long-term obligations	<u>\$ 10,466,721</u>	<u>\$ 1,317,999</u>	<u>\$ 3,698,674</u>	<u>\$ 8,086,046</u>	<u>\$ 1,817,242</u>

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

***Leasehold Revenue Bonds Payable - Series 2009A***

The Series A leasehold revenue bonds payable consist of Kansas City Library Building Corporation Leasehold Revenue Bonds, Series 2009A in the original amount of \$3,395,000 dated August 1, 2009, which bear interest at 2% to 4%. The Bonds are payable in semi-annual installments through June 1, 2019. The Library was required to make a one-time deposit of \$254,301 in 2009 to the debt service fund held by the trustee at the time of issuance. The Bond Reserve Fund will not exceed at least 10% of the stated principal amount of the Bonds, the maximum annual principal and interest requirements of the Bonds, or 125% of the average annual principal and interest requirements on the Bonds. Any amounts in the Bond Reserve Fund in excess of the Bond Reserve Requirement will be transferred to the Bond Fund. The Series 2009A Bonds still outstanding may be redeemed at the Library's option on or after June 1, 2013. The redemption price is 100% of the principal amount plus accrued interest to the redemption date. The Bonds are secured by a pledge and assignment under the Indenture of all Rental Payments and other payments, revenues and receipts derived by the Corporation under the Lease, and all right, title and interest of the Corporation in, to and under the Base Lease, the Lease and the Project. Payments of bond principal are also secured by an insurance policy issued by a commercial insurer.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

***Taxable Leasehold Revenue Bonds Payable - Series 2009B***

The Series B taxable leasehold revenue bonds payable consist of Kansas City Library Building Corporation Taxable Leasehold Revenue Bonds, Series 2009B in the original amount of \$5,205,000 dated August 1, 2009, which bear interest at 5% to 6%. The Bonds are payable in semi-annual installments through June 1, 2026. The Library was required to make a one-time deposit of \$389,879 in 2009 to the debt service fund held by the trustee at the time of issuance. The Bond Reserve Fund will not exceed at least 10% of the stated principal amount of the Bonds, the maximum annual principal and interest requirements of the Bonds, or 125% of the average annual principal and interest requirements on the Bonds. Any amounts in the Bond Reserve Fund in excess of the Bond Reserve Requirement will be transferred to the Bond Fund. The Series 2009B Bonds still outstanding may be redeemed at the Library's option on or after June 1, 2013. The redemption price is 100% of the principal amount plus accrued interest to the redemption date. The Bonds are secured by a pledge and assignment under the Indenture of all Rental Payments and other payments, revenues and receipts derived by the Corporation under the Lease, and all right, title and interest of the Corporation in, to and under the Base Lease, the Lease and the Project. Payments of bond principal are also secured by an insurance policy issued by a commercial insurer.

The debt service requirements as of June 30, 2014, are as follows:

<b>Year Ending June 30,</b>	<b>Total to be Paid</b>	<b>Principal</b>	<b>Interest*</b>
2015	\$ 609,344	\$ 375,000	\$ 234,344
2016	609,031	385,000	224,031
2017	607,481	395,000	212,481
2018	605,138	405,000	200,138
2019	605,456	420,000	185,456
2020-2024	2,959,906	2,345,000	614,906
2025-2029	<u>926,563</u>	<u>860,000</u>	<u>66,563</u>
	<u>\$ 6,922,919</u>	<u>\$ 5,185,000</u>	<u>\$ 1,737,919</u>

\*The Series 2009B taxable leasehold revenue bonds were issued as Build America Bonds (BABs) and, as such, will be eligible to receive a credit (BAB Subsidy) equal to 35% of the interest payment on such bonds. The benefit of such credit will be passed on to the Library at each interest payment date, thus effectively reducing the Library's cost of financing. As a result of the automatic spending cuts imposed under the Budget Control Act of 2011, the Library's BAB Subsidies, beginning October 1, 2013, were reduced by 7.2%. The BAB Subsidy is not reflected in the interest payments detailed above.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

**Note 8: Lease Commitments**

The Library currently has annually renewable lease commitments for its Sugar Creek branch location and certain office equipment.

Plaza Facility

In March 1999, the Library entered into a lease and 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 lease 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 leased site, which is rented by the developer to other tenants. The Library paid the common area maintenance costs of \$85,000 per year from January 2005 to December 2007 for the new building as required by the latest amendment. Such costs are scheduled to increase 3% each year for the remaining term of the lease from 2008 to 2100, as set forth in the amendment. At the end of the developer's leasehold estate, the land and all improvements will revert to the Library.

In 2004, the lease and 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, 2014, in the government-wide statement of activities.

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

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

Under current leases, the minimum annual rental payments and 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>
2015	\$ 142,466	2050-2054	\$ 1,585,155
2016	110,922	2055-2059	1,837,630
2017	112,571	2060-2064	2,130,320
2018	115,948	2065-2069	2,469,631
2019	119,426	2070-2074	2,862,980
2020-2024	653,070	2075-2079	3,318,977
2025-2029	757,083	2080-2084	3,847,598
2030-2034	877,666	2085-2089	4,460,415
2035-2039	1,017,452	2090-2094	5,170,845
2040-2044	1,179,505	2095-2099	5,994,428
2045-2049	1,367,369	2100-2101	1,973,039
		Total	<u><u>\$ 42,104,496</u></u>

Total rent expense for the year ended June 30, 2014 was \$150,981.

**Note 9: Commitments and Contingencies**

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

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

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2014**

**Note 10: Inter-fund Transfers**

Inter-fund transfers made in the year ended June 30, 2014 were as follows:

<b>Transfers From</b>	<b>Transfers To</b>			<b>Total</b>
	<b>General Fund</b>	<b>Gifts/ Grants Fund</b>	<b>Debt Service Fund</b>	
General	\$ -	\$ -	\$ 2,635,984	\$ 2,635,984
Endowment	1,387	9,920	-	11,307
Gifts/Grants	1,122,006	-	-	1,122,006
Proprietary	100,000	-	-	100,000
Total	<u>\$ 1,223,393</u>	<u>\$ 9,920</u>	<u>\$ 2,635,984</u>	<u>\$ 3,869,297</u>

Transfers from/to other funds consisted of the following:

General Fund to Debt Service Fund for bond reserve and debt service payments	\$ 2,635,984
Endowment Fund to General Fund for operating activities	1,387
Endowment Fund to Gifts/Grants Fund for operating activities	9,920
Gifts/Grant Fund to General Fund for operating activities	1,122,006
Proprietary Funds to General Fund for operating activities	<u>100,000</u>
	<u>\$ 3,869,297</u>

**Note 11: Donor Endowments**

During the year ended June 30, 2014, the Endowment Fund experienced \$49,965 of contributions and net appreciation on assets. The amount of net appreciation available for expenditure was \$121,353 at June 30, 2014, 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.

## **Supplementary Information**



**Kansas City Public Library**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2014**

	<b>Special Revenue Fund - Capital Development</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>		
Restricted deposits and investments	\$ 401,551	\$ 401,551
Total assets	\$ 401,551	\$ 401,551
<b>Liabilities and Fund Balances</b>		
Fund balances		
Restricted	\$ 401,551	\$ 401,551
Total liabilities and fund balances	\$ 401,551	\$ 401,551

**Kansas City Public Library**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2014**

	<b>Special Revenue Fund - Capital Development</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>		
Contributions	\$ 500	\$ 500
Total revenues	500	500
Excess of revenues over expenditures	500	500
<b>Fund Balance, Beginning of Year</b>	401,051	401,051
<b>Fund Balance, End of Year</b>	\$ 401,551	\$ 401,551

**Kansas City Public Library**  
**Statement of Revenues, Expenditures and Changes in Fund Balance – Budget**  
**and Actual (GAAP Basis)**  
**Other Governmental Funds – Debt Service Fund**  
**For the Year Ended June 30, 2014**

	<b>Debt Service Fund</b>			<b>Variance -</b>
	<b>Original</b>	<b>Final</b>		<b>Over</b>
	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>(Under)</b>
Total revenues	\$ 99,912	\$ 99,912	\$ 93,544	\$ (6,368)
Total expenditures	2,725,493	2,725,493	2,729,534	4,041
Total deficiency of revenues under expenditures	<u>(2,625,581)</u>	<u>(2,625,581)</u>	<u>(2,635,990)</u>	<u>(10,409)</u>
Other financing sources				
Transfers from other funds	<u>2,625,581</u>	<u>2,625,581</u>	<u>2,635,984</u>	<u>10,403</u>
Total other financing sources	<u>2,625,581</u>	<u>2,625,581</u>	<u>2,635,984</u>	<u>10,403</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses - GAAP basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ (6)</u>

**Kansas City Public Library**  
**Statement of Revenues, Expenditures and Changes in Fund Balance – Budget**  
**and Actual (GAAP Basis)**  
**Other Governmental Funds – Capital Development Fund**  
**For the Year Ended June 30, 2014**

	<b>Capital Development Fund</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance - Over (Under)</b>
Total revenues	\$ -	\$ 500	\$ 500
Total expenditures	200,000	-	(200,000)
Total excess (deficiency) of revenues over (under) expenditures	(200,000)	500	200,500
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	\$ (200,000)	\$ 500	\$ 200,500

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

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, each major fund and the aggregate remaining fund information of the Kansas City Public Library (the Library), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Library’s basic financial statements, and have issued our report thereon dated August 28, 2014, which contained an “Emphasis of Matter” paragraph regarding a change in accounting principles.

***Internal Control Over Financial Reporting***

Management of the Library is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the Library’s 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified.

***Compliance***

As part of obtaining reasonable assurance about whether the Library's financial statements are free of 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 determination of financial statement amounts. 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 communication is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Kansas City, Missouri  
August 28, 2014

**Kansas City Public Library**  
**Schedule of Findings and Responses**  
**Year Ended June 30, 2014**

**Reference  
Number**

**Finding**

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No matters are reportable.

## **Statistical Data Section (Unaudited)**



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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 19,637,890	\$ 17,929,187	\$ 17,169,043	\$ 19,319,941	\$ 19,227,574	\$ 39,115,596	\$ 37,450,607	\$ 36,362,704	\$ 35,427,070	\$ 36,245,586
Restricted	3,743,773	5,208,345	5,358,328	3,429,299	5,359,395	4,927,590	4,642,414	4,952,645	5,220,846	5,148,320
Unrestricted	<u>9,712,513</u>	<u>10,450,898</u>	<u>9,817,468</u>	<u>9,820,896</u>	<u>12,680,994</u>	<u>12,243,936</u>	<u>13,235,371</u>	<u>12,381,493</u>	<u>11,676,621</u>	<u>9,248,177</u>
Total governmental activities net position	<u>\$ 33,094,176</u>	<u>\$ 33,588,430</u>	<u>\$ 32,344,839</u>	<u>\$ 32,570,136</u>	<u>\$ 37,267,963</u>	<u>\$ 56,287,122</u>	<u>\$ 55,328,392</u>	<u>\$ 53,696,842</u>	<u>\$ 52,324,537</u>	<u>\$ 50,642,083</u>
Business-type activities										
Net investment in capital assets	\$ 422,664	\$ 128,674	\$ 121,916	\$ 4,827,928	\$ 4,676,740	\$ 4,607,900	\$ 4,567,437	\$ 4,494,231	\$ 4,425,510	\$ 4,384,274
Unrestricted	<u>1,026,542</u>	<u>930,248</u>	<u>910,561</u>	<u>715,945</u>	<u>141,408</u>	<u>161,297</u>	<u>163,254</u>	<u>235,719</u>	<u>344,085</u>	<u>320,549</u>
Total business-type activities net position	<u>\$ 1,449,206</u>	<u>\$ 1,058,922</u>	<u>\$ 1,032,477</u>	<u>\$ 5,543,873</u>	<u>\$ 4,818,148</u>	<u>\$ 4,769,197</u>	<u>\$ 4,730,691</u>	<u>\$ 4,729,950</u>	<u>\$ 4,769,595</u>	<u>\$ 4,704,823</u>
Primary government										
Net investment in capital assets	\$ 20,060,554	\$ 18,057,861	\$ 17,290,959	\$ 24,147,869	\$ 23,904,314	\$ 43,723,496	\$ 42,018,044	\$ 40,856,935	\$ 39,852,580	\$ 40,629,860
Restricted	3,443,695	5,208,345	5,358,328	3,428,846	4,507,235	4,676,125	4,642,414	4,952,645	5,220,846	5,148,320
Unrestricted	<u>11,039,133</u>	<u>11,381,146</u>	<u>10,728,029</u>	<u>10,537,294</u>	<u>13,674,562</u>	<u>12,656,698</u>	<u>13,398,625</u>	<u>12,617,212</u>	<u>12,020,706</u>	<u>9,568,726</u>
Total primary government net position	<u>\$ 34,543,382</u>	<u>\$ 34,647,352</u>	<u>\$ 33,377,316</u>	<u>\$ 38,114,009</u>	<u>\$ 42,086,111</u>	<u>\$ 61,056,319</u>	<u>\$ 60,059,083</u>	<u>\$ 58,426,792</u>	<u>\$ 57,094,132</u>	<u>\$ 55,346,906</u>

Note: During the year ended June 30, 2014, the Library adopted GASB 65. Previous years have not been restated for adoption of GASB 65.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities	\$ 16,748,191	\$ 18,032,102	\$ 18,568,773	\$ 20,058,576	\$ 20,662,837	\$ 21,390,749	\$ 19,843,177	\$ 20,335,539	\$ 20,040,879	\$ 20,326,059
Business-type activities	213,086	161,422	1,437,009	1,752,109	393,328	370,032	346,354	351,339	366,307	350,670
Total primary government expenses	16,961,277	18,193,524	20,005,782	21,810,685	21,056,165	21,760,781	20,189,531	20,686,878	20,407,186	20,676,729
Program revenues										
Governmental activities										
Charges for services	688,522	827,528	533,466	562,141	1,033,451	851,637	789,466	753,466	782,677	708,833
Operating grants and contributions	923,248	432,230	980,308	3,134,166	4,427,476	2,276,952	1,012,627	1,968,066	1,488,113	1,899,180
Capital grants and contributions	10,000	1,500,000	600,000	1,167,238	2,713,247	21,348,968	103,332	23,333	1,000	40,500
Total governmental activities program revenues	1,621,770	2,759,758	2,113,774	4,863,545	8,174,174	24,477,557	1,905,425	2,744,865	2,271,790	2,648,513
Business-type activities										
Charges for services	339,772	360,040	1,060,980	1,419,938	426,314	401,081	342,848	400,598	455,952	385,898
Total business-type activities program revenues	339,772	360,040	1,060,980	1,419,938	426,314	401,081	342,848	400,598	455,952	385,898
Total primary government program revenue	1,961,542	3,119,798	3,174,754	6,283,483	8,600,488	24,878,638	2,248,273	3,145,463	2,727,742	3,034,411
Net revenues (expenses)										
Governmental activities	(15,126,421)	(15,272,344)	(16,454,999)	(15,195,031)	(12,488,663)	3,086,808	(17,937,752)	(17,590,674)	(17,769,089)	(17,677,546)
Business-type activities	126,686	198,618	(376,029)	(332,171)	32,986	31,049	(3,506)	49,259	89,645	35,228
Total net revenues (expenses)	(14,999,735)	(15,073,726)	(16,831,028)	(15,527,202)	(12,455,677)	3,117,857	(17,941,258)	(17,541,415)	(17,679,444)	(17,642,318)

Note: During the year ended June 30, 2014, the Library adopted GASB 65. Previous years have not been restated for adoption of GASB 65.

*(Continued)*

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 14,108,363	\$ 14,926,934	\$ 14,660,656	\$ 15,069,278	\$ 15,979,261	\$ 15,689,670	\$ 16,860,021	\$ 15,845,799	\$ 16,315,300	\$ 16,002,644
Investment income (loss)	443,277	501,894	845,406	834,188	419,362	103,224	66,023	33,381	(52,173)	97,440
Transfers	-	-	(289,584)	24,556	758,711	80,000	35,000	50,000	50,000	100,000
Capital contributions	-	-	-	(480,000)	-	-	-	-	-	-
Other general revenues	243,414	93,930	(5,070)	(27,694)	29,156	59,457	17,978	29,944	31,972	6,915
Total governmental activities	<u>14,795,054</u>	<u>15,522,758</u>	<u>15,211,408</u>	<u>15,420,328</u>	<u>17,186,490</u>	<u>15,932,351</u>	<u>16,979,022</u>	<u>15,959,124</u>	<u>16,345,099</u>	<u>16,206,999</u>
Business-type activities										
Investment income	-	-	60,000	48,497	-	-	-	-	-	-
Transfers	-	-	289,584	(24,556)	(758,711)	(80,000)	(35,000)	(50,000)	(50,000)	(100,000)
Capital contributions	-	-	-	4,819,626	-	-	-	-	-	-
Other general revenues	3,930	620	-	-	-	-	-	-	-	-
Total business-type activities	<u>3,930</u>	<u>620</u>	<u>349,584</u>	<u>4,843,567</u>	<u>(758,711)</u>	<u>(80,000)</u>	<u>(35,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(100,000)</u>
Total primary government	<u>14,798,984</u>	<u>15,523,378</u>	<u>15,560,992</u>	<u>20,263,895</u>	<u>16,427,779</u>	<u>15,852,351</u>	<u>16,944,022</u>	<u>15,909,124</u>	<u>16,295,099</u>	<u>16,106,999</u>
Changes in net position										
Governmental activities	(331,367)	250,414	(1,243,591)	225,297	4,697,827	19,019,159	(958,730)	(1,631,550)	(1,423,990)	(1,470,547)
Business-type activities	130,616	199,238	(26,445)	4,511,396	(725,725)	(48,951)	(38,506)	(741)	39,645	(64,772)
Total primary government	<u>\$ (200,751)</u>	<u>\$ 449,652</u>	<u>\$ (1,270,036)</u>	<u>\$ 4,736,693</u>	<u>\$ 3,972,102</u>	<u>\$ 18,970,208</u>	<u>\$ (997,236)</u>	<u>\$ (1,632,291)</u>	<u>\$ (1,384,345)</u>	<u>\$ (1,535,319)</u>

Note: During the year ended June 30, 2014, the Library adopted GASB 65. Previous years have not been restated for adoption of GASB 65.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Committed	\$ 191,615	\$ 196,582	\$ 232,759	\$ 242,331	\$ 254,465	\$ 247,100	\$ 237,948	\$ 243,957	\$ 250,666	\$ 277,102
Assigned	1,472,010	1,530,378	1,551,800	2,572,262	3,552,875	2,168,702	2,162,541	2,176,770	2,171,212	2,115,251
Unassigned	9,097,345	9,337,110	8,855,602	7,325,007	6,764,506	8,003,894	9,719,401	9,639,703	10,147,228	8,117,349
Total general fund	<u>\$ 10,760,970</u>	<u>\$ 11,064,070</u>	<u>\$ 10,640,161</u>	<u>\$ 10,139,600</u>	<u>\$ 10,571,846</u>	<u>\$ 10,419,696</u>	<u>\$ 12,119,890</u>	<u>\$ 12,060,430</u>	<u>\$ 12,569,106</u>	<u>\$ 10,509,702</u>
All other governmental funds										
Nonspendable										
Endowment fund principal	\$ 2,657,728	\$ 2,709,833	\$ 2,684,252	\$ 2,661,665	\$ 2,664,067	\$ 2,664,565	\$ 2,665,064	\$ 2,665,522	\$ 2,665,036	\$ 2,708,685
Restricted										
Debt service	-	-	-	-	-	654,250	644,243	644,285	644,143	644,180
Capital improvements	300,078	2,182,716	2,135,872	102,964	1,059,849	383,251	481,718	400,051	401,051	401,551
Programming requirements	785,967	527,686	516,006	664,680	1,635,479	1,191,394	851,389	1,242,787	1,510,616	1,393,904
Assigned										
Endowment fund	63,917	59,990	108,168	102,511	207,689	131,786	150,096	125,025	126,344	121,353
Debt service fund	-	-	-	-	-	34,130	-	-	43	-
Total all other governmental funds	<u>\$ 3,807,690</u>	<u>\$ 5,480,225</u>	<u>\$ 5,444,298</u>	<u>\$ 3,531,820</u>	<u>\$ 5,567,084</u>	<u>\$ 5,059,376</u>	<u>\$ 4,792,510</u>	<u>\$ 5,077,670</u>	<u>\$ 5,347,233</u>	<u>\$ 5,269,673</u>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Property taxes	\$ 14,548,431	\$ 14,880,118	\$ 14,565,707	\$ 14,974,378	\$ 16,002,058	\$ 15,679,320	\$ 16,881,422	\$ 15,849,058	\$ 16,451,358	\$ 15,845,002
Grants	309,839	15,000	296,443	907,108	1,878,064	1,148,160	299,881	1,042,913	707,427	907,260
State and federal funds	508,668	248,493	326,357	368,911	917,658	441,848	402,729	380,811	418,763	505,696
Charges for services	629,858	709,910	416,139	444,814	916,124	851,637	789,466	753,466	782,677	708,833
Investment income (loss)	443,277	365,113	845,406	834,188	419,362	103,224	66,023	33,381	(488)	97,440
Contributions	2,828,059	7,723	957,509	2,145,147	1,831,754	644,250	919,952	1,252,631	1,229,894	1,044,744
Other	30,096	88,686	26	6,206	29,156	59,457	17,978	29,944	31,972	6,915
Total revenues	<u>19,298,228</u>	<u>16,315,043</u>	<u>17,407,587</u>	<u>19,680,752</u>	<u>21,994,176</u>	<u>18,927,896</u>	<u>19,377,451</u>	<u>19,342,204</u>	<u>19,621,603</u>	<u>19,115,890</u>
<b>Expenditures</b>										
<b>Program services</b>										
Salaries and fringe benefits	8,027,358	8,179,138	8,701,672	9,510,709	10,572,527	10,201,223	9,996,844	10,475,820	10,596,204	10,659,283
Library materials	2,231,042	2,175,674	1,917,914	2,382,365	2,246,021	2,179,503	2,361,038	2,826,621	2,380,819	2,566,864
General operating	2,234,009	2,132,517	3,455,837	3,115,184	3,081,974	2,911,552	2,588,162	2,844,126	2,345,915	2,231,265
Building operating	2,604,946	2,993,942	2,879,493	2,634,860	2,428,756	2,467,021	2,043,680	1,928,965	2,551,911	2,699,597
Debt service	-	-	-	-	-	739,404	610,743	673,592	725,737	2,729,534
Capital outlay	2,927,623	144,726	643,455	3,995,239	1,873,745	9,726,311	378,656	417,380	292,778	466,311
Total expenditures	<u>18,024,978</u>	<u>15,625,997</u>	<u>17,598,371</u>	<u>21,638,357</u>	<u>20,203,023</u>	<u>28,225,014</u>	<u>17,979,123</u>	<u>19,166,504</u>	<u>18,893,364</u>	<u>21,352,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,273,250</u>	<u>689,046</u>	<u>(190,784)</u>	<u>(1,957,605)</u>	<u>1,791,153</u>	<u>(9,297,118)</u>	<u>1,398,328</u>	<u>175,700</u>	<u>728,239</u>	<u>(2,236,964)</u>
<b>Other financial sources (uses)</b>										
Transfers in	124,854	1,427	160,143	377,040	1,294,575	9,853,198	1,463,856	1,836,181	1,570,549	3,869,297
Transfers out	(124,854)	(387,373)	(429,195)	(352,484)	(618,208)	(9,773,198)	(1,428,856)	(1,786,181)	(1,520,549)	(3,769,297)
Issuance of debt	-	-	-	-	-	8,557,260	-	-	-	-
Capital contributions	-	-	-	(480,000)	-	-	-	-	-	-
	<u>-</u>	<u>(385,946)</u>	<u>(269,052)</u>	<u>(455,444)</u>	<u>676,367</u>	<u>8,637,260</u>	<u>35,000</u>	<u>50,000</u>	<u>50,000</u>	<u>100,000</u>
	<u>\$ 1,273,250</u>	<u>\$ 303,100</u>	<u>\$ (459,836)</u>	<u>\$ (2,413,049)</u>	<u>\$ 2,467,520</u>	<u>\$ (659,858)</u>	<u>\$ 1,433,328</u>	<u>\$ 225,700</u>	<u>\$ 778,239</u>	<u>\$ (2,136,964)</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>Other</b>	<b>Debt Service</b>	<b>Totals</b>
2004 – 2005	\$ 14,945,482	\$ 2,927,623	\$ 151,873	\$ -	\$ 18,024,978
2005 – 2006	15,481,271	144,726	-	-	15,625,997
2006 – 2007	16,954,916	643,455	-	-	17,598,371
2007 – 2008	17,643,118	3,995,239	-	-	21,638,357
2008 – 2009	18,329,278	1,873,745	-	-	20,203,023
2009 – 2010	17,759,299	9,726,311	-	739,404	28,225,014
2010 – 2011	16,989,724	378,656	-	610,743	17,979,123
2011 – 2012	18,075,532	417,380	-	673,592	19,166,504
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

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>Interest</b>	<b>Contributions</b>	<b>Other</b>	<b>Total</b>
2004 – 2005	\$ 14,548,431	\$ 309,839	\$ 508,668	\$ 629,858	\$ 443,277	\$ 2,828,059	\$ 30,096	\$ 19,298,228
2005 – 2006	14,880,118	15,000	248,493	709,910	365,113	7,723	88,686	16,315,043
2006 – 2007	14,565,707	296,443	326,357	416,139	845,406	957,509	26	17,407,587
2007 – 2008	14,974,378	907,108	368,911	444,814	834,188	2,145,147	6,206	19,680,752
2008 – 2009	16,002,058	1,878,064	917,658	916,124	419,362	1,831,754	29,156	21,994,176
2009 – 2010	15,679,320	1,148,160	441,848	851,637	103,224	644,250	59,457	18,927,896
2010 – 2011	16,881,422	299,881	402,729	789,466	66,023	919,952	17,978	19,377,451
2011 – 2012	15,849,058	1,042,913	380,811	753,466	33,381	1,252,631	29,944	19,342,204
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

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>
2004 – 2005	\$ 14,137,790	\$ 12,880,394	91.1%	\$ 1,668,037	\$ 14,548,431	102.9%	\$ 635,041	4.5%
2005 – 2006	14,594,900	13,554,494	92.9%	1,118,038	14,672,532	100.5%	889,443	6.1%
2006 – 2007	14,077,245	13,430,114	95.4%	1,135,593	14,565,707	103.5%	899,714	6.4%
2007 – 2008	14,871,879	13,492,540	90.7%	747,896	14,240,436	95.8%	989,814	6.7%
2008 – 2009	15,373,810	14,289,601	92.9%	922,413	15,212,014	98.9%	1,022,659	6.7%
2009 – 2010	15,414,201	14,837,105	96.3%	1,108,028	15,945,133	103.4%	1,089,421	7.1%
2010 – 2011	15,350,531	14,782,342	96.3%	1,463,330	16,245,672	105.8%	1,082,349	7.1%
2011 – 2012	15,306,588	14,336,360	93.7%	1,071,578	15,407,938	100.7%	1,085,233	7.1%
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%

(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>	
2004 – 2005	\$ 2,041,091	\$ 10,536,343	\$ 705,468	\$ 2,116,425	\$ 2,746,559	\$ 12,652,768	21.7%
2005 – 2006	2,283,163	10,102,205	696,339	2,078,624	2,979,502	12,180,829	24.5%
2006 – 2007	2,299,908	10,185,059	694,613	2,073,472	2,994,521	12,258,531	24.4%
2007 – 2008	2,547,492	11,133,985	762,518	2,276,173	3,310,010	13,410,158	24.7%
2008 – 2009	2,506,966	11,000,607	747,439	2,231,162	3,254,405	13,231,769	24.6%
2009 – 2010	2,357,194	10,343,406	713,008	2,128,382	3,070,202	12,471,788	24.6%
2010 – 2011	2,363,636	10,371,671	699,784	2,088,907	3,063,420	12,460,578	24.6%
2011 – 2012	2,344,838	10,289,187	716,480	2,138,745	3,061,318	12,427,932	24.6%
2012 – 2013	2,338,720	10,262,339	665,475	1,986,492	3,004,194	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%

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

	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>	<b>2008-2009</b>	<b>2009-2010</b>	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>
Kansas City Public Library	0.4897 %	0.4690 %	0.4701 %	0.4493 %	0.4731 %	0.4991 %	0.4999 %	0.5000 %	0.5000 %	0.5000 %
City of Kansas City	1.3196	1.5055	1.5055	1.4632	1.4493	1.4678	1.5294	1.5509	1.5875	1.5932
City of Independence	0.6931	0.6627	0.6629	0.6503	0.6565	0.7028	0.7228	0.7236	0.7281	0.7429
City of Sugar Creek	1.0685	1.0685	1.0685	1.0685	1.1001	1.1300	1.1300	1.1300	1.1300	1.1300
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	0.5700	0.5375	0.4701	0.4493	0.5430	0.5430	0.5430	0.5298	0.5298	0.5298
Metropolitan Community Colleges	0.2233	0.2171	0.2172	0.2132	0.2143	0.2266	0.2329	0.2335	0.2349	0.2369
Kansas City Missouri School District	4.9500	4.9500	4.9500	4.9500	4.9500	4.9500	4.9500	4.9500	4.9500	4.9500
Mental Health Fund	0.1278	0.1232	0.4701	0.4493	0.1218	0.1218	0.1218	0.1218	0.1218	0.1218
Developmentally Disabled	0.0800	0.0766	0.0766	0.0766	0.0748	0.0748	0.0748	0.0748	0.0748	0.0748
<b>Total</b>	<b>9.5520 %</b>	<b>9.6401 %</b>	<b>9.9210 %</b>	<b>9.7997 %</b>	<b>9.6129 %</b>	<b>9.7459 %</b>	<b>9.8346 %</b>	<b>9.8444 %</b>	<b>9.8869 %</b>	<b>9.9094 %</b>

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

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

Taxpayer	2014		2004	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value (1)	Taxable Assessed Value	Percent of Total City Taxable Assessed Value (2)
K. C. Power & Light	\$ 128,218,487	4.22 %	\$ 90,050,423	3.27 %
Hallmark	61,691,591	2.03	66,427,390	2.41
AT&T & SWB	49,067,026	1.61	-	-
J.C. Nicholas & Highwoods Realty	26,827,301	0.88	27,458,691	1.00
Southern Union Company	26,681,060	0.88	23,223,093	0.84
Bayer Corp Science	22,472,651	0.74	-	-
Town Pavilion Holdings LLC	22,260,718	0.73	-	-
Union Pacific Railroad	14,329,244	0.47	-	-
PMO	14,216,209	0.47	-	-
Twentieth Century Realty Inc	14,164,528	0.47	-	-
SBC	-	-	26,819,993	0.97
Bayer & Mobay	-	-	22,634,306	0.82
IBM Credit Corp	-	-	17,331,763	0.63
DST Systems Inc.	-	-	15,404,391	0.56
AT&T	-	-	15,253,428	0.55
EHMD LLC	-	-	15,071,841	0.55
	<u>\$ 379,928,815</u>	<u>12.49 %</u>	<u>\$ 319,675,319</u>	<u>11.61 %</u>

(1) Total assessed value for 2013-2014 was \$3,040,705,819

(2) Total assessed value for 2003-2004 was \$2,753,944,542

**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>
2004 – 2005	\$ 239,525	\$ 2,746,558,916	\$ -	\$ -	\$ -	-	-
2005 – 2006	221,211	2,979,502,645	-	-	-	-	-
2006 – 2007	213,209	2,994,521,413	-	-	-	-	-
2007 – 2008	213,209	3,310,010,957	-	-	-	-	-
2008 – 2009	215,507	3,254,405,266	-	-	-	-	-
2009 – 2010	208,498	3,070,202,051	8,430,000	-	8,430,000	0.27%	40.43
2010 – 2011	194,122	3,063,419,408	8,200,000	-	8,200,000	0.27%	42.24
2011 – 2012	194,122	3,061,317,649	7,905,000	-	7,905,000	0.26%	40.72
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

**Kansas City Public Library**  
**Ratio of Annual Debt Service Expenditures for**  
**General Bonded Debt 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>
2004 – 2005	\$ -	\$ -	\$ -	\$ 18,024,978	-
2005 – 2006	-	-	-	15,625,997	-
2006 – 2007	-	-	-	17,598,371	-
2007 – 2008	-	-	-	21,638,357	-
2008 – 2009	-	-	-	20,203,023	-
2009 – 2010	170,000	294,664	464,664	28,225,014	1.65%
2010 – 2011	230,000	379,243	609,243	17,979,123	3.39%
2011 – 2012	295,000	373,492	668,492	19,166,504	3.49%
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%

**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>
2004 – 2005	\$ 12,652,768,000	\$ 269,757,840	\$ 19,989,268,000
2005 – 2006	12,180,829,000	187,927,450	19,854,265,000
2006 – 2007	12,258,531,479	146,916,629	21,276,790,000
2007 – 2008	13,410,158,134	286,766,243	23,096,388,000
2008 – 2009	13,231,769,451	291,445,419	27,053,921,000
2009 – 2010	12,471,787,733	599,374,877	27,841,849,000
2010 – 2011	12,460,577,977	680,852,566	33,547,929,000
2011 – 2012	12,427,931,794	614,244,121	36,911,731,000
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

(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 (in thousands)	Per Capita Personal Income	Unemployment Rate (1)
2005	239,525 (2)	\$ 4,796,728	\$ 20,026 (3)	7.50%
2006	221,211 (4)	4,716,219	21,320 (4)	6.30%
2007	213,209 (5)	5,155,394	24,180 (5)	5.00%
2008	213,209 (5)	5,155,394	24,180 (5)	5.70%
2009	215,507 (6)	4,628,875	21,479 (6)	7.60%
2010	208,498 (7)	5,118,417	24,549 (7)	10.00%
2011	194,122 (8)	4,752,883	24,484 (9)	10.60%
2012	194,122 (8)	4,548,861	23,433 (10)	7.50%
2013	190,873 (11)	4,564,919	23,916 (11)	7.40%
2014	188,538 (12)	4,659,151	24,712 (12)	7.40%

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

(2) Mid-America Regional Council provided actual data for 1998 - 2004. Other years are estimates based on average trend.

(3) Source: Census Bureau – American Community Survey.

(4) Source: 2005 American Community Survey – Kansas City Public School District

(5) Source: 2006 American Community Survey – Kansas City Public School District

(6) Source: 2007 American Community Survey – Kansas City Public School District

(7) Source: 2008 American Community Survey – Kansas City Public School District

(8) Source: 2010 Census

(9) Source: 2005-2009 American Community Survey – Kansas City Public School District

(10) Source: 2006-2010 American Community Survey – Kansas City Public School District

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

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

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

<b>Employer</b>	<b>2014</b>		<b>2004</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	27,300	4.9%	29,724	5.4%
Cerner Corp	9,850	1.8%		
HCA Midwest Health System	9,394	1.7%	7,326	1.3%
Saint Luke's Health System	8,914	1.6%		
Sprint Corp	7,500	1.3%	16,300	3.0%
State of Missouri			6,723	1.2%
Ford Motor Co.			5,874	1.1%

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

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

(3) Source: Kansas City Business Journal 2004-2005 Book of List

(4) Source: Bureau of Labor Statistics - Total Nonfarm Employees for Kansas City, MO in June 2004 was 551,700



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

<b>Function</b>	<b>Full-Time and Part-Time Employees as of June 30</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General government	198.54	195.60	195.49	198.82	201.93	191.89	181.08	184.57	185.20	190.29
Business-activity (1)	3.00	4.00	5.75	6.91	5.91	-	-	-	-	-
<b>Total</b>	<b>201.54</b>	<b>199.60</b>	<b>201.24</b>	<b>205.73</b>	<b>207.84</b>	<b>191.89</b>	<b>181.08</b>	<b>184.57</b>	<b>185.20</b>	<b>190.29</b>

(1) - Estimated for years prior to 2006

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

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Government										
Branches	10	10	10	10	10	10	10	10	10	10
Vehicles	5	5	5	5	5	5	9	9	8	8
Maintenance lift	1	1	1	1	1	1	1	1	1	1
Collection (Volumes/items owned)	1,625,914	1,005,118	1,153,303	1,154,669	1,166,602	1,158,593	1,147,278	1,106,762	1,036,044	1,002,252

**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>
2004 – 2005	201.54	1,625,914	2,278,709	179,564
2005 – 2006	199.60	1,005,118	2,407,423	219,159
2006 – 2007	201.24	1,153,303	2,326,922	253,205
2007 – 2008	205.73	1,154,669	2,387,741	221,762
2008 – 2009	207.84	1,166,602	2,456,546	257,863
2009 – 2010	191.89	1,158,593	2,462,894	290,222
2010 – 2011	181.08	1,147,278	2,348,408	318,308
2011 – 2012	184.57	1,106,762	2,340,708	270,570
2012 – 2013	185.20	1,036,044	2,053,473	275,468
2013 – 2014	190.29	1,002,252	2,005,397	214,433

**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 (1)</b>	<b>Total</b>
2004 – 2005	701,603	83,814	132,528	341,903	105,362	48,968	292,188	297,688	201,717	72,938		2,278,709
2005 – 2006	702,669	84,585	144,247	557,642	101,931	40,080	273,741	275,768	160,200	66,560		2,407,423
2006 – 2007	716,826	71,531	119,578	589,398	96,754	31,868	242,686	258,729	141,166	58,386		2,326,922
2007 – 2008	751,080	78,745	107,284	617,782	95,285	25,425	245,375	275,357	139,630	51,778		2,387,741
2008 – 2009	744,460	81,958	111,909	674,134	94,316	32,303	239,840	288,832	137,536	51,258		2,456,546
2009 – 2010	767,744	59,131	126,693	670,154	92,596	32,910	247,801	285,304	131,212	49,349		2,462,894
2010 – 2011	752,642	68,117	118,706	607,339	87,022	34,306	235,693	274,699	122,498	47,386		2,348,408
2011 – 2012	724,309	69,126	123,546	560,192	83,496	32,285	214,070	269,088	123,736	42,602	98,258	2,340,708
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

**Kansas City Public Library**  
**Schedule of Service Locations**  
**June 30, 2014**

Library Name and Address	Square Feet	Meeting Room Capacity	Number of Hours of Operation/Wk.	Owned/Leased
Central Library 14 W. 10th Street Kansas City, Missouri 64105	175,000	Meeting Rooms 2,531	63	Owned
Plaza Branch 4801 Main Kansas City, Missouri 64112	51,522	Meeting Rooms 671	73	Owned
L. H. Bluford Branch 3050 Prospect Kansas City, Missouri 64128	15,000	Meeting Rooms 110	58	Owned
North-East Branch 6000 Wilson Road Kansas City, Missouri 64123	15,000	Meeting Rooms 90	63	Owned
Southeast Branch 6242 Swope Parkway Kansas City, Missouri 64130	15,000	Meeting Rooms 90	54	Owned
Trails West Branch 11401 E. 23rd Independence, Missouri 64052	15,000	Meeting Rooms 90	63	Owned
Waldo Branch 201 E. 75th Street Kansas City, Missouri 64114	15,000	Meeting Rooms 90	64	Owned
Westport Branch 118 Westport Road Kansas City, Missouri 64111	7,325	Meeting Rooms 60	46	Owned
Sugar Creek Branch 102 S. Sterling Sugar Creek, Missouri 64054	2,800	N/A 0	36	Leased
Irene H. Ruiz Branch 2017 W. Pennway Kansas City, Missouri 64108	4,000	Meeting Rooms 25	46	Leased