

# **Kansas City Public Library**

Annual Financial Report

June 30, 2018



# Kansas City Public Library

## June 30, 2018

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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 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, 2018, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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 and other information, including the combining fund financial statements, budgetary schedules and statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements and budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The statistical tables have 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 October 5, 2018, on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.

**BKD, LLP**

Kansas City, Missouri  
October 5, 2018

# Kansas City Public Library

## Management's Discussion and Analysis

### June 30, 2018

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, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Library's financial statements which follow this narrative.

#### ***Financial Highlights***

- The assets and deferred outflows of resources of the Kansas City Public Library exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$46,046,517 (*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 \$17,466,516 a decrease of \$220,566 in comparison with the prior year. The decrease is primarily the result of spending down capital and grant funds.
- Approximately 51.7% of the total fund balance, or \$9,028,597, 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 \$9,028,597 was 44.9% of total general fund expenditures for the fiscal year.
- The Kansas City Public Library's total liabilities overall decreased by \$611,914 during the current fiscal. The net decrease was in part made up of a \$1,043,494 increase in net pension liability, which was offset by a decrease of \$920,338 in retirement system contributions payable as the Library began paying contributions following each pay period. The decrease was also the result of annual lease payments on outstanding long-term debt and a reduction in the value of accrued compensated absences and benefits payable.

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

This discussion and analysis is intended to serve as an introduction to the Kansas City Public Library's basic financial statements. The Library's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements (see *Exhibit 1*). The basic financial statements present two different views of the Library through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains required supplementary information and 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, 2018

#### ***Government-wide Financial Statements***

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

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

The government-wide financial statements are Exhibits 2 and 3 of 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, 2018**

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 and the Library's pension information.

**Kansas City Public Library**  
**Management's Discussion and Analysis**  
**June 30, 2018**

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

	<b>Governmental Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Increase (Decrease)</b>
Other assets	\$ 19,039,344	\$ 20,086,622	\$ (1,047,278)
Capital assets	47,880,176	48,964,919	(1,084,743)
Total assets	<u>66,919,520</u>	<u>69,051,541</u>	<u>(2,132,021)</u>
Deferred outflows of resources	2,880,498	2,265,789	614,709
Total assets and deferred outflows of resources	<u>69,800,018</u>	<u>71,317,330</u>	<u>(1,517,312)</u>
Long-term liabilities	3,494,808	4,504,286	(1,009,478)
Unearned revenue	10,013,349	10,133,074	(119,725)
Other liabilities	14,316,361	13,799,072	517,289
Total liabilities	<u>27,824,518</u>	<u>28,436,432</u>	<u>(611,914)</u>
Deferred inflows of resources	602,490	295,836	306,654
Total liabilities and deferred inflows of resources	<u>28,427,008</u>	<u>28,732,268</u>	<u>(305,260)</u>
Net position			
Net investment in capital assets	34,271,827	34,766,845	(495,018)
Restricted	5,652,573	6,103,315	(450,742)
Unrestricted	<u>1,448,610</u>	<u>1,714,902</u>	<u>(266,292)</u>
Total net position	<u>\$ 41,373,010</u>	<u>\$ 42,585,062</u>	<u>\$ (1,212,052)</u>
	<b>Business-type Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Increase (Decrease)</b>
Other assets	\$ 417,951	\$ 447,765	\$ (29,814)
Capital assets	4,255,556	4,265,238	(9,682)
Total assets	<u>4,673,507</u>	<u>4,713,003</u>	<u>(39,496)</u>
Net position			
Net investment in capital assets	4,255,556	4,265,238	(9,682)
Unrestricted	<u>417,951</u>	<u>447,765</u>	<u>(29,814)</u>
Total net position	<u>\$ 4,673,507</u>	<u>\$ 4,713,003</u>	<u>\$ (39,496)</u>

**Kansas City Public Library**  
**Management's Discussion and Analysis**  
**June 30, 2018**

As noted earlier, the net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Kansas City Public Library exceeded liabilities and deferred inflows of resources by \$46,046,517 as of June 30, 2018. The Library's net position decreased by \$1,251,548 for the fiscal year ended June 30, 2018. The largest portion of the net position (83.7%) 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 \$5,652,573 (which consists of the Gifts and Grants, Endowment and Capital Development Funds) and unrestricted net position of \$1,866,561.

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

	<b>Governmental Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Increase (Decrease)</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 810,666	\$ 759,345	\$ 51,321
Operating grants and contributions	1,319,311	2,716,395	(1,397,084)
Capital grants and contributions	358,200	27,467	330,733
General revenues			
Property taxes	18,002,841	17,563,007	439,834
Interest and dividend income	309,654	144,059	165,595
Net change in fair value of investments	(11,522)	1,287	(12,809)
Other	138,892	150,566	(11,674)
<b>Total revenues</b>	<b>20,928,042</b>	<b>21,362,126</b>	<b>(434,084)</b>
Program expenses			
Salaries and fringe benefits	12,119,952	11,255,418	864,534
Library materials	2,291,248	2,748,678	(457,430)
General operating	2,910,117	2,309,209	600,908
Building operations and maintenance	2,735,313	2,816,034	(80,721)
Other expenses and transfers	2,083,464	2,411,141	(327,677)
<b>Total expenses and transfers</b>	<b>22,140,094</b>	<b>21,540,480</b>	<b>599,614</b>
<b>Change in Net Position</b>	<b>(1,212,052)</b>	<b>(178,354)</b>	<b>(1,033,698)</b>
<b>Net Position, Beginning of Year</b>	<b>42,585,062</b>	<b>42,763,416</b>	<b>(178,354)</b>
<b>Net Position, End of Year</b>	<b>\$ 41,373,010</b>	<b>\$ 42,585,062</b>	<b>\$ (1,212,052)</b>

**Kansas City Public Library**  
**Management's Discussion and Analysis**  
**June 30, 2018**

	<b>Business-type Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Increase (Decrease)</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 566,734	\$ 602,019	\$ (35,285)
Non-operating			
Transfers	(165,000)	(165,000)	-
Total revenues and transfers	<u>401,734</u>	<u>437,019</u>	<u>(35,285)</u>
Program expenses			
General operating	441,230	385,673	55,557
Total expenses	<u>441,230</u>	<u>385,673</u>	<u>55,557</u>
<b>Increase in Net Position Before Capital Contributions</b>	<u>(39,496)</u>	<u>51,346</u>	<u>(90,842)</u>
<b>Change in Net Position</b>	(39,496)	51,346	(90,842)
<b>Net Position, July 1</b>	<u>4,713,003</u>	<u>4,661,657</u>	<u>51,346</u>
<b>Net Position, June 30</b>	<u><u>\$ 4,673,507</u></u>	<u><u>\$ 4,713,003</u></u>	<u><u>\$ (39,496)</u></u>

***Governmental Activities***

Governmental activities decreased the Library's net position by \$1,212,052. 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 \$39,496. The key element of this net decrease was increased program expenses.

***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, 2018

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 \$9,028,597 while total fund balance reached \$10,637,406. 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 44.9% of total General Fund expenditures, while total fund balance represents 52.9% of that same amount.

At June 30, 2018, the governmental funds of the Kansas City Public Library reported a combined fund balance of \$17,466,516. The General Fund had an increase primarily due to an overage in expected property tax revenue. The Gifts/Grants Fund had a decrease primarily due to spending down grants funds and the Nonmajor Governmental Funds had a decrease due to the completion and spending down of funds for capital projects.

#### ***General Fund Budgetary Highlights***

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

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

- **Property Taxes** – Property tax revenue was more than projected.
- **General Operating**– General Operating expenditures were lower than projected.
- **Building Operations and Maintenance; and Debt Service** – Building Operations and Maintenance expenditures were lower than projected which is offset by Debt Service Principal retirement expenditures which were more than projected due to the budget placement for lease payments on long-term debt.

Overall, the General Fund's actual expenditures were \$20,093,117 or 100.5% of the total budgeted expenditures of \$19,992,685.

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

The Kansas City Public Library's investment in capital assets for its governmental and business-type activities as of June 30, 2018, totals \$52,135,732 (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 \$1,972,301 and reduction of \$4,134,051.
- Completion of Southeast branch renovation capital project totaling \$670,689 for the year.
- Replacement of Waldo branch parking lot totaling \$247,779.

**Kansas City Public Library**  
**Management's Discussion and Analysis**  
**June 30, 2018**

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

	<b>Governmental Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Increase (Decrease)</b>
Land	\$ 3,529,876	\$ 3,529,876	\$ -
Buildings	34,614,215	35,980,672	(1,366,457)
Vehicles	5,758	5,158	600
Furniture, fixtures and equipment	3,162,057	2,592,753	569,304
Library collection	5,939,296	6,009,224	(69,928)
Leasehold improvements	628,974	658,159	(29,185)
Construction in progress	-	189,077	(189,077)
	<u>\$ 47,880,176</u>	<u>\$ 48,964,919</u>	<u>\$ (1,084,743)</u>
	<b>Business-type Activities</b>		
	<b>2018</b>	<b>2017</b>	<b>Increase (Decrease)</b>
Land	\$ 2,520,000	\$ 2,520,000	\$ -
Construction in process	-	68,559	(68,559)
Buildings	1,586,521	1,646,389	(59,868)
Furniture, fixtures and equipment	149,035	30,290	118,745
	<u>\$ 4,255,556</u>	<u>\$ 4,265,238</u>	<u>\$ (9,682)</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, 2018, the Kansas City Public Library had total long-term liabilities of \$3,494,808 due in more than one year. Of this, \$3,120,000 is for an outstanding lease payable, and \$374,808 is for the employees' compensated absences and benefits.

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, 2018**

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

***Governmental Activities***

A General Fund Operating Budget of \$20,121,689 for fiscal year 2018-2019 will be proposed, which is \$129,005 or 0.65% more than the previous year. The increase is primarily attributable to a slight increase in salary and fringe benefits. Property tax revenue projections remain essentially the same as the previous year and the Library continues to hold approximately 9 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 2018–2019 will be \$510,000, which is \$40,000 more than the previous year. Revenues are expected to be the same as the previous year and expenditures were adjusted based on prior year experience. 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, 2018**

	Primary Government			Component Unit KCPL Foundation
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Deposits and investments	\$ 12,390,704	\$ 360,557	\$ 12,751,261	\$ 192,750
Receivables (net of allowance for doubtful accounts)				
Property taxes	964,812	-	964,812	-
Due from other governments	20,317	-	20,317	-
Interest	22,056	-	22,056	-
Other	99,812	57,394	157,206	-
Restricted deposits and investments	5,538,878	-	5,538,878	-
Prepaid interest on investments	2,765	-	2,765	-
Capital assets				
Land and artwork, non-depreciable	3,798,385	2,520,000	6,318,385	-
Other capital assets, net of depreciation	44,081,791	1,735,556	45,817,347	-
	<u>47,880,176</u>	<u>4,255,556</u>	<u>52,135,732</u>	<u>-</u>
Total assets	<u>66,919,520</u>	<u>4,673,507</u>	<u>71,593,027</u>	<u>192,750</u>
<b>Deferred Outflows of Resources - Pension</b>	<u>2,880,498</u>	<u>-</u>	<u>2,880,498</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 69,800,018</u>	<u>\$ 4,673,507</u>	<u>\$ 74,473,525</u>	<u>\$ 192,750</u>
<b>Liabilities</b>				
Accounts payable	\$ 468,120	\$ -	\$ 468,120	\$ -
Accrued salaries and payroll taxes	547,493	-	547,493	-
Accrued interest payable	5,752	-	5,752	-
Unearned revenue	10,013,349	-	10,013,349	-
Compensated absences and benefits payable				
Due within one year	1,234,001	-	1,234,001	-
Due in more than one year	374,808	-	374,808	-
Retirement system contribution				
Due within one year	36,427	-	36,427	-
Lease payable				
Due within one year	475,000	-	475,000	-
Due in more than one year	3,120,000	-	3,120,000	-
Net pension liability	11,549,568	-	11,549,568	-
Total liabilities	<u>27,824,518</u>	<u>-</u>	<u>27,824,518</u>	<u>-</u>
<b>Deferred Inflows of Resources - Pension</b>	<u>602,490</u>	<u>-</u>	<u>602,490</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>28,427,008</u>	<u>-</u>	<u>28,427,008</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	34,271,827	4,255,556	38,527,383	-
Restricted				
Permanently restricted	3,058,873	-	3,058,873	-
Capital improvements	1,301,551	-	1,301,551	-
Programming requirements	1,292,149	-	1,292,149	-
Unrestricted	1,448,610	417,951	1,866,561	192,750
Total net position	<u>41,373,010</u>	<u>4,673,507</u>	<u>46,046,517</u>	<u>192,750</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 69,800,018</u>	<u>\$ 4,673,507</u>	<u>\$ 74,473,525</u>	<u>\$ 192,750</u>

**Kansas City Public Library**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

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	\$ 22,227,046	\$ 810,666	\$ 1,319,311	\$ 358,200	\$ (19,738,869)	\$ -	\$ (19,738,869)
Interest expense	78,048	-	-	-	(78,048)	-	(78,048)
Total governmental activities	<u>22,305,094</u>	<u>810,666</u>	<u>1,319,311</u>	<u>358,200</u>	<u>(19,816,917)</u>	<u>-</u>	<u>(19,816,917)</u>
Business-type activities							
Parking garage	441,230	566,734				125,504	125,504
Total business-type activities	<u>441,230</u>	<u>566,734</u>				<u>125,504</u>	<u>125,504</u>
Total primary government	<u>\$ 22,746,324</u>	<u>\$ 1,377,400</u>	<u>\$ 1,319,311</u>	<u>\$ 358,200</u>	<u>(19,816,917)</u>	<u>125,504</u>	<u>(19,691,413)</u>
<b>General Revenues</b>							
Property taxes, levied for general purpose					18,002,841	-	18,002,841
Unrestricted investment earnings					298,132	-	298,132
Other					138,892	-	138,892
Total general revenues					<u>18,439,865</u>	<u>-</u>	<u>18,439,865</u>
<b>Other Income/Expenses</b>							
Interfund transfers					165,000	(165,000)	-
<b>Change in Net Position</b>					(1,212,052)	(39,496)	(1,251,548)
<b>Net Position, Beginning of Year</b>					42,585,062	4,713,003	47,298,065
<b>Net Position, End of Year</b>					<u>\$ 41,373,010</u>	<u>\$ 4,673,507</u>	<u>\$ 46,046,517</u>

**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, 2018**

<b>Income</b>		
Interest income		\$ 4,841
<b>Expenses</b>		
Project expenditures		2,705
Administrative fees		<u>5,159</u>
Total expenses		<u>7,864</u>
<b>Decrease in Net Assets</b>		(3,023)
<b>Net Assets, Beginning of Year</b>		<u>195,773</u>
<b>Net Assets, End of Year</b>		<u><u>\$ 192,750</u></u>

**Kansas City Public Library**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Endowment Fund	Gifts/Grants Fund		
<b>Assets</b>					
Deposits and investments	\$ 11,214,167	\$ 85,015	\$ 1,091,522	\$ -	\$ 12,390,704
Receivables (net of allowance for doubtful accounts)					
Property taxes	964,812	-	-	-	964,812
Due from other governments	20,317	-	-	-	20,317
Due from other funds	-	-	84,576	-	84,576
Interest	22,056	-	-	-	22,056
Other	19,827	-	79,985	-	99,812
Prepaid interest on investments	2,765	-	-	-	2,765
Restricted deposits and investments	-	3,058,873	1,127,588	1,352,417	5,538,878
Total assets	<u>\$ 12,243,944</u>	<u>\$ 3,143,888</u>	<u>\$ 2,383,671</u>	<u>\$ 1,352,417</u>	<u>\$ 19,123,920</u>
<b>Liabilities</b>					
Accounts payable	\$ 417,254	\$ -	\$ -	\$ 50,866	\$ 468,120
Accrued salaries and payroll taxes	547,493	-	-	-	547,493
Pension contribution payable	36,427	-	-	-	36,427
Due to other funds	84,576	-	-	-	84,576
Unearned revenue	14,162	-	-	-	14,162
Total liabilities	<u>1,099,912</u>	<u>-</u>	<u>-</u>	<u>50,866</u>	<u>1,150,778</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues, property taxes	506,626	-	-	-	506,626
Total deferred inflows of resources	<u>506,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>506,626</u>
<b>Fund Balances</b>					
Nonspendable					
Endowment fund principal	-	3,058,873	-	-	3,058,873
Restricted					
Capital improvements	-	-	-	1,301,551	1,301,551
Programming requirements	-	-	1,292,149	-	1,292,149
Committed					
Endowment fund	-	-	1,091,522	-	1,091,522
Assigned					
Compensated absences	1,608,809	-	-	-	1,608,809
Endowment fund	-	85,015	-	-	85,015
Unassigned					
General fund	9,028,597	-	-	-	9,028,597
Total fund balances	<u>10,637,406</u>	<u>3,143,888</u>	<u>2,383,671</u>	<u>1,301,551</u>	<u>17,466,516</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,243,944</u>	<u>\$ 3,143,888</u>	<u>\$ 2,383,671</u>	<u>\$ 1,352,417</u>	<u>\$ 19,123,920</u>
Fund balances of governmental funds					\$ 17,466,516
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					47,880,176
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as expenditures when due					(5,752)
Long-term and unmatured liabilities for items such as compensated absences, lease payable and unearned rental revenue are not current obligations and, therefore, not recorded in the governmental funds statements					(15,202,996)
Deferred inflows of resources in the fund statements					506,626
Deferred outflows of resources in the governmental activities related to pensions and not recorded in the fund statements					2,880,498
Deferred inflows of resources in the governmental activities related to pensions and not recorded in the fund statements					(602,490)
Net pension liability in the governmental activities related to pensions and not recorded in the fund statements					(11,549,568)
Net position of governmental activities					<u>\$ 41,373,010</u>

**Kansas City Public Library**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Endowment Fund	Gifts/Grants Fund		
<b>Revenues</b>					
Property taxes	\$ 18,155,778	\$ -	\$ -	\$ -	\$ 18,155,778
Grants	-	-	721,205	25,000	746,205
State and federal funds	235,888	-	-	-	235,888
Charges for services	810,666	-	-	-	810,666
Investment income	174,935	46,795	76,402	-	298,132
Contributions	102,868	130	244,277	333,200	680,475
Other	104,080	-	34,812	-	138,892
<b>Total revenues</b>	<b>19,584,215</b>	<b>46,925</b>	<b>1,076,696</b>	<b>358,200</b>	<b>21,066,036</b>
<b>Expenditures</b>					
Current					
Program services					
Salaries and fringe benefits	11,732,339	-	148,864	-	11,881,203
Library materials	2,159,045	-	132,203	-	2,291,248
General operating	2,176,343	-	417,782	315,992	2,910,117
Building operations and maintenance	2,678,267	-	45,549	-	2,723,816
Capital outlay	799,075	-	31,924	266,171	1,097,170
Debt service					
Principal retirement	470,000	-	-	-	470,000
Interest	78,048	-	-	-	78,048
<b>Total expenditures</b>	<b>20,093,117</b>	<b>-</b>	<b>776,322</b>	<b>582,163</b>	<b>21,451,602</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(508,902)</b>	<b>46,925</b>	<b>300,374</b>	<b>(223,963)</b>	<b>(385,566)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	658,816	1,322	35,209	-	695,347
Transfers to other funds	(11,704)	(24,171)	(491,697)	(2,775)	(530,347)
<b>Total other financing sources and uses</b>	<b>647,112</b>	<b>(22,849)</b>	<b>(456,488)</b>	<b>(2,775)</b>	<b>165,000</b>
<b>Net change in fund balance</b>	<b>138,210</b>	<b>24,076</b>	<b>(156,114)</b>	<b>(226,738)</b>	<b>(220,566)</b>
<b>Fund Balance, Beginning of Year</b>	<b>10,499,196</b>	<b>3,119,812</b>	<b>2,539,785</b>	<b>1,528,289</b>	<b>17,687,082</b>
<b>Fund Balance, End of Year</b>	<b>\$ 10,637,406</b>	<b>\$ 3,143,888</b>	<b>\$ 2,383,671</b>	<b>\$ 1,301,551</b>	<b>\$ 17,466,516</b>

See Notes to Basic Financial Statements

**Kansas City Public Library**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds (Continued)**  
**For the Year Ended June 30, 2018**

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

Net changes in fund balances – total governmental funds	\$ (220,566)
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	3,069,470
Depreciation	(4,151,798)
Loss on capital disposal	(2,415)
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	(259,935)
Amortization of unearned rent	121,941
The issuance of debt 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 lease payable	470,000
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	175,603
Change in long-term retirement system contribution payable	320,335
Change in net pension liability	(1,043,494)
Change in pension deferred outflows/inflows	308,807
Change in net position of governmental activities	\$ (1,212,052)

**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, 2018**

	General Fund			Variance With Final Budget Over (Under)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues</b>				
Property taxes	\$ 17,354,648	\$ 18,004,648	\$ 18,155,778	\$ 151,130
Grants	25,000	25,000	-	(25,000)
State and federal funds	212,200	212,200	235,888	23,688
Charges for services	735,080	735,080	810,666	75,586
Investment income	116,500	116,500	174,935	58,435
Contributions	130,000	130,000	102,868	(27,132)
Other	140,000	140,000	104,080	(35,920)
	<u>18,713,428</u>	<u>19,363,428</u>	<u>19,584,215</u>	<u>220,787</u>
<b>Total revenues</b>				
<b>Expenditures</b>				
Current				
Program services				
Salaries and fringe benefits	11,451,698	11,601,698	11,732,339	130,641
Library materials	2,138,670	2,138,670	2,159,045	20,375
General operating	2,446,197	2,696,197	2,176,343	(519,854)
Building operations and maintenance	2,806,120	3,006,120	2,678,267	(327,853)
Capital outlay	500,000	550,000	799,075	249,075
Debt service				
Principal retirement	-	-	470,000	470,000
Interest	-	-	78,048	78,048
	<u>19,342,685</u>	<u>19,992,685</u>	<u>20,093,117</u>	<u>100,432</u>
<b>Total expenditures</b>				
<b>Revenues Over (Under) Expenditures</b>	<u>(629,257)</u>	<u>(629,257)</u>	<u>(508,902)</u>	<u>120,355</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	651,000	651,000	658,816	7,816
Transfers to other funds	-	-	(11,704)	(11,704)
Issuance of refunding debt	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
	<u>651,000</u>	<u>651,000</u>	<u>647,112</u>	<u>(3,888)</u>
<b>Total other financing sources and uses</b>				
Excess of revenues and other financing sources over expenditures and other financing uses - GAAP basis	<u>\$ 21,743</u>	<u>\$ 21,743</u>	<u>\$ 138,210</u>	<u>\$ 116,467</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, 2018**

	<u>Gifts/Grants Fund</u>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	
<b>Revenues and Expenditures</b>				
Total revenues	\$ 1,745,449	\$ 1,745,449	\$ 1,076,696	\$ (668,753)
Total expenditures	<u>1,287,779</u>	<u>1,287,779</u>	<u>776,322</u>	<u>(511,457)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>457,670</u>	<u>457,670</u>	<u>300,374</u>	<u>(157,296)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	-	-	35,209	35,209
Transfers to other funds	<u>(486,000)</u>	<u>(486,000)</u>	<u>(491,697)</u>	<u>(5,697)</u>
Total other financing sources and uses	<u>(486,000)</u>	<u>(486,000)</u>	<u>(456,488)</u>	<u>29,512</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	<u><u>\$ (28,330)</u></u>	<u><u>\$ (28,330)</u></u>	<u><u>\$ (156,114)</u></u>	<u><u>\$ (127,784)</u></u>

**Kansas City Public Library**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	<b>Enterprise Fund - Parking Garage</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 360,557
Other receivables	<u>57,394</u>
Total current assets	417,951
Capital assets	
Land, non-depreciable	2,520,000
Capital assets, net of depreciation	<u>1,735,556</u>
Total assets	<u><u>\$ 4,673,507</u></u>
<b>Net Position</b>	
Net investment in capital assets	\$ 4,255,556
Unrestricted	<u>417,951</u>
Total net position	<u><u>\$ 4,673,507</u></u>

**Kansas City Public Library**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	<b>Enterprise Fund - Parking Garage</b>
<b>Operating Revenues</b>	
Charges for services	\$ 566,734
Total operating revenues	566,734
<b>Operating Expenses</b>	
Operations and maintenance	362,987
Depreciation	78,243
Total operating expenses	441,230
<b>Operating Income</b>	125,504
<b>Nonoperating Revenues</b>	
Transfers to other funds	(165,000)
	(165,000)
<b>Change in Net Position</b>	(39,496)
<b>Total Net Position, Beginning of Year</b>	4,713,003
<b>Total Net Position, End of Year</b>	\$ 4,673,507

**Kansas City Public Library**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	<b>Enterprise Fund - Parking Garage</b>
<b>Operating Activities</b>	
Cash received from customers	\$ 541,009
Cash paid for goods and services	(362,987)
Net cash provided by operating activities	178,022
<b>Noncapital Financing Activities</b>	
Contributions to general fund	(165,000)
Net cash used in noncapital financing activities	(165,000)
<b>Capital and Related Financing Activities</b>	
Purchase of capital assets	(68,561)
Net cash used in capital and related financing activities	(68,561)
<b>Net Decrease in Cash and Cash Equivalents</b>	(55,539)
<b>Cash and Cash Equivalents, Beginning of Year</b>	416,096
<b>Cash and Cash Equivalents, End of Year</b>	\$ 360,557
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 125,504
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>	
Depreciation	78,243
Changes in assets and liabilities	
Change in accounts receivable and other assets	(25,725)
Total adjustments	52,518
<b>Net Cash Provided by Operating Activities</b>	\$ 178,022

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

**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 (GKCCF) in its support of the Library and its programs.

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

During the year ended June 30, 2018, the Foundation provided support to the Library in the amount of \$2,705.

# Kansas City Public Library

## Notes to Basic Financial Statements

### June 30, 2018

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.

#### ***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.

# Kansas City Public Library

## Notes to Basic Financial Statements

### June 30, 2018

The major governmental funds of the Library are described below:

#### General Fund

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

#### Endowment Fund

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

#### 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.

### ***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.

# **Kansas City Public Library**

## **Notes to Basic Financial Statements**

### **June 30, 2018**

#### Governmental Fund Financial Statements

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

#### Revenue Recognition

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

#### 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.



# **Kansas City Public Library**

## **Notes to Basic Financial Statements**

### **June 30, 2018**

#### ***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 \$50,000 or less for the year. Programmatic modifications of any amount may be made by the Library Director as long as they have no impact on the budget summary. Budgetary amendments in excess of \$50,000 require formal approval of the Board of Trustees.

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

#### ***Cost-Sharing Defined Benefit Pension Plan***

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

#### ***Deposits, Investments and Investment Income***

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

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

# **Kansas City Public Library**

## **Notes to Basic Financial Statements**

### **June 30, 2018**

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.

At June 30, 2018, 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 2017 was \$.4676 per \$100 of assessed valuation and supports general Library operations.

Property taxes receivable has been reported net of an allowance for uncollectible taxes totaling \$964,812 for levies in 2013 through 2017. All uncollected taxes related to 2012 and prior have been written off.

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

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

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

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

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

***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 four fiscal years. Additionally, there were no significant reductions in coverage from prior years.

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

***Net Position Classifications***

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

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

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

***Fund Balance – Governmental Funds***

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

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

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

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

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

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

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

***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

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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.

**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, 2018, the carrying values of deposits and investments, which approximate cost, are summarized as follows:

Deposits and investments	
Deposits	\$ (68,356)
Certificates of deposit	4,410,000
Repurchase agreement	10,062,000
GKCCF pooled investments	1,088,778
Federal agency securities	<u>2,797,717</u>
Total	<u>\$ 18,290,139</u>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

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

Primary government	
Deposits and investments	\$ 12,751,261
Restricted deposits and investments	<u>5,538,878</u>
Total	<u><u>\$ 18,290,139</u></u>

**Credit Risk**

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating as of June 30, 2018</u>
Repurchase agreement	\$ 10,062,000	(Unrated)
Federal agency securities	<u>2,797,717</u>	Aaa
Total	<u><u>\$ 12,859,717</u></u>	

**Custodial Credit Risk**

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

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, 2018.

**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.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
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As of June 30, 2018, 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	\$ 10,062,000	\$ 10,062,000	\$ -
Federal agency securities	<u>2,797,717</u>	<u>994,390</u>	<u>1,803,327</u>
Total	<u>\$ 12,859,717</u>	<u>\$ 11,056,390</u>	<u>\$ 1,803,327</u>

**Concentration of Credit Risk**

As of June 30, 2018, 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	\$ 1,483,620
Federal Home Loan Mortgage Corp	U.S. Agency Obligations	1,314,097
GKCCF Pooled Investments	External investment pool	1,088,778
UMB Bank, n.a.	Repurchase Agreement	<u>10,062,000</u>
Total		<u>\$ 13,948,495</u>

**Investment Income**

Investment income for the year ended June 30, 2018 consisted of:

Interest and dividend income	\$ 309,654
Net decrease in fair value of investments	<u>(11,522)</u>
	<u>\$ 298,132</u>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
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**Note 3: 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	263,509	5,000	-	-	268,509
Construction in progress	189,077	-	189,077	-	-
Total capital assets, not being depreciated	<u>3,982,462</u>	<u>5,000</u>	<u>189,077</u>	<u>-</u>	<u>3,798,385</u>
Capital assets, being depreciated					
Buildings	51,241,836	-	-	-	51,241,836
Equipment, furniture and fixtures	11,828,177	1,275,046	144,197	-	12,959,026
Library collection	14,156,767	1,972,301	4,134,051	-	11,995,017
Vehicles	61,824	6,200	18,634	-	49,390
Leasehold improvements	1,138,208	-	-	-	1,138,208
Total capital assets, being depreciated	<u>78,426,812</u>	<u>3,253,547</u>	<u>4,296,882</u>	<u>-</u>	<u>77,383,477</u>
Less accumulated depreciation for					
Buildings	15,261,164	1,366,457	-	-	16,627,621
Equipment, furniture and fixtures	9,498,933	708,327	141,782	-	10,065,478
Library collection	8,147,543	2,042,229	4,134,051	-	6,055,721
Vehicles	56,666	5,600	18,634	-	43,632
Leasehold improvements	480,049	29,185	-	-	509,234
Total accumulated depreciation	<u>33,444,355</u>	<u>4,151,798</u>	<u>4,294,467</u>	<u>-</u>	<u>33,301,686</u>
Total capital assets being depreciated, net	<u>44,982,457</u>	<u>(898,251)</u>	<u>2,415</u>	<u>-</u>	<u>44,081,791</u>
Governmental activities capital assets, net	<u>\$ 48,964,919</u>	<u>\$ (893,251)</u>	<u>\$ 191,492</u>	<u>\$ -</u>	<u>\$ 47,880,176</u>
<b>Business-type Activities</b>					
Capital assets not being depreciated					
Land	\$ 2,520,000	\$ -	\$ -	\$ -	\$ 2,520,000
Construction in progress	68,559	-	68,559	-	-
Total capital assets, not being depreciated	<u>2,588,559</u>	<u>-</u>	<u>68,559</u>	<u>-</u>	<u>2,520,000</u>
Capital assets, being depreciated					
Buildings	2,215,142	-	-	-	2,215,142
Equipment, furniture and fixtures	120,198	137,119	-	-	257,317
Total capital assets, being depreciated	<u>2,335,340</u>	<u>137,119</u>	<u>-</u>	<u>-</u>	<u>2,472,459</u>
Less accumulated depreciation for					
Buildings	568,753	59,868	-	-	628,621
Equipment, furniture and fixtures	89,908	18,374	-	-	108,282
Total accumulated depreciation	<u>658,661</u>	<u>78,242</u>	<u>-</u>	<u>-</u>	<u>736,903</u>
Total capital assets being depreciated, net	<u>1,676,679</u>	<u>58,877</u>	<u>-</u>	<u>-</u>	<u>1,735,556</u>
Business-type activities capital assets, net	<u>\$ 4,265,238</u>	<u>\$ 58,877</u>	<u>\$ 68,559</u>	<u>\$ -</u>	<u>\$ 4,255,556</u>



**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

**Note 4: Employee Retirement Plan**

***General***

The Library participates in the Public School Retirement System of the School District of Kansas City, Missouri (the Retirement System), a cost-sharing, multiple-employer public employee retirement system. The Retirement System is a defined benefit pension plan covering substantially all full-time employees of the District and the Library. All full-time permanent employees become members of the Retirement System as a condition of their employment. The Public School Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: Public School Retirement System, 324 East 11th Street, Suite 100, Kansas City, Missouri 64106, calling (816) 472-5800 or by visiting their website at [www.kcprs.org](http://www.kcprs.org).

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

***Pension Benefits***

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

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**  
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***Pension Benefit Adjustments***

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

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

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

***Death and Disability Benefits***

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

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

***Contributions Required and Contributions Made***

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

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
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The Library, along with members in Plans B and C, are required to contribute 9.0% of earnable annual compensation for the year ended June 30, 2018. The Library's contribution for the fiscal year ended June 30, 2018 was \$1,600,525.

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

At June 30, 2018, the Library reported a liability of \$11,549,568 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Library's proportion was 3.80%, which was a decrease of 0.10% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Library recognized pension expense of \$1,732,294. At June 30, 2018, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 113,098	\$ 28,258
Changes of assumptions	1,803,306	-
Net difference between projected and actual earning on pension plan investments	-	373,423
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	-	200,809
Library's contributions subsequent to the measurement date *	964,094	-
Total	\$ 2,880,498	\$ 602,490

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ended June 30, 2019.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
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Amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2018, related to pensions will be recognized in pension expense as follows:

**Year Ending June 30:**

2019	\$ 1,400,300
2020	717,868
2021	(384,527)
2022	<u>(419,727)</u>
	<u>\$ 1,313,914</u>

***Actuarial Assumptions***

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price/Wage Inflation	2.75% - 3.50%
Salary increases	5.00%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Healthy Non-Annuitant projected for 15 years and 7 years from the valuation date for pre-retirement and post-retirement participants, respectively. Mortality rates for disabled participants was based on the RP-2000 Disabled Table for Males and Females.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period 2006 through 2010.

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

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<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	22.50%	6.80%
International Developed Equity	15.00%	7.50%
International Emerging Equity	10.00%	9.90%
Domestic Fixed Income - Core	10.00%	1.80%
High Yield	2.50%	5.00%
International Fixed Income	5.00%	1.30%
GTAA	7.50%	4.20%
Hedge Fund of Funds	7.50%	3.80%
Commodities	5.00%	4.30%
Real Estate	10.00%	4.60%
Private Equity	5.00%	11.50%
	<u>100.00%</u>	

***Discount Rate***

The discount rate used to measure the total pension liability was 7.75% for the year ended December 31, 2017, a decrease of .25% from the 8.00% discount rate utilized on the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The Library's proportionate share of the net pension liability has been calculated using a discount rate of 7.75%. The following presents the Library's proportionate share of the net pension liability calculated using a discount rate 1% higher (8.75%) and 1% lower (6.75%) than the current rate:

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
Library's proportionate share of the net pension liability	\$ 15,249,963	\$ 11,549,568	\$ 8,406,130

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
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***Pension Plan Fiduciary Net Position***

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

***Payable to the Pension Plan***

At June 30, 2018, the Library reported a payable of \$36,427 for the outstanding amount of contributions to the pension plan.

**Note 5: 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 \$61,083 for the year ended June 30, 2018. 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, 2018**

**Note 6: Long-term Obligations**

The following is a summary of long-term obligation transactions for the year ended June 30, 2018:

	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2018</b>	<b>Amounts Due Within One Year</b>
Long-term debt					
Lease payable	\$ 4,065,000	\$ -	\$ 470,000	\$ 3,595,000	\$ 475,000
Total long-term debt	<u>4,065,000</u>	<u>-</u>	<u>470,000</u>	<u>3,595,000</u>	<u>475,000</u>
Other long-term liabilities					
Compensated absences *	1,784,413	886,570	1,062,174	1,608,809	1,234,001
Retirement system contribution payable	956,765	36,427	956,765	36,427	36,427
Total other long-term liabilities	<u>2,741,178</u>	<u>922,997</u>	<u>2,018,939</u>	<u>1,645,236</u>	<u>1,270,428</u>
 Total long-term obligations	 <u>\$ 6,806,178</u>	 <u>\$ 922,997</u>	 <u>\$ 2,488,939</u>	 <u>\$ 5,240,236</u>	 <u>\$ 1,745,428</u>

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

**Lease Purchase Agreement**

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

The debt service requirements as of June 30, 2018, are as follows:

<b>Year Ending June 30,</b>	<b>Total to be Paid</b>	<b>Principal</b>	<b>Interest</b>
2019	\$ 544,024	\$ 475,000	\$ 69,024
2020	544,904	485,000	59,904
2021	550,592	500,000	50,592
2022	545,992	505,000	40,992
2023	551,296	520,000	31,296
2024-2026	<u>1,142,928</u>	<u>1,110,000</u>	<u>32,928</u>
	 <u>\$ 3,879,736</u>	 <u>\$ 3,595,000</u>	 <u>\$ 284,736</u>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

**Note 7: 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, 2018, 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, 2018**

Under current leases, the minimum annual rental payments and the common area maintenance costs will be as follows:

Fiscal Year Ending June 30,	Amount	Fiscal Year Ending June 30,	Amount
2019	\$ 148,896	2049-2053	\$ 1,538,985
2020	134,263	2054-2058	1,784,107
2021	134,898	2059-2063	2,068,271
2022	130,500	2064-2068	2,397,699
2023	134,415	2069-2073	2,779,592
2024-2028	735,032	2074-2078	3,222,309
2029-2033	852,104	2079-2083	3,735,533
2034-2038	987,818	2084-2088	4,330,501
2039-2043	1,145,150	2089-2093	5,020,237
2044-2048	1,327,543	2094-2098	5,819,833
		2099-2101	<u>3,243,826</u>
		Total	<u>\$ 41,671,512</u>

Total rent expense for the year ended June 30, 2018 was \$157,010.

**Note 8: 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, 2018**

**Note 9: Inter-fund Transfers**

Inter-fund transfers made in the year ended June 30, 2018 were as follows:

Transfers From	Transfers To				Total
	General Fund	Endowment Fund	Capital Development Fund	Gifts/Grants Fund	
General	\$ -	\$ -	\$ -	\$ 11,704	\$ 11,704
Endowment	2,588	1,322	-	20,261	24,171
Capital development	2,775	-	-	-	2,775
Gifts/Grants Fund	488,453	-	-	3,244	491,697
Proprietary	165,000	-	-	-	165,000
Total	<u>\$ 658,816</u>	<u>\$ 1,322</u>	<u>\$ -</u>	<u>\$ 35,209</u>	<u>\$ 695,347</u>

Transfers from/to other funds consisted of the following:

General Fund to Gifts/Grants Funds for operating activities	\$ 11,704
Endowment Fund to Gifts/Grants Funds for operating activities	20,261
Endowment Fund to General Fund for operating activities	2,588
Endowment Fund to Endowment Fund for project allocation	1,322
Nonmajor Governmental Fund to General Fund for operating activities	2,775
Gifts/Grants Funds to General Fund for operating activities	488,453
Gifts/Grants Funds to Gifts/Grants Funds for project allocation	3,244
Proprietary Fund to General Fund for operating activities	<u>165,000</u>
	<u>\$ 695,347</u>

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

**Note 10: Donor Endowments**

During the year ended June 30, 2018, the Endowment Fund experienced \$46,925 of contributions and net appreciation on assets. The amount of net appreciation available for expenditure was \$46,795 at June 30, 2018, and is included in assigned to the endowment fund on the balance sheet. The Library's governing body has interpreted the State of Missouri Prudent Management of Institutional Funds Act as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. It is the policy of management not to allocate interest earnings on endowments for expenditures until the endowment reaches a balance of \$1,000.

**Note 11: Disclosures About Fair Value of Assets and Liabilities**

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

The Library has the following recurring fair value measurements as of June 30, 2018:

- Repurchase agreement of \$10,062,000 is valued using quoted market prices (Level 1 inputs)
- Federal agency securities of \$2,797,717 are valued using quoted prices for similar assets, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets (Level 2 inputs)
- Pooled investments held at the Greater Kansas City Community Foundation (GKCCF) of \$1,088,778 are valued using quoted prices for similar assets, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets (Level 2 inputs)

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

**Note 12: Tax Abatements**

For the fiscal year ended June 30, 2018, the Library’s property tax revenue was reduced through abatements and diversions through various incentive granting agencies and entities with an impact to the Library totaling an estimated \$2,484,819, under the following programs:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated during the Fiscal Year</b>
Tax Increment Financing	\$ 1,313,040
Chapter 353 and PIEA Abatement	1,041,943
Chapter 100 Bonds	5,386
LCRA	87,867
EEZ	36,583
	\$ 2,484,819

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

- Tax Increment Financing – Grants tax diversion to promote new investment, infrastructure improvements and job growth by providing financial assistance and incentive to redevelopers. Created pursuant to Section 99.800 of the Revised Statutes of Missouri (RSMo) and City Ordinance 54556.
- Planned Industrial Expansion Authority (PIEA) – Grants abatements in the urban core to cure blight and promote quality high density redevelopment. Created pursuant to Sections 100.300 to 100.620 RSMo and City Ordinance 34677.
- Chapter 353 Tax Abatement – Grants tax abatement to encourage investment and assist in the removal of blight and blighting conditions within urban redevelopment areas. Created pursuant to Sections 353.010 to 353.190 RSMo and City Ordinance 140306.
- Land Clearance for Redevelopment Authority (LCRA) – Grants abatement to encourage investment and assist in the removal of blight and blighting conditions with urban renewal areas. Created pursuant to Sections 99.300 to 99.715 RSMo and City Ordinance 16120.
- Chapter 100 Bonds – The City of Kansas City can issue taxable bonds to assist with the construction or rehabilitation of eligible commercial facilities. The City takes formal ownerships of the business assets and, therefore, provides property (real and personal) abatement for up to 10 years. Created pursuant to Sections 100.010 to 100.200 RSMo.

**Kansas City Public Library**  
**Notes to Basic Financial Statements**  
**June 30, 2018**

- Port Authority of Kansas City Missouri (PortKC) – Reduces taxes to enhance economic vitality as a redevelopment authority through transportation, trade and commerce and riverfront development. Created pursuant to Section 68 RSMo and City Ordinance 47523.
- Enhance Enterprise Zone (EEZ) – Grants property tax abatement to encourage job creation and investment by providing tax credits and property tax abatement to new or expanding businesses located in an EEZ. Created pursuant to Sections 135.950 to 135.973 RSMo and City Ordinances 051411, 051412 and 051413.

## **Required Supplementary Information**

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

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Library's proportion of the net pension liability	3.80%	3.90%	4.06%	4.15%
Library's proportionate share of the net pension liability	\$ 11,549,568	\$ 10,506,074	\$ 10,591,170	\$ 7,508,920
Library's covered payroll	7,131,259	7,086,760	6,772,602	6,876,195
Library's proportionate share of the net pension liability as a percentage of its covered payroll	161.96%	148.25%	156.38%	108.88%
Plan fiduciary net position as a percentage of the total pension liability	69.31%	70.09%	70.93%	79.44%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 641,867	\$ 636,430	\$ 587,212	\$ 550,376
Contribution in relation to the contractually required contribution	<u>641,867</u>	<u>636,430</u>	<u>587,212</u>	<u>550,376</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Library's covered-employee payroll	\$ 7,131,259	\$ 7,086,760	\$ 6,772,602	\$ 6,895,195
Contributions as a percentage of covered-employee payroll	9.00%	8.98%	8.67%	7.98%

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



# Kansas City Public Library

## Notes to Required Supplementary Information

### June 30, 2018

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

2017: None

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

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

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

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

#### **Changes in actuarial assumptions:**

January 1, 2017 Valuation:

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

**Kansas City Public Library**  
**Notes to Required Supplementary Information**  
**June 30, 2018**

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

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

## **Supplementary Information**

**Kansas City Public Library**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2018**

	<b>Special Revenue Fund - Capital Development</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>		
Restricted deposits and investments	\$ 1,352,417	\$ 1,352,417
Total assets	\$ 1,352,417	\$ 1,352,417
<b>Liabilities and Fund Balances</b>		
Liabilities		
Accounts payable	\$ 50,866	\$ 50,866
Fund balances		
Restricted	1,301,551	1,301,551
Total liabilities and fund balances	\$ 1,352,417	\$ 1,352,417

**Kansas City Public Library**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2018**

	<b>Special Revenue Fund - Capital Development</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>		
Grants	\$ 25,000	\$ 25,000
Contributions	333,200	333,200
Total revenues	358,200	358,200
<b>Expenditures</b>		
Library services		
General operating	315,992	315,992
Capital outlay	266,171	266,171
Total expenditures	582,163	582,163
Deficiency of revenues under expenditures	(223,963)	(223,963)
Other financing sources		
Transfers out	(2,775)	(2,775)
Total other financing sources	(2,775)	(2,775)
Net change in fund balance	(226,738)	(226,738)
<b>Fund Balance, Beginning of Year</b>	1,528,289	1,528,289
<b>Fund Balance, End of Year</b>	\$ 1,301,551	\$ 1,301,551

**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, 2018**

	<b>Capital Development Fund</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Variance - Over (Under)</b>
Total revenues	\$ -	\$ 358,200	\$ 358,200
Total expenditures	1,400,000	582,163	(817,837)
Total excess (deficiency) of revenues over (under) expenditures	(1,400,000)	(223,963)	1,176,037
Other financing sources			
Transfers to other funds	-	(2,775)	(2,775)
Total other financing sources and uses	-	(2,775)	(2,775)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses - GAAP basis	\$ (1,400,000)	\$ (226,738)	\$ 1,173,262

**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**

**Independent Auditor's Report**

Board of Trustees  
Kansas City Public Library  
Kansas City, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2018, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated October 5, 2018.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance***

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**BKD, LLP**

Kansas City, Missouri  
October 5, 2018



**Kansas City Public Library**  
**Schedule of Findings and Responses**  
**Year Ended June 30, 2018**

<b>Reference Number</b>	<b>Finding</b>
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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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 19,227,574	\$ 39,115,596	\$ 37,450,607	\$ 36,362,704	\$ 35,427,070	\$ 36,245,586	\$ 35,479,577	\$ 35,354,440	\$ 34,766,845	\$ 34,271,827
Restricted	5,359,395	4,927,590	4,642,414	4,952,645	5,220,846	5,148,320	6,016,920	5,668,509	6,103,315	5,652,573
Unrestricted	<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>	<u>3,474,332</u>	<u>1,740,467</u>	<u>1,714,902</u>	<u>1,448,610</u>
Total governmental activities net position	<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>	<u>\$ 44,970,829</u>	<u>\$ 42,763,416</u>	<u>\$ 42,585,062</u>	<u>\$ 41,373,010</u>
Business-type activities										
Net investment in capital assets	\$ 4,676,740	\$ 4,607,900	\$ 4,567,437	\$ 4,494,231	\$ 4,425,510	\$ 4,384,274	\$ 4,316,501	\$ 4,267,311	\$ 4,265,238	\$ 4,255,556
Unrestricted	<u>141,408</u>	<u>161,297</u>	<u>163,254</u>	<u>235,719</u>	<u>344,085</u>	<u>320,549</u>	<u>300,385</u>	<u>394,346</u>	<u>447,765</u>	<u>417,951</u>
Total business-type activities net position	<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>	<u>\$ 4,616,886</u>	<u>\$ 4,661,657</u>	<u>\$ 4,713,003</u>	<u>\$ 4,673,507</u>
Primary government										
Net investment in capital assets	\$ 23,904,314	\$ 43,723,496	\$ 42,018,044	\$ 40,856,935	\$ 39,852,580	\$ 40,629,860	\$ 39,796,078	\$ 39,621,751	\$ 39,032,083	\$ 38,527,383
Restricted	4,507,235	4,676,125	4,642,414	4,952,645	5,220,846	5,148,320	6,016,920	5,668,509	6,103,315	5,652,573
Unrestricted	<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>	<u>3,774,717</u>	<u>2,134,813</u>	<u>2,162,667</u>	<u>1,866,561</u>
Total primary government net position	<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>	<u>\$ 49,587,715</u>	<u>\$ 47,425,073</u>	<u>\$ 47,298,065</u>	<u>\$ 46,046,517</u>

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities	\$ 20,662,837	\$ 21,390,749	\$ 19,843,177	\$ 20,335,539	\$ 20,040,879	\$ 20,326,059	\$ 20,270,897	\$ 21,517,578	\$ 21,705,480	\$ 22,305,094
Business-type activities	393,328	370,032	346,354	351,339	366,307	350,670	395,028	370,624	385,673	441,230
Total primary government expenses	<u>21,056,165</u>	<u>21,760,781</u>	<u>20,189,531</u>	<u>20,686,878</u>	<u>20,407,186</u>	<u>20,676,729</u>	<u>20,665,925</u>	<u>21,888,202</u>	<u>22,091,153</u>	<u>22,746,324</u>
<b>Program revenues</b>										
<b>Governmental activities</b>										
Charges for services	1,033,451	851,637	789,466	753,466	782,677	708,833	709,862	676,389	759,345	810,666
Operating grants and contributions	4,427,476	2,276,952	1,012,627	1,968,066	1,488,113	1,899,180	3,293,911	1,819,461	2,716,395	1,319,311
Capital grants and contributions	2,713,247	21,348,968	103,332	23,333	1,000	40,500	17,500	102,997	27,467	358,200
Total governmental activities program revenues	<u>8,174,174</u>	<u>24,477,557</u>	<u>1,905,425</u>	<u>2,744,865</u>	<u>2,271,790</u>	<u>2,648,513</u>	<u>4,021,273</u>	<u>2,598,847</u>	<u>3,503,207</u>	<u>2,488,177</u>
<b>Business-type activities</b>										
Charges for services	426,314	401,081	342,848	400,598	455,952	385,898	382,091	549,124	302,019	556,734
Total business-type activities program revenues	<u>426,314</u>	<u>401,081</u>	<u>342,848</u>	<u>400,598</u>	<u>455,952</u>	<u>385,898</u>	<u>382,091</u>	<u>549,124</u>	<u>302,019</u>	<u>556,734</u>
Total primary government program revenue	<u>8,600,488</u>	<u>24,878,638</u>	<u>2,248,273</u>	<u>3,145,463</u>	<u>2,727,742</u>	<u>3,034,411</u>	<u>4,403,364</u>	<u>3,147,971</u>	<u>3,805,226</u>	<u>3,044,911</u>
<b>Net revenues (expenses)</b>										
Governmental activities	(12,488,663)	3,086,808	(17,937,752)	(17,590,674)	(17,769,089)	(17,677,546)	(16,249,624)	(18,918,731)	(18,202,273)	(19,816,917)
Business-type activities	32,986	31,049	(3,506)	49,259	89,645	35,228	(12,937)	178,500	216,346	125,504
Total net revenues (expenses)	<u>(12,455,677)</u>	<u>3,117,857</u>	<u>(17,941,258)</u>	<u>(17,541,415)</u>	<u>(17,679,444)</u>	<u>(17,642,318)</u>	<u>(16,262,561)</u>	<u>(18,740,231)</u>	<u>(17,985,927)</u>	<u>(19,691,413)</u>

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

(Continued)

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 15,979,261	\$ 15,689,670	\$ 16,860,021	\$ 15,845,799	\$ 16,315,300	\$ 16,002,644	\$ 16,639,889	\$ 16,381,863	\$ 17,563,007	\$ 18,002,841
Investment income (loss)	419,362	103,224	66,023	33,381	(52,173)	97,440	99,889	89,888	145,346	298,132
Transfers	758,711	80,000	35,000	50,000	50,000	100,000	75,000	145,000	165,000	165,000
Capital contributions	-	-	-	-	-	-	-	-	-	-
Other general revenues	29,156	59,457	17,978	29,944	31,972	6,915	44,565	94,567	150,566	138,892
Total governmental activities	<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>	<u>16,859,343</u>	<u>16,711,318</u>	<u>18,023,919</u>	<u>18,604,865</u>
Business-type activities										
Investment income	-	-	-	-	-	-	-	-	-	-
Transfers	(758,711)	(80,000)	(35,000)	(50,000)	(50,000)	(100,000)	(75,000)	(145,000)	(165,000)	(165,000)
Capital contributions	-	-	-	-	-	-	-	11,271	-	-
Other general revenues	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>(758,711)</u>	<u>(80,000)</u>	<u>(35,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(100,000)</u>	<u>(75,000)</u>	<u>(133,729)</u>	<u>(165,000)</u>	<u>(165,000)</u>
Total primary government	<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>	<u>16,784,343</u>	<u>16,577,589</u>	<u>17,858,919</u>	<u>18,439,865</u>
Changes in net position										
Governmental activities	4,697,827	19,019,159	(958,730)	(1,631,550)	(1,423,990)	(1,470,547)	609,719	(2,207,413)	(178,354)	(1,212,052)
Business-type activities	(725,725)	(48,951)	(38,506)	(741)	39,645	(64,772)	(87,937)	44,771	51,346	(39,496)
Total primary government	<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>	<u>\$ 521,782</u>	<u>\$ (2,162,642)</u>	<u>\$ (127,008)</u>	<u>\$ (1,251,548)</u>

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

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Committed	\$ 254,465	\$ 247,100	\$ 237,948	\$ 243,957	\$ 250,666	\$ 277,102	\$ 288,503	\$ 322,713	\$ 320,335	\$ -
Assigned	3,552,875	2,168,702	2,162,541	2,176,770	2,171,212	2,115,251	2,145,753	1,921,093	1,784,418	1,608,809
Unassigned	<u>6,764,506</u>	<u>8,003,894</u>	<u>9,719,401</u>	<u>9,639,703</u>	<u>10,147,228</u>	<u>8,117,349</u>	<u>8,280,991</u>	<u>7,964,349</u>	<u>8,394,443</u>	<u>9,028,597</u>
Total general fund	<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>	<u>\$ 10,715,247</u>	<u>\$ 10,208,155</u>	<u>\$ 10,499,196</u>	<u>\$ 10,637,406</u>
All other governmental funds										
Nonspendable										
Endowment fund principal	\$ 2,664,067	\$ 2,664,565	\$ 2,665,064	\$ 2,665,522	\$ 2,665,036	\$ 2,708,685	\$ 3,058,323	\$ 3,058,633	\$ 3,058,743	\$ 3,058,873
Restricted										
Debt service	-	654,250	644,243	644,285	644,143	644,180	644,186	644,196	-	-
Capital improvements	1,059,849	383,251	481,718	400,051	401,051	401,551	901,551	852,690	1,528,289	1,301,551
Programming requirements	1,635,479	1,191,394	851,389	1,242,787	1,510,616	1,393,904	1,412,860	1,112,990	2,539,785	2,383,671
Assigned										
Endowment fund	207,689	131,786	150,096	125,025	126,344	121,353	132,281	56,096	61,069	85,015
Debt service fund	-	34,130	-	-	43	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 6,149,201</u>	<u>\$ 5,724,605</u>	<u>\$ 7,187,886</u>	<u>\$ 6,829,110</u>

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Property taxes	\$ 16,002,058	\$ 15,679,320	\$ 16,881,422	\$ 15,849,058	\$ 16,451,358	\$ 15,845,002	\$ 16,782,445	\$ 16,247,980	\$ 17,667,159	\$ 18,155,778
Grants	1,878,064	1,148,160	299,881	1,042,913	707,427	907,260	731,373	605,288	430,354	746,205
State and federal funds	917,658	441,848	402,729	380,811	418,763	505,696	429,941	873,500	248,249	235,888
Charges for services	916,124	851,637	789,466	753,466	782,677	708,833	709,862	676,389	759,345	810,666
Investment income (loss)	419,362	103,224	66,023	33,381	(488)	97,440	99,889	89,888	145,346	298,132
Contributions	1,831,754	644,250	919,952	1,252,631	1,229,894	1,044,744	1,133,789	821,654	2,340,903	680,475
Other	29,156	59,457	17,978	29,944	31,972	6,915	44,565	94,567	150,566	138,892
Total revenues	<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>	<u>19,931,864</u>	<u>19,409,266</u>	<u>21,741,922</u>	<u>21,066,036</u>
<b>Expenditures</b>										
Program services										
Salaries and fringe benefits	10,572,527	10,201,223	9,996,844	10,475,820	10,596,204	10,659,283	10,621,745	11,272,083	11,255,418	11,881,203
Library materials	2,246,021	2,179,503	2,361,038	2,826,621	2,380,819	2,566,864	2,607,439	2,346,761	2,214,509	2,291,248
General operating	3,081,974	2,911,552	2,588,162	2,844,126	2,345,915	2,231,265	2,026,159	2,444,595	2,309,209	2,910,117
Building operating	2,428,756	2,467,021	2,043,680	1,928,965	2,551,911	2,699,597	2,627,872	2,896,853	2,816,034	2,723,816
Debt service	-	739,404	610,743	673,592	725,737	2,729,534	612,644	612,301	569,675	548,048
Capital outlay	1,873,745	9,726,311	378,656	417,380	292,778	466,311	425,932	913,361	1,042,755	1,097,170
Total expenditures	<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>	<u>18,921,791</u>	<u>20,485,954</u>	<u>20,207,600</u>	<u>21,451,602</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>1,010,073</u>	<u>(1,076,688)</u>	<u>1,534,322</u>	<u>(385,566)</u>
<b>Other financial sources (uses)</b>										
Transfers in	1,294,575	9,853,198	1,463,856	1,836,181	1,570,549	3,869,297	1,749,857	1,424,019	1,667,791	695,347
Transfers out	(618,208)	(9,773,198)	(1,428,856)	(1,786,181)	(1,520,549)	(3,769,297)	(1,674,857)	(1,279,019)	(1,502,791)	(530,347)
Issuance of debt	-	8,557,260	-	-	-	-	-	-	4,480,000	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	(4,425,000)	-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Total	<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>75,000</u>	<u>145,000</u>	<u>220,000</u>	<u>165,000</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>	<u>\$ 1,085,073</u>	<u>\$ (931,688)</u>	<u>\$ 1,754,322</u>	<u>\$ (220,566)</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>
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
2014 – 2015	17,883,215	425,932	-	612,644	18,921,791
2015 – 2016	18,960,292	913,361	-	612,301	20,485,954
2016 – 2017	18,595,170	1,042,755	-	569,675	20,207,600
2017 – 2018	19,806,384	1,097,170	-	548,048	21,451,602

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>
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
2014 – 2015	16,782,445	731,373	429,941	709,862	99,889	1,133,789	44,565	19,931,864
2015 – 2016	16,247,980	605,288	873,500	676,389	89,888	821,654	94,567	19,409,266
2016 – 2017	17,667,159	430,354	248,249	759,345	145,346	2,340,903	150,566	21,741,922
2017 – 2018	18,155,778	746,205	235,888	810,666	298,132	680,475	138,892	21,066,036

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>
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%
2014 – 2015	15,306,306	15,206,848	99.4%	1,242,669	16,449,517	107.5%	998,760	6.5%
2015 – 2016	15,703,028	15,277,221	97.3%	875,610	16,152,831	102.9%	989,475	6.3%
2016 – 2017	15,959,561	15,982,304	100.1%	1,326,222	17,308,526	108.5%	976,686	6.1%
2017 – 2018	16,526,221	16,551,952	100.2%	1,179,724	17,731,676	107.3%	964,812	5.8%

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

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

Fiscal Year	Real Estate		Personal Property		Total		Ratio of Total Assessed to Total Estimated Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
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	3,004,195	12,248,831	24.5%
2013 – 2014	2,357,053	10,342,788	673,653	2,010,903	3,030,706	12,353,691	24.5%
2014 – 2015	2,362,433	10,366,392	698,829	2,086,056	3,061,262	12,452,448	24.6%
2015 – 2016	2,446,793	10,736,566	736,469	2,198,414	3,183,262	12,934,980	24.6%
2016 – 2017	2,476,378	10,866,386	754,302	2,251,649	3,230,680	13,118,035	24.6%
2017 – 2018	2,872,526	12,604,689	770,907	2,301,214	3,643,432	14,905,903	24.4%

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

	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016 - 2017</u>	<u>2017 - 2018</u>
Kansas City Public Library	0.4731 %	0.4991 %	0.4999 %	0.5000 %	0.5000 %	0.5000 %	0.5000 %	0.4933 %	0.4940 %	0.4676 %
City of Kansas City	1.4493	1.4678	1.5294	1.5509	1.5875	1.5932	1.5997	1.5806	1.5906	1.6006
City of Independence	0.6565	0.7028	0.7228	0.7236	0.7281	0.7429	0.7393	0.7165	0.7216	0.7031
City of Sugar Creek	1.1001	1.1300	1.1300	1.1300	1.1300	1.1300	1.1300	1.1182	1.1300	1.0448
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	0.5430	0.5430	0.5430	0.5298	0.5298	0.5298	0.5141	0.4956	0.5025	0.4849
Metropolitan Community Colleges	0.2143	0.2266	0.2329	0.2335	0.2349	0.2369	0.2374	0.2343	0.2339	0.2297
Kansas City Missouri School District	4.9500	4.9500	4.9500	4.9500	4.9500	4.9500	4.9500	4.9599	4.9599	4.9599
Mental Health Fund	0.1218	0.1218	0.1218	0.1218	0.1218	0.1218	0.1223	0.1198	0.1201	0.1160
Developmentally Disabled	<u>0.0748</u>	<u>0.0748</u>	<u>0.0748</u>	<u>0.0748</u>	<u>0.0748</u>	<u>0.0748</u>	<u>0.0753</u>	<u>0.0738</u>	<u>0.0738</u>	<u>0.0713</u>
<b>Total</b>	<u><u>9.6129 %</u></u>	<u><u>9.7459 %</u></u>	<u><u>9.8346 %</u></u>	<u><u>9.8444 %</u></u>	<u><u>9.8869 %</u></u>	<u><u>9.9094 %</u></u>	<u><u>9.8981 %</u></u>	<u><u>9.8220 %</u></u>	<u><u>9.8564 %</u></u>	<u><u>9.7079 %</u></u>

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

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

Taxpayer	2018		2008	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value (1)	Taxable Assessed Value	Percent of Total City Taxable Assessed Value (2)
KC Power & Light	\$ 156,962,520	4.31 %	\$ 105,869,599	3.25 %
Hallmark & Crown	70,005,081	1.92	66,853,049	2.05
AT&T & SWB	47,812,749	1.31	36,372,183	1.12
Google Fiber Missouri LLC	39,989,144	1.10	-	0.00
Bayer Corp Science	31,011,217	0.85	15,719,167	0.48
Country Club Plaza JV LLC	29,629,936	0.81	-	0.00
Southern Union Company	27,223,084	0.75	14,458,119	0.44
Town Pavilion Holdings LLC	25,470,170	0.70	-	0.00
Twentieth Century Realty Inc.	13,454,144	0.37	17,250,754	0.53
1200 Chiefs Owner LLC	12,800,000	0.35	-	0.00
Crossgate Hotel Partners LLC	12,281,809	0.34	-	0.00
J C Nichols & Highwoods Realty	-	0.00	30,256,155	0.93
Kansas City Star	-	0.00	23,079,769	0.71
FSP Grand Boulevard LLC	-	0.00	16,848,000	0.52
DST Systems Inc.	-	0.00	15,619,242	0.48
	<u>\$ 466,639,854</u>	<u>12.81 %</u>	<u>\$ 448,195,636</u>	<u>13.77 %</u>

(1) Total assessed value for 2017-2018 was \$3,643,432,114

(2) Total assessed value for 2008-2009 was \$3,254,405,266

**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>
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%
2014 – 2015	190,476	3,061,261,284	4,810,000	-	4,810,000	0.16%	25.25%
2015 – 2016	208,676	3,183,261,357	4,425,000	-	4,425,000	0.14%	21.21%
2016 – 2017	193,025	3,230,680,351	-	-	-	0.00%	21.21%
2017 – 2018	197,126	3,643,432,114	-	-	-	0.00%	0.00%

**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>
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%
2014 – 2015	375,000	234,344	609,344	18,921,791	3.22%
2015 – 2016	385,000	224,001	609,001	20,485,954	2.97%
2016 – 2017	415,000	151,375	566,375	20,207,600	2.80%
2017 – 2018	470,000	78,048	548,048	21,451,602	2.55%

**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>
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
2014 – 2015	12,452,448,123	1,209,407,303	19,820,000,000
2015 – 2016	12,934,979,819	1,537,671,314	21,118,242,000
2016 – 2017	13,118,035,231	1,234,548,343	23,100,178,000
2017 – 2018	14,905,902,070	1,511,775,959	23,865,359,000

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

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



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

Fiscal Year	Population	Personal Income <i>(in thousands)</i>	Per Capita Personal Income	Unemployment Rate (1)
2009	215,507 (2)	\$ 4,628,875	\$ 21,479 (2)	7.60%
2010	208,498 (3)	5,118,417	24,549 (3)	10.00%
2011	194,122 (4)	4,752,883	24,484 (5)	10.60%
2012	194,122 (4)	4,548,861	23,433 (6)	7.50%
2013	190,873 (7)	4,564,919	23,916 (7)	7.40%
2014	188,538 (8)	4,659,151	24,712 (8)	7.40%
2015	190,476 (9)	4,756,567	24,972 (9)	6.70%
2016	208,676 (10)	5,296,751	26,131 (11)	4.10%
2017	193,025 (12)	5,664,512	29,346 (12)	3.90%
2018	197,126 (13)	5,631,298	28,567 (13)	3.60%

- (1) Source: U.S. Department of Labor, Bureau of Labor Statistics
- (2) Source: 2007 American Community Survey - Kansas City Public School District
- (3) Source: 2008 American Community Survey - Kansas City Public School District
- (4) Sources: 2010 Census
- (5) Source: 2005-2009 American Community Survey - Kansas City Public School District
- (6) Source: 2006-2010 American Community Survey - Kansas City Public School District
- (7) Source: 2009-2011 American Community Survey - Kansas City Public School District
- (8) Source: 2010-2012 American Community Survey - Kansas City Public School District
- (9) Source: 2011-2013 American Community Survey - Kansas City Public School District
- (10) Source: 2010-2014 American Community Survey 5-year estimate - Kansas City Public Library District
- (11) Source: 2010-2014 American Community Survey 5-year estimate - Kansas City School District
- (12) Source: 2015 American Community Survey 1-year estimate - Kansas City Public School District
- (13) Source: 2016 American Community Survey 1-year estimate - Kansas City Public School District

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

<b>Employer</b>	<b>2018</b>		<b>2008</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	18,774	3.1%	37,000	6.6%
Cerner Corp	14,000	2.3%		
HCA Midwest Health System	9,934	1.6%		
University of Kansas Health System	9,810	1.6%		
Saint Luke's Health System	8,020	1.3%	6,403	1.1%
Sprint Nextel Corp.			12,000	2.1%
Walmart			7,400	1.3%
McDonald's USA			7,000	1.3%

(1) Source: Kansas City Business Journal - July 20 and July 27, 2018

(2) Source: Bureau of Labor Statistics - Total Nonfarm Employees for Kansas City, MO in May 2018 was 615,300

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

(4) Source: Bureau of Labor Statistics - Total Nonfarm Employees for Kansas City, MO in June 2009 was 559,000

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

Function	Full-Time and Part-Time Employees as of June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	201.93	191.89	181.08	184.57	185.20	190.29	189.12	189.78	192.08	192.50
Business-activity	5.91	-	-	-	-	-	-	-	-	-
Total	<u>207.84</u>	<u>191.89</u>	<u>181.08</u>	<u>184.57</u>	<u>185.20</u>	<u>190.29</u>	<u>189.12</u>	<u>189.78</u>	<u>192.08</u>	<u>192.50</u>

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

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Government										
Branches	10	10	10	10	10	10	10	10	10	10
Vehicles	5	5	9	9	8	8	8	8	8	7
Maintenance lift	1	1	1	1	1	1	1	1	1	1
Collection (Volumes/items owned)	1,166,602	1,158,593	1,147,278	1,106,762	1,036,044	996,270	885,460	872,956	762,658	810,044

**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>
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	996,270	2,005,397	214,433
2014 – 2015	189.12	885,460	2,161,016	233,138
2015 – 2016	189.78	872,956	2,087,400	265,349
2016 – 2017	192.08	762,658	1,986,277	224,563
2017 – 2018	192.50	810,044	1,948,409	160,805

**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>
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
2014 – 2015	536,014	58,012	83,060	428,707	60,687	19,387	141,478	203,123	64,827	21,826	543,895	2,161,016
2015 – 2016	496,529	47,143	72,683	405,117	52,953	15,286	111,914	190,034	57,705	19,655	618,381	2,087,400
2016 – 2017	487,994	42,365	61,580	374,379	41,309	14,964	93,194	175,594	48,769	16,259	629,870	1,986,277
2017 – 2018	498,040	44,172	57,035	356,755	38,033	12,470	85,313	168,855	44,499	15,361	627,876	1,948,409

**Kansas City Public Library**  
**Schedule of Service Locations**  
**June 30, 2018**

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	59	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 Room	60	50	Owned
Sugar Creek Branch 102 S. Sterling Sugar Creek, Missouri 64054	2,800	N/A	-	36	Leased
Irene H. Ruiz Branch 2017 W. Pennway Kansas City, Missouri 64108	4,000	Meeting Room	25	45	Leased