

LEAVENWORTH PUBLIC LIBRARY

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2020

LEAVENWORTH PUBLIC LIBRARY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Leavenworth Public Library
Leavenworth, Kansas

Report in the financial statement

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Leavenworth Public Library, component unit of the City of Leavenworth, State of Kansas (the Library), as of and for the year ended December 31, 2020, 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 Statement

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. 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 auditors' 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.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Leavenworth Public Library, as of December 31, 2020, and the respective changes in financial position thereof, and the respective budgetary comparisons for the General fund and the Employee Benefits fund 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 on pages 3-7 and the schedule of the Library's proportionate share of the net pension liability on page 32

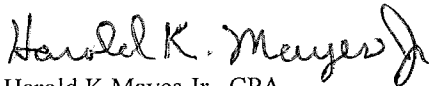
Required Supplementary Information – continued

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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's financial statements as a whole. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.



Harold K Mayes Jr., CPA
Agler & Gaeddert, Chartered
Ottawa, Ks.
May 13, 2021

LEAVENWORTH PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

Our discussion and analysis of the Leavenworth Public Library's financial performance provides a narrative overview of the Library's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the accompanying financial statements following this report. The Library is a component unit of the City of Leavenworth, Kansas.

FINANCIAL HIGHLIGHTS:

- The assets and deferred outflows of resources of the Library exceeded its liabilities and deferred inflows of resources as of December 31, 2020 by \$1,165,908. Of this amount, \$408,704 (unrestricted net position) may be used to meet the entity's ongoing obligations to patrons and vendors.
- The Library's total net position increased 1.36% from the prior year.
- As of December 31, 2020, the Library's governmental funds reported combined fund balances of \$1,165,908, an increase of \$22,740 from the prior year.
- Approximately 35%, or \$408,704 is available for spending at the Library's discretion (unassigned fund balance).
- As of December 31, 2020, fund balance for the General Fund was \$838,036 or 79% of the total General Fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three parts--the management's discussion and analysis (this section), the basic financial statements, and a supplementary information section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the Library:

- The first two statements are government-wide financial statements that provide long-term information about the Library's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Library, reporting the Library's operations in more detail than the government-wide statements.
 - The governmental funds statements tell how general government services (Library services) were financed in the short-term as well as what remains for future spending.
 - The Library has no proprietary funds, activities a government operates like businesses.
 - The Library has no fiduciary funds, relationships in which a government acts solely as a trustee or agent for the benefit of those outside of the government.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. In addition to these required elements, we have included a supplementary information section with combining statements that provide details about our non-major governmental funds.

The remainder of this overview section of the management discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Financial Statements

The government-wide statements report information about the Library as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Library's net position and how it has changed. Net position--the difference between the Library's assets, liabilities, and deferred inflows of resources--is one way to measure the Library's financial health.

LEAVENWORTH PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

- Over time, increases or decreases in the Library's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Library you need to consider additional non-financial factors such as changes in the City of Leavenworth's property tax base.

In the government-wide financial statements, the Library's activities fall into one category:

- Governmental activities--All of the Library's services are included here. Intergovernmental and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Library's funds, focusing on its most significant or "major" funds--not the Library as a whole. Funds are accounting devices that the Library uses to keep track of specific sources of funding and spending on particular programs.

The Library has one category of fund:

* Governmental funds--All of the Library's services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Library's programs. Since this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements that explain the differences between them.

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial health. The Library's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,165,908 as of December 31, 2020, the most recent fiscal year.

A significant portion of the Library's net position, 65% reflects its investment in capital assets (e.g. equipment, books, furniture and fixtures). The Library uses these capital assets to provide services to its patrons; consequently, these assets are not available for future spending.

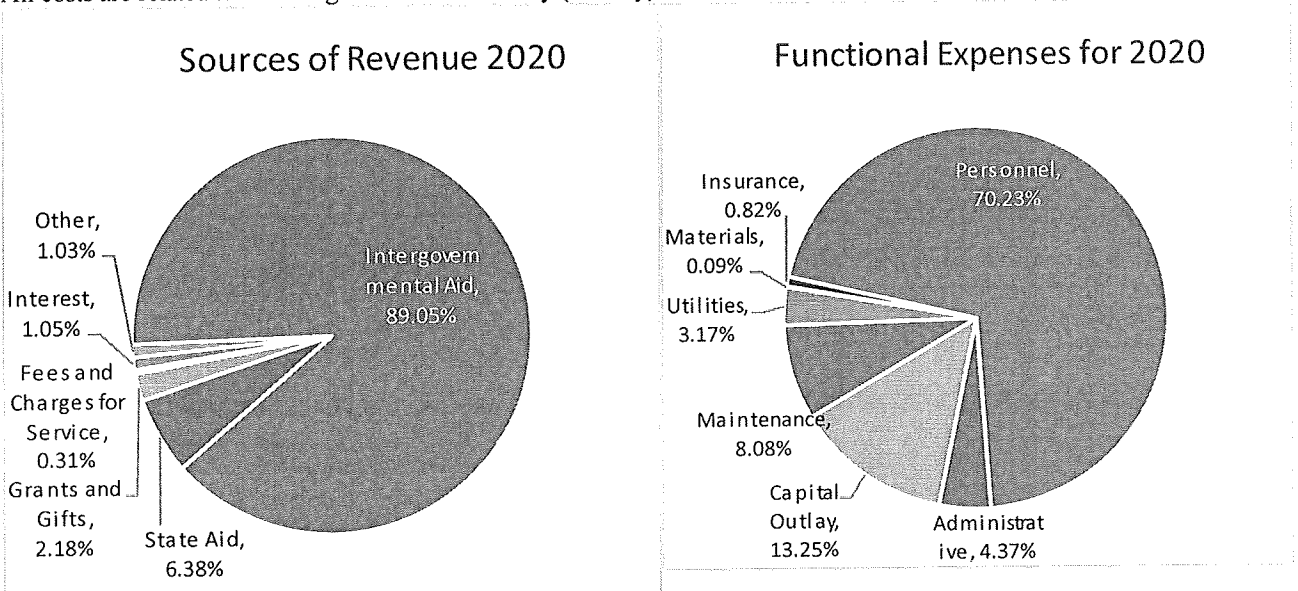
LEAVENWORTH PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

Table 1
December 31, 2020
Condensed Statement of Net Position

	Governmental Activities		Total Percentage
	2019	2020	Change 2019-2020
Other Assets	\$ 1,901,704	\$ 2,029,450	6.72%
Capital Assets, Net of Accumulated Depreciation	730,978	757,204	3.59%
Total Assets	2,632,682	2,786,654	5.85%
Deferred Outflows of Resources	56,056	131,563	134.70%
Total Deferred Outflows of Resources	56,056	131,563	134.70%
Liabilities	488,386	610,761	25.06%
Total Liabilities	488,386	610,761	25.06%
Deferred Inflows of Resources	1,057,183	1,141,548	7.98%
Total Deferred Inflows of Resources	1,057,183	1,141,548	7.98%
Net Position:			
Net Investment in Capital Assets	730,978	757,204	3.59%
Unrestricted	412,191	408,704	-0.85%
Total Net Position	\$ 1,143,169	\$ 1,165,908	1.99%

Changes in net position. The Leavenworth Public Library's total revenues increased by 10.14%. Approximately 89.05% of Library revenue comes from property taxes. The remaining 10.95% is comprised primarily of state aid, fees and charges, and interest income.

All costs are related to the one governmental activity (Library).



The Library received sufficient revenue during the year ended December 31, 2020 to sustain its operations and increase its net position. See Table 2.

LEAVENWORTH PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

Table 2
Leavenworth Public Library
Changes in Net Position

	Governmental Activities		Total Percentage
	2019	2020	Change 2019-2020
Revenues:			
Program revenues:			
Charges for Services	\$ 19,374	\$ 4,151	-78.57%
Operating Grants and Contributions	27,031	29,245	8.19%
Capital Grants and Contributions	0	0	0.00%
General Revenues:			
Intergovernmental Aid	1,176,180	1,193,739	1.49%
State Aid & NEKLS Grant	78,094	85,540	9.53%
Interest Income	12,053	14,100	16.98%
Other	16,226	13,764	-15.17%
Total Revenues	1,328,958	1,340,539	0.87%
Expenses:			
Library	1,380,404	1,317,800	-4.54%
Total Expenses	1,380,404	1,317,800	-4.54%
Excess (Deficiency) of Revenues over Expenses	(51,446)	22,739	-144.20%
Transfers In	0	0	0.00%
Transfers Out	0	0	0.00%
Increase (decrease) in net position	\$ (51,446)	\$ 22,739	-144.20%

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As the Library completed the year, its general fund reported combined fund balances of \$838,036, an increase of \$487 from last year. The Employee Benefits Fund reported a increase in fund balance over the prior year of \$26,160. The Capital Outlay Fund reported an increase of \$1,001, and the Library Grant Fund an increased by \$9,742.

The revenues of the General Fund decreased by 1%, while expenditures increased by 1% The overall effect of operations in the General Fund was a 3% decrease in fund balance.

General Fund Budgetary Highlights

Total General Fund revenues for the Library for the year ended December 31, 2020 were 99.5% of budget. Total General Fund expenditures for the year ended December 31, 2020, were 92% of budget. Management believes its budgeting efforts are conservative and reasonable. The above percentages would indicate the same.

CAPITAL ASSET ADMINISTRATION

As of December 31, 2020, the Library had invested \$757,204 in capital assets (net of accumulated depreciation), including equipment, books, furniture, and fixtures. These amounts represent a net increase of \$26,226 (net of depreciation) over the prior year.

LEAVENWORTH PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020

	Governmental Activities	
	2019	2020
Books	\$ 601,620	650,236
Equipment Furniture & Fixtures	129,358	106,968
Total	\$ 730,978	\$ 757,204

ECONOMIC FACTORS AND CHANGES

The Covid-19 epidemic disrupted every aspect of service at the Leavenworth Public Library in 2020. The City of Leavenworth closed all their public facilities in March and the Library Board complied. Access to the Library was severely limited even after that mandate expired. In response to these unprecedented circumstances, the Library Board of Trustees and administration worked together to create a phased re-opening plan that took the best professional practices and health data into account. Our intent from the beginning was "The most service, the safest way."

The Library applied this approach by adopting a variety of new initiatives and implementing new technology. We launched curbside service to bring materials directly to patrons in their vehicles, presented dozens of online programs for children and adults, created a Digital Study Room on our website with access to accurate, authoritative information for students, increased the number of digital content items each patron could borrow on a monthly basis and developed an online application process for library cards. Library Board meetings were held on Zoom. A new streaming video service called Kanopy was opened to Library users in April.

The dramatic effect on use of our physical collection caused by limited access to the facility renders a meaningful calculation of the Library's 2020 return-on-investment impossible. The event was unprecedented and the long-term effects are difficult to predict. It is likely that changes in community behavior and a degree of anxiety caused by Covid will continue for the immediate future. We do not anticipate a return to "normal" in 2021.

In 2020, total library circulation was 94,520. While this is significantly lower than 2019, use of the Library's digital content increased substantially. E-book use grew 46% and streaming video use 59%. Digital content is the fastest growing form of library use and has increased 458% since 2016. Public response to the Library's online programming efforts was successful. In spite of the new and strange way of "attending", 7,767 children and 295 adults enjoyed a story hour or other program in 2020. 422 different students used our new Digital Study room. 442 patrons streamed video from our new Kanopy service. We loaned 14,461 items to other libraries and borrowed 15,338 items for our patrons from them.

At present, the Library serves 17,349 patrons including 144 "digital only" patrons. We offer a collection of 73,000 books, 3,602 audio books, 2,553 music CDs and 9,648 DVDs. The Library's membership in the NExpress Automation Consortium provides access to over 1 million items owned by 51 other libraries in Northeast Kansas.

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Executive Director of the Leavenworth Public Library, 417 Spruce Street, Leavenworth, Kansas 66048.

LEAVENWORTH PUBLIC LIBRARY

STATEMENTS OF NET POSITION GOVERNMENT-WIDE December 31, 2020

	Governmental Activities (Primary Government)	Discretely Presented Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and Investments	\$ 906,652.79	\$ 405,020.07
Property Taxes Receivable	1,122,797.00	0.00
Capital Assets, Net of Accumulated Depreciation	<u>757,203.82</u>	<u>0.00</u>
Total Assets	<u>2,786,653.61</u>	<u>405,020.07</u>
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Pension	429.00	0.00
KPERS Pension	<u>131,134.00</u>	<u>0.00</u>
Total Deferred Outflows of Resources	<u>131,563.00</u>	<u>0.00</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,918,216.61</u>	<u>\$ 405,020.07</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
LIABILITIES		
Accounts Payable	\$ 17,185.20	\$ 0.00
OPEB Net Pension Liability	8,086.00	0.00
KPERS Net Pension Liability	<u>585,490.00</u>	<u>0.00</u>
Total Liabilities	<u>610,761.20</u>	<u>0.00</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	1,122,797.00	0.00
OPEB Pension	4,424.00	0.00
KPERS Pension	<u>14,327.00</u>	<u>0.00</u>
Total Deferred Inflows of Resources	<u>1,141,548.00</u>	<u>0.00</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 1,752,309.20</u>	<u>\$ 0.00</u>
NET POSITION		
Net Investment in Capital Assets	\$ 757,203.82	\$ 0.00
Unrestricted	<u>408,703.59</u>	<u>405,020.07</u>
Total Net Position	<u>\$ 1,165,907.41</u>	<u>\$ 405,020.07</u>

The accompanying notes are an integral part of this statement.

LEAVENWORTH PUBLIC LIBRARY

STATEMENTS OF ACTIVITIES GOVERNMENT-WIDE

For the year ended December 31, 2020

	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Discretely Presented Component Unit
	Charges for Services	Operating Grants and Contributions	Governmental Activities (Primary Government)	
Expenses				
\$ (1,317,800.44)	\$ 4,150.86	\$ 29,244.86	\$ (1,284,404.72)	\$ (20,255.26)
Primary Government:				
Library				
General Revenues:				
Intergovernmental Aid			1,193,738.69	0.00
State Aid & NEKLS Grant			85,540.22	0.00
Interest Income			14,100.24	11.47
Investment Income			0.00	5,034.14
Donations			0.00	8,660.00
Other			13,764.12	41,187.58
Total General Revenues			1,307,143.27	54,893.19
Change in Net Position			22,738.55	34,637.93
Net Position - Beginning of Year			1,143,168.86	370,382.14
Net Position - End of Year			\$ 1,165,907.41	\$ 405,020.07

The accompanying notes are an integral part of the financial statements.

LEAVENWORTH PUBLIC LIBRARY

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2020

	General	Employee Benefits	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 855,221.38	\$ 20,170.59	\$ 31,260.82	\$ 906,652.79
Property Taxes Receivable	<u>858,569.00</u>	<u>264,228.00</u>	<u>0.00</u>	<u>1,122,797.00</u>
Total Assets	<u>\$ 1,713,790.38</u>	<u>\$ 284,398.59</u>	<u>\$ 31,260.82</u>	<u>\$ 2,029,449.79</u>
LIABILITIES				
Accounts Payable	\$ <u>17,185.20</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>17,185.20</u>
Total Liabilities	<u>17,185.20</u>	<u>0.00</u>	<u>0.00</u>	<u>17,185.20</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	<u>858,569.00</u>	<u>264,228.00</u>	<u>0.00</u>	<u>1,122,797.00</u>
Total Deferred Inflows of Resources	<u>858,569.00</u>	<u>264,228.00</u>	<u>0.00</u>	<u>1,122,797.00</u>
FUND BALANCES				
Assigned:				
Capital Improvements	0.00	0.00	31,260.82	31,260.82
Unassigned	<u>838,036.18</u>	<u>20,170.59</u>	<u>0.00</u>	<u>858,206.77</u>
Total Fund Balances	<u>838,036.18</u>	<u>20,170.59</u>	<u>31,260.82</u>	<u>889,467.59</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,713,790.38</u>	<u>\$ 284,398.59</u>	<u>\$ 31,260.82</u>	

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 757,203.82
Pension contributions are reported as an expense in the fund and as a deferred outflow of resources in the governmental activities in the statement of net position	131,563.00
Pension funding is reported as a revenue in the fund and as a deferred inflow of resources in the governmental activities in the statement of net position	<u>(612,327.00)</u>
Net Position of Governmental Activities	<u>\$ 1,165,907.41</u>

The accompanying notes are an integral part of the financial statements.

LEAVENWORTH PUBLIC LIBRARY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS As of December 31, 2020

	General	Employee Benefits	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental Aid	\$ 923,668.32	\$ 270,070.37	\$ 0.00	\$ 1,193,738.69
State Aid & NEKLS Grant	85,540.22	0.00	0.00	85,540.22
Fees and Charges for Service	4,150.86	0.00	0.00	4,150.86
Grants and Contributions	18,344.86	0.00	10,900.00	29,244.86
Interest	14,100.24	0.00	0.00	14,100.24
Other	13,764.12	0.00	0.00	13,764.12
Total Revenues	<u>1,059,568.62</u>	<u>270,070.37</u>	<u>10,900.00</u>	<u>1,340,538.99</u>
EXPENDITURES				
Current:				
Personnel	665,237.96	249,899.78	0.00	915,137.74
Materials	1,112.48	0.00	0.00	1,112.48
Administration	55,828.04	0.00	1,158.00	56,986.04
Insurance	10,700.00	0.00	0.00	10,700.00
Utilities	41,273.57	0.00	0.00	41,273.57
Maintenance	105,269.95	0.00	0.00	105,269.95
Capital Outlay	172,668.62	0.00	0.00	172,668.62
Total Expenditures	<u>1,052,090.62</u>	<u>249,899.78</u>	<u>1,158.00</u>	<u>1,303,148.40</u>
Excess Deficiency of Revenues over Expenditures	<u>7,478.00</u>	<u>20,170.59</u>	<u>9,742.00</u>	<u>37,390.59</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	1,870.62	5,989.58	1,000.82	8,861.02
Operating Transfers Out	<u>(8,861.02)</u>	<u>0.00</u>	<u>0.00</u>	<u>(8,861.02)</u>
Total Other Financing Sources	<u>(6,990.40)</u>	<u>5,989.58</u>	<u>1,000.82</u>	<u>0.00</u>
	487.60	26,160.17	10,742.82	37,390.59
Fund Balances-Beginning of Year	<u>837,548.58</u>	<u>(5,989.58)</u>	<u>20,518.00</u>	<u>852,077.00</u>
Fund Balances-End of Year	<u>\$ 838,036.18</u>	<u>\$ 20,170.59</u>	<u>\$ 31,260.82</u>	<u>\$ 889,467.59</u>

The accompanying notes are an integral part of the financial statements.

LEAVENWORTH PUBLIC LIBRARY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS As of December 31, 2020

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

Net Changes in Fund Balance - Total Government Funds	\$	37,390.59
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay Expenditures	\$	180,495.62
Donated Capital Assets		0.00
Loss on Disposal of Capital Assets		(4,363.78)
Depreciation Expense		<u>(149,905.88)</u>
		26,225.96
Pension accruals are not reported as expenditures in the governmental funds and are not shown as an expense in the governmental funds		<u>(40,878.00)</u>
Change in Net Position of Governmental Activities as Reported on the Statement of Activities	\$	<u><u>22,738.55</u></u>

The accompanying notes are an integral part of the financial statements.

LEAVENWORTH PUBLIC LIBRARY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE GENERAL FUND For the Year Ended December 31, 2020

	Budget	Actual Amounts	Variance with Final Budget Over (Under)
REVENUES			
Intergovernmental Aid	\$ 938,000.00	\$ 923,668.32	\$ (14,331.68)
State Aid & NEKLS Grants	76,957.00	85,540.22	8,583.22
Fees and Charges for Service	17,000.00	4,150.86	(12,849.14)
Grants and Contributions	19,500.00	18,344.86	(1,155.14)
Interest	10,000.00	14,100.24	4,100.24
Other	5,000.00	13,764.12	8,764.12
Total Revenues	<u>1,066,457.00</u>	<u>1,059,568.62</u>	<u>(6,888.38)</u>
EXPENDITURES			
Current:			
Personnel	769,000.00	665,237.96	(103,762.04)
Materials	4,300.00	1,112.48	(3,187.52)
Administration	64,660.00	55,828.04	(8,831.96)
Insurance	9,200.00	10,700.00	1,500.00
Utilities	53,392.00	41,273.57	(12,118.43)
Maintenance	81,830.00	105,269.95	23,439.95
Capital Outlay	168,604.00	172,668.62	4,064.62
Total Expenditures	<u>1,150,986.00</u>	<u>1,052,090.62</u>	<u>(98,895.38)</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	0.00	1,870.62	1,870.62
Operating Transfers Out	<u>0.00</u>	<u>(8,861.02)</u>	<u>(8,861.02)</u>
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>(6,990.40)</u>	<u>(6,990.40)</u>
Net Change in Fund Balance	<u>\$ (84,529.00)</u>	487.60	<u>\$ 85,016.60</u>
Fund Balance - Beginning of Year		<u>837,548.58</u>	
Fund Balance - End of Year		<u>\$ 838,036.18</u>	

The accompanying notes are an integral part of the financial statements.

LEAVENWORTH PUBLIC LIBRARY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE EMPLOYEE BENEFIT FUND For the Year Ended December 31, 2020

	Budget	Actual Amounts	Variance with Final Budget Over (Under)
REVENUES			
Intergovernmental Aid	\$ 274,000.00	\$ 270,070.37	\$ (3,929.63)
Total Revenues	<u>274,000.00</u>	<u>270,070.37</u>	<u>(3,929.63)</u>
EXPENDITURES			
Current:			
Personnel	<u>274,000.00</u>	<u>249,899.78</u>	<u>(24,100.22)</u>
Total Expenditures	<u>274,000.00</u>	<u>249,899.78</u>	<u>(24,100.22)</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	<u>0.00</u>	<u>5,989.58</u>	<u>5,989.58</u>
Total Other Financing Sources (Uses)	<u>0.00</u>	<u>5,989.58</u>	<u>5,989.58</u>
Net Change in Fund Balance	\$ <u>0.00</u>	26,160.17	\$ <u>26,160.17</u>
Fund Balance - Beginning of Year		<u>(5,989.58)</u>	
Fund Balance - End of Year		<u>\$ 20,170.59</u>	

The accompanying notes are an integral part of the financial statements.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE A. MUNICIPAL REPORTING ENTITY

The Leavenworth Public Library (Library) is a political subdivision in the State of Kansas governed by a seven-member board appointed by the mayor of Leavenworth, Kansas. Accounting principles generally accepted in the United States of America have established criteria to be followed in determining which governmental organizations should be include in the reporting entity. Applying these criteria, management has determined that the Library is a component unit of the City of Leavenworth, State of Kansas.

The Leavenworth Library Foundation is considered a component unit of the Library. The Foundation raises funds for and provides funds to the Library. The Foundation operates under a separate board of directors.

NOTE B. BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Basis of presentation:

Government-wide statements: The statement of net position and the statement of activities display information about the total economic activities of the Library. These statements present the governmental activities of the entity. The Library has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues of the Library.

- * Program revenues include (a) charges paid by the recipients of goods or services offered by the program and (b) 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, including all taxes, are presented as general revenues.

Fund financial statements: The fund financial statements provide information about the Library's funds. The Library has only governmental funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds.

The Library has the following major governmental funds:

- * *General fund* . This is the Library's main operating fund. It accounts for all financial resources of the Library, except those required to be accounted for in another fund.
- * *Employee benefits fund*. This fund reflects the transactions of specific revenue sources, the usage of which is designated by administrative policy for the benefit of the Library's employees.

Basis of accounting:

The Library has established a system of accounting maintained to reflect compliance with accounting principles generally accepted in the United States of America. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library considers intergovernmental and state aid to be susceptible to accrual, and amounts received within 60 days are considered to be available. Revenues which are measurable but not yet available, are reported as deferred revenue and recognized as revenues when collected. Expenditures are recorded when the liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE C. FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the Library is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2020, fund balances for governmental funds are made up of the following:

Non-spendable fund balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance - includes amounts that can be spent only for the specific purposes determined by a formal action of the Library's highest level of decision making authority, the Board of Trustees. Commitments may be changed or lifted only by the Board of Trustees taking the same formal action that imposed the constraint originally.

Assigned fund balance - includes amounts intended to be used by the Library for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the Board of Trustees or (2) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes .

Unassigned fund balance - is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

NOTE D. 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 and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NOTE E. BUDGETARY BASIS OF ACCOUNTING

The Library is not subject to statutory budget requirements. The City of Leavenworth levies taxes to fund a portion of the annual budget of the Library. For monitoring purposes, the Board of Trustees of the Library does develop a budget annually. These budget figures have been included in the budgetary comparison statements for the General fund and the Employee Benefits fund.

NOTE F. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the Library.

The Library is not aware of any non-compliance with state statutes for year ended December 31, 2020

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE G. CASH AND INVESTMENTS

Custodial credit risk - investments . For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Library – primary governmental unit

As of December 31, 2020, the Library's cash and investments consisted of the following:

Cash	\$ 306,587.04
Investments	<u>600,065.75</u>
Total	<u>\$ 906,652.79</u>

As of December 31, 2020, the Library had the following investments:

Investment Type	Fair Value
Non-negotiable Certificates of deposit:	
Citizens Savings & Loan Association, 01/16/2021	\$ 100,000.00
Citizens Savings & Loan Association, 08/12/2025	100,000.00
Citizens Savings & Loan Association, 03/15/2021	100,000.00
Citizens Savings & Loan Association, 03/15/2024	200,000.00
Commerce Bank 04/21/2021	<u>100,065.75</u>
Total Fair Value	<u>\$ 600,065.75</u>

Leavenworth Library Foundation – component unit

As of December 31, 2020, the Foundation's cash and investments consisted of the following:

Cash	\$ 8,794.54
Investments	<u>396,225.53</u>
Total	<u>\$ 405,020.07</u>

As of December 31, 2020, the Foundation had the following investments:

Investment type		Rating	Percentage
Trust investment	\$ <u>396,225.53</u>	Not available	100.00%
Total Fair Value	<u>\$ 396,225.53</u>		

During the year ended December 31, 2020, the Foundation's net investment income consisted of the following:

Asset Receipts	\$ 34.91
Dividends	4,999.23
Capital Gain	18,155.57
Unrealized gain (loss)	22,930.35
Fees	<u>(5,127.54)</u>
Net investment income	<u>\$ 40,992.52</u>

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE G. CASH AND INVESTMENTS – continued

Leavenworth Library Foundation – component unit (continued)

K.S.A. 9-1401 establishes the depositories which may be used by the Library. The statute requires banks eligible to hold the Library's deposits have a main or branch bank in the county in which the Library is located and the banks provide an acceptable rate of return on deposits. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The Library has no other policies that would further limit custodial credit risk.

K.S.A. 12-1675 limits the Library's investment of idle monies to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Library has no investment policy that would further limit investments.

Concentration of credit risk. State statutes place no limit on the amount the Library may invest in any one issuer as long as the investment is adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk-deposits. Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. State statutes require the Library's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. The irrevocable line of credit from the Federal Home Loan Bank of Topeka is an instrument that replaces the mortgage backed securities formerly used to secure the bank balances at Citizens.

At December 31, 2020, the Library's carrying amount of deposits was \$906,652.79 (which includes \$100 petty cash) and the bank balance was \$964,228.45. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance, \$350,065.75 was covered by federal depository insurance, and the remaining \$556,587.04 was collateralized with securities held by the pledging financial institutions' agents in the Library's name.

At December 31, 2020, the Foundation's carrying amount of deposits was \$8,794.54 and the bank balance was \$8,794.54. The bank balance was held by one bank, resulting in a concentration of credit risk. Of the bank balance, \$8,794.54 was covered by federal depository insurance.

NOTE H. INTER-FUND TRANSFERS

Interfund transfers are recorded as Other Financing Sources in the fund receiving the cash from another fund and as Other Financing Uses in the fund from which the transfer is made. The following transfers were made during the year.

Transfers To	Transfers From	Statutory Authority	Amount
Capital Outlay	General	K.S.A. 19-120	\$ 1,000.82
Gifts & Memorials	General	K.S.A. 19-120	1,870.62
Employee Benefits	General	K.S.A. 19-120	5,989.58
Total			\$ 8,861.02

NOTE I. CAPITAL ASSETS

Purchased capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed capital assets are reported at estimated fair value at the time received.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE I. CAPITAL ASSETS - continued

Depreciation methods and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Depreciation method	Estimated useful life
Books	Straight-line	10-20 years
Equipment Furniture & Fixtures	Straight-line	5-20 years

Capital balances and activity for the year ended December 31, 2020 was as follows:

	Beginning balance	Additions	Dispositions	Ending Balance
Capital Assets				
Books	\$ 1,757,138.79	\$ 172,668.62	\$ 0.00	\$ 1,929,807.41
Equipment Furniture & Fixtures	610,818.10	7,827.00	88,799.93	529,845.17
Total capital assets	2,367,956.89	180,495.62	88,799.93	2,459,652.58
Less accumulated depreciation for:				
Books	1,155,517.59	124,053.41	0.00	1,279,571.00
Furniture & fixtures	481,179.68	25,852.47	84,154.39	422,877.76
Total accumulated depreciation	1,636,697.27	149,905.88	84,154.39	1,702,448.76
Total capital assets, net	\$ 731,259.62	\$ 30,589.74	\$ 4,645.54	\$ 757,203.82

NOTE J. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Health Insurance

The City of Leavenworth provides health insurance benefits to Library retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the State Legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium costs for other similarly situated employees. The City of Leavenworth requires participating retirees to contribute 100 percent of the blended premium cost of active employees up to age 65 (including the employer and the employee share).

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Library makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the Library under this program.

Death and Disability.

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2020. It appears the amount of deferred outflows, inflows and net pension liability are not material and have not been quantified in this financial statement.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE J. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - continued

Compensated absences

Full-time and part-time employees who work twenty (20) or more hours a week shall begin to accrue annual leave from commencement of employment, but they shall not be permitted to use any annual leave until completing the six-month introductory period. Part-time employees working under twenty (20) hours a week and temporary employees will not be compensated for annual leave. Employees terminated prior to the completion of their six-month introductory period shall not be compensated for any accrued annual leave.

Annual leave shall accrue at this rate:

Full-time employees: twelve (12) days per year (8 hours per month)

Part-time employees: pro-rated annual leave

Employees working **20-29** hours per week: four (4) hours per month

Employees working **30-39** hours per week: six (6) hours per month

The Library Director: twenty (20) days per year beginning at time of employment

After four (4) years of continuous service:

Full-time employees: fifteen (15) days per year (10 hours per month).

Part-time employees:

Employees working **20-29** hours per week: (6) hours per month

Employees working **30-39** hours per week: (8) hours per month

After ten (10) years of continuous service:

Full-time employees: twenty (20) days per year.

Full-time employees may carry over twelve (12) days (15 days after 4 years; 20 days after 10 years) from one calendar year to the next.

Part-time employees may carry over comparable amounts based on their pro-rated leave.

Upon termination of employment, employees will be compensated for accumulated annual leave based on their years of service:

< than 5 years – 144 hours

5 to 10 years – 176 hours

10 to 15 years – 208 hours

> 15 years – 240 hours

Sick leave shall be accrued at this rate:

Full-time employees: twelve (12) days per year (8 hours per month)

Employees working **20-29** hours per week: (4) hours per month

Employees working **30-39** hours per week: (6) hours per month

After four (4) years of continuous service:

Full-time employees: fifteen (15) days per year (10 hours per month)

Employees working **20-29** hours per week: (6) hours per month

Employees working **30-39** hours per week: (8) hours per month

Sick leave will continue to accrue; all accumulated leave shall carry over year-to-year. Upon termination of employment employees will not be compensated for accumulated sick leave.

Amounts accumulated for compensated absences are not accrued in these financial statements.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE K. ENCUMBRANCES

The Library uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executor contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2020, the Library did not have any recorded encumbrances in governmental funds.

NOTE L. DEFINED BENEFIT PENSION PLAN

Description of plan – The Organization participates in a cost-sharing multiple-employer pension plan (Pension Plan) known as Kansas public Employees Retirement System (KPERS). KPERS is administrator of the cost sharing multiple employer defined benefit plan (Pension Plan) as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. KPERS financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS www.kpers.org.

KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
 - State/School employees
 - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the Organization are included in the local employee group.

Benefits - Benefits are established by statute and may only be changed by the Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55, (Police and Firemen have a different criteria) with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85 "points" (Police and Firemen have a different criteria).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement, a member may receive a lump sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc postretirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE L. DEFINED BENEFIT PENSION PLAN – continued

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A 744922.

Contributions - Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll.

The actuarially determined employer contribution rate and the statutory contribution rates are as follows for Leavenworth Public Library:

	2020	
	Actuarial Employer Rate	Statutory Employer Rate
Local government employees	8.61%	8.61%

Member contribution rates as a percentage of eligible compensation of fiscal year 2020 is 6.00%.

Employer and Non-employer Allocations - Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State
School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, the System maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedules of employer and non-employer allocations are applied to totals presented in the schedules of pension amounts by employer and non-employer. The allocation percentages for each group as of June 30, 2020 (rolled forward to December 31, 2020) and June 30, 2019 (rolled forward to December 31, 2019) are based on the ratio of each employer's contributions to total employer and non-employer contributions of the group for the fiscal year ended June 30, 2020 (rolled forward to December 31, 2020) and June 30, 2019 (rolled forward to December 31, 2019). The contributions used exclude contributions made for prior service, excess benefits and irregular payments. The employer allocation percentages have been rounded for presentation purposes. Therefore, use of these percentages to recalculate individual employer amounts presented in the schedules of pension amounts by employer and non-employer may result in immaterial differences due to rounding.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE L. DEFINED BENEFIT PENSION PLAN – continued

Net Pension Liability - The components of the collective net position liability of the participating employers by each group at December 31, 2020 were as follows:

	Total Pension Liability	Less Fiduciary Net Position	Net Pension Liability
State/School	\$ 21,231,215,202	\$ 13,759,282,718	\$ 7,471,932,484
Local	5,931,407,823	4,197,753,841	1,733,653,982
Police & Firemen	3,715,609,163	2,482,472,216	1,233,136,947
Judges	202,206,885	167,365,230	34,841,655
	<u>\$ 31,080,439,073</u>	<u>\$ 20,606,874,005</u>	<u>\$ 10,473,565,068</u>
Leavenworth Public Library			<u>\$ 585,490.00</u>

At December 31, 2020, Leavenworth Public Library reported a liability of \$593,576.00 for its proportionate share of the net pension liability.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement was unchanged for the two years presented:

Actuarial Cost Method	Entry age normal
Price Inflation	2.75 percent
Salary Increase	3.50 to 12.00 percent, including price inflation
Investment Rate of Return	7.75 percent compounded annually, net of investment expense, including price inflation

Mortality rates were based on the RP-2014 Mortality Tables with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016. Different adjustments apply to pre-retirement versus post-retirement versus post-disability mortality tables.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The actuarial assumptions changes adopted by the Pension Plan for all groups based on the experience study:

- 1) Price inflation assumption lowered from 3.00 percent to 2.75 percent.
- 2) Investment return assumption was lowered from 8.00 percent to 7.75 percent.
- 3) General wage growth was lowered from 4.00 percent to 3.5 percent.
- 4) Payroll growth assumption was lowered from 4.00 percent to 3.00 percent.

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. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE L. DEFINED BENEFIT PENSION PLAN – continued

Asset Class	Long-term target allocation	Long-Term Expected Real Rate of Return
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50%	6.40%
Private Equity	8.00%	9.50%
Private Real estate	11.00%	4.45%
Yield Driven	8.00%	4.70%
Real Return	11.00%	3.25%
Fixed Income	11.00%	1.55%
Short-term investments	4.00%	0.25%
	<u>100.000%</u>	

Discount Rate - The discount rate used to measure the total pension liability at the measurement date of June 30, 2020 was 7.75%. The actuarial assumptions used in the calculation on the total pension liability were based on the results of the most recent actuarial experience study. It covered the three-year period January 1, 2016 through December 31, 2018 and was dated January 7, 2020

The projection of cash flows used to determine the discount rate was based on member and employer contributions.

In KPERS, the State/School and Local groups do not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase more than the statutory cap. The statutory cap for Fiscal Year 2020 was 1.2 percent.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School Statutory rate for Fiscal Year 2015 of 11.27 percent was reduced to 8.65 percent for the last half of the fiscal year as part of the Governor's allotment. That same session, SB 228 recertified statutory rates for the State/School group to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2019 in anticipation of the issuance of \$1 billion in pension obligation bonds. Legislation in the 2017 session (SB 161) provided for the delay of up to \$100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161.

In addition, 2017 S Sub. for Sub. HB 2052 delayed \$64.1 million in Fiscal Year State/School contributions, to be repaid over 20 years in level dollar installments. The first payment of \$6.4 million was paid in full at the beginning of Fiscal year 2019, and appropriations for Fiscal Year 2019 were made at the statutory contribution rate of 12.01 percent for the State/School group. Additional legislation in the 2017 Session (Senate Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2020. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2020 Legislature passed House Sub for Sen Bill 109, which directed on-behalf payments of \$56 million and \$82 million be made to the System. The \$56 million payment was received by the System on June 30, 2019, and recorded as Fiscal Year 2019 contributions. The \$82 million was received July 1, 2020, and was recorded as Fiscal Year 2019 contributions. The 2020 Legislature session passed Senate Bill 9, which authorized a transfer of \$115 million to KPERS, received in March 2020. House Sub for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in Fiscal Year 2020 of \$51 million

Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years, between 11 to 12 percent. Using this assumption

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE L. DEFINED BENEFIT PENSION PLAN – continued

actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid depletion date.

The Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate.

Sensitivity of the Net Position Liability to Changes in the Discount Rate - The following presents the net pension liability of the Pension plan as of December 31, 2020, calculated using the discount rate of 7.50%, as well as what the pension Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
State/School	\$ 9,907,295,373	\$ 7,471,932,484	\$ 5,418,722,502
Local	2,439,945,028	1,733,653,982	1,139,847,330
Police & Firemen	1,687,748,977	1,233,136,947	853,440,810
Judges	53,160,271	34,841,655	18,972,356
Total	\$ 14,088,149,649	\$ 10,473,565,068	\$ 7,430,982,998
Leavenworth Public Library	\$ 824,018	\$ 585,490	\$ 384,949

Pension Expense - For the year ended December 31, 2020, the Leavenworth Public Library recognized pension expense of \$87,188.51 which include the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2020, Leavenworth Public Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 9,776	\$ 7,527
Net difference between projected and actual earnings on investment	68,312	0
Changes in assumptions	35,266	0
Changes in proportion	17,780	6,800
Total	\$ 131,134	\$ 14,327

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE L. DEFINED BENEFIT PENSION PLAN – continued

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

<u>Year ended December 31,</u>	<u>Deferred (Inflows) Outflows Amount</u>
2021	\$ 27,401
2022	31,414
2023	32,133
2024	24,946
2025	912
Thereafter	0

Through December 31, 2020 and as of the date of the report the above amounts have not changed for December 31, 2020.

NOTE M – OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description – Leavenworth Public Library participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits - Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the Member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability from any other sources by reason of employment, and earnings from any form of employment.

If disability begins before age, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited the shorter of the term of disability or 24 months per lifetime, whichever is less.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate compensation at the time of the disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE M – OTHER POSTEMPLOYMENT BENEFIT PLAN - continued

Covered Employees – Leavenworth Public Library has the following employees covered by the Plan as of December 31, 2020:

Inactive employees or beneficiaries currently receiving payments	0
Active employees	<u>22</u>
Total	<u><u>22</u></u>

Total OPEB Liability – Leavenworth Public Library total OPEB liability of \$216,970 reported as of December 30, 2020 was measured as of June 30, 2020 (the measurement date), and was determined by an actuarial valuation as of June 30, 2020 which was rolled forward to December 31, 2020 using the following actuarial assumptions:

Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50 to 10.00%
Discount rate (based on the 20 year municipal bond rate with an average training AA/Aa or better, obtained from the Municipal Bond Index	3.00%

Mortality rates used for the death benefits were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using Scale AA. Mortality rates used for the disability benefits were based on the RP-2000 Disabled Life Table with generational mortality improvement using Scale AA.

The long-term disability incidence and claim termination rate assumptions that determined the total OPEB liability as of June 30, 2020 was based on the results of an actuarial experience study conducted for the three years ending December 31, 2015 for the period January 1, 2013 – December 31, 2015.

Changes in Total OPEB Liability

Sensitivity Analysis - The following presents the Leavenworth Public Library's total OPEB liability calculated using the discount rate of 2.21% as of December 31 2020, as well as what the Leavenworth Public Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Leavenworth Public Library	\$ <u>8,188</u>	\$ <u>8,086</u>	\$ <u>7,911</u>

OPEB Expense - For the year ended December 31, 2020, Leavenworth Public Library recognized OPEB expenses of \$8,086 which includes the changes in the total OPEB liability, and the amortization of deferred outflows or resources and deferred inflows of resources for the current period.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT December 31, 2020

NOTE M – OTHER POSTEMPLOYMENT BENEFIT PLAN - continued

Balance Beginning of Year	\$	6,900
Changes for the Year		
Service Cost		2,208
Interest on total OPEB liability		319
Effect of plan changes		0
Effect of economic/demographic gains or losses		(1,744)
Effect of assumptions changes or inputs		403
Benefit payments		<u>0</u>
Balance End of Year	\$	<u>8,086</u>

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2020, Leavenworth Public Library reported deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ 0	\$ (4,300)
Changes in assumptions	429	(124)
Benefit payments subsequent to the measurement date	<u>0</u>	<u>0</u>
Total	\$ <u>429</u>	\$ <u>(4,424)</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended December 31,	Deferred (Inflows) Outflows Amount
2021	\$ (525)
2022	(525)
2023	(525)
2024	(525)
2025	(525)
Thereafter	(1,370)

NOTE N. RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year.

LEAVENWORTH PUBLIC LIBRARY

NOTES TO FINANCIAL STATEMENT

December 31, 2020

NOTE O. RELATED PARTY TRANSACTIONS

City of Leavenworth

The Library is housed in a facility owned by the City of Leavenworth. The City issued debt to construct the library facility and has assumed responsibility for principal and interest payments on the debt.

The City of Leavenworth provides health insurance benefits to Library employees and their dependents.

Leavenworth Library Foundation

During the year ended December 31, 2020, the Library's component unit, the Leavenworth Library Foundation, donated \$12,845 to the Library.

COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the County's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the County is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2020. Future potential impacts may include decrease in certain revenues, etc. and disruptions or restrictions on the County's ability to operate under its current mission and operating model.

CRF and CARES Act Funding

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of \$400 million. The Library received CRF in the amount of \$10,000 during 2020. The CRF funds are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at <https://covid.ks.gov/>.

Under the CARES Act, the CRF may be used to cover costs that:

1. Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
2. Are necessary expenditures incurred due to the public health emergency with respect to COVID-19.
3. Are NOT accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or municipality. The "most recently approved" budget refers to the enacted budget for the relevant fiscal period for the particular municipality. A cost meets this requirement if:
 - a. The cost cannot lawfully be funded using a line item, allotment or allocation within that budget; OR
 - b. The cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.
 - c. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund or similar reserve account.

NOTE P. SUBSEQUENT EVENTS

The Library evaluated subsequent events through May 13, 2021, the date the financial statements were available to be issued. See above for Covid-19.

REQUIRED SUPPLEMENTAL
INFORMATION

LEAVENWORTH PUBLIC LIBRARY

REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

KPERS PENSION PLAN

Schedule of the Library's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	2015	2016
Library's proportion of the net pension liability	0.030%	0.033%
Library's proportionate share of the net pension liability	\$ 398,312	\$ 510,628
Library's covered-employee payroll	\$ 554,714	\$ 583,838
Library's proportional share of the net pension liability as a percentage of its covered employee payroll	71.80%	87.46%
Total pension liability as a percentage of net position	64.95%	65.10%

*Information is only available for 6 of the 10 years to be presented

OPEB LIABILITY

Schedule of Changes in Total OPEB Liability and Related Ratios

	2018
Service Costs	\$ 1,894
Interest Total OPEB Liability	287
Changes of Benefit Terms	0
Effect of Economic/Demographic Gains or (Losses)	(1,813)
Effect of Assumption Charges or Inputs	(59)
Benefit Payments	0
Net change in Total OPEB Liability	309
Total OPEB Liability, Beginning	6,126
Total OPEB Liability, Ending	\$ 6,435
Covered Payroll	\$ 642,979

*Information is only available for 3 of the 10 years to be presented

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	0.033%	0.033%	0.034%	0.00006%
\$	470,907	\$ 453,093	\$ 478,279	\$ 585,490
\$	584,240	\$ 619,185	\$ 656,550	\$ 664,055
	80.60%	73.18%	72.85%	88.17%
	67.12%	68.87%	41.84%	48.96%

	<u>2019</u>	<u>2020</u>
\$	1,919	\$ 2,208
	323	319
	0	0
	(1,862)	(1,744)
	85	403
	<u>0</u>	<u>0</u>
	465	1,186
	<u>6,435</u>	<u>6,900</u>
\$	<u>6,900</u>	\$ <u>8,086</u>
\$	<u>679,091</u>	\$ <u>600,813</u>

SUPPLEMENTAL INFORMATION

LEAVENWORTH PUBLIC LIBRARY

COMBINING BALANCE SHEET - GENERAL FUND

As of December 31, 2020

	General	Gifts & Memorial	Total General Fund
ASSETS			
Cash and Investments	\$ 734,764.35	\$ 120,457.03	\$ 855,221.38
Property Taxes Receivable	<u>858,569.00</u>	<u>0.00</u>	<u>858,569.00</u>
Total Assets	<u>\$ 1,593,333.35</u>	<u>\$ 120,457.03</u>	<u>\$ 1,713,790.38</u>
LIABILITIES			
Accounts Payable	\$ <u>17,185.20</u>	\$ <u>0.00</u>	\$ <u>17,185.20</u>
Total Liabilities	<u>17,185.20</u>	<u>0.00</u>	<u>17,185.20</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	<u>858,569.00</u>	<u>0.00</u>	<u>858,569.00</u>
Total Deferred Inflows of Resources	<u>858,569.00</u>	<u>0.00</u>	<u>858,569.00</u>
FUND BALANCES			
Unassigned	<u>717,579.15</u>	<u>120,457.03</u>	<u>838,036.18</u>
Total Fund Balances	<u>717,579.15</u>	<u>120,457.03</u>	<u>838,036.18</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,593,333.35</u>	<u>\$ 120,457.03</u>	<u>\$ 1,713,790.38</u>

LEAVENWORTH PUBLIC LIBRARY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND

For the year ended December 31, 2020

	General	Gifts & Memorial	Total General Fund
REVENUES			
Intergovernmental Aid	\$ 923,668.32	\$ 0.00	\$ 923,668.32
State Aid and Grants	85,540.22	0.00	85,540.22
Fees and Charges for Service	4,150.86	0.00	4,150.86
Grants and Contributions	0.00	18,344.86	18,344.86
Interest	14,100.24	0.00	14,100.24
Other	13,764.12	0.00	13,764.12
Total Revenues	<u>1,041,223.76</u>	<u>18,344.86</u>	<u>1,059,568.62</u>
EXPENDITURES			
Current:			
Personnel	665,237.96	0.00	665,237.96
Materials	1,112.48	0.00	1,112.48
Administration	52,042.59	3,785.45	55,828.04
Insurance	10,700.00	0.00	10,700.00
Utilities	41,273.57	0.00	41,273.57
Maintenance	99,669.95	5,600.00	105,269.95
Capital Outlay	172,668.62	0.00	172,668.62
Total Expenditures	<u>1,042,705.17</u>	<u>9,385.45</u>	<u>1,052,090.62</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,481.41)</u>	<u>8,959.41</u>	<u>7,478.00</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	0.00	1,870.62	1,870.62
Operating Transfers Out	(8,861.02)	0.00	(8,861.02)
Total Other Financing Sources (Uses)	<u>(8,861.02)</u>	<u>1,870.62</u>	<u>(6,990.40)</u>
Net Change in Fund Balance	(10,342.43)	10,830.03	487.60
Fund Balances-Beginning of Year	<u>727,921.58</u>	<u>109,627.00</u>	<u>837,548.58</u>
Fund Balances-End of Year	<u>\$ 717,579.15</u>	<u>\$ 120,457.03</u>	<u>\$ 838,036.18</u>

See Independent Auditor's Report.

LEAVENWORTH PUBLIC LIBRARY

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

As of December 31, 2020

	Capital Outlay	Library Grant	Total Non-major Governmental Funds
ASSETS			
Cash and Investments	\$ 21,518.82	\$ 9,742.00	\$ 31,260.82
Total Assets	<u>\$ 21,518.82</u>	<u>\$ 9,742.00</u>	<u>\$ 31,260.82</u>
LIABILITIES			
Payroll Taxes Payable	\$ 0.00	\$ 0.00	\$ 0.00
Total Liabilities	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND BALANCES			
Assigned:			
Capital Improvements	<u>21,518.82</u>	<u>9,742.00</u>	<u>31,260.82</u>
Total Fund Balances	<u>21,518.82</u>	<u>9,742.00</u>	<u>31,260.82</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 21,518.82</u>	<u>\$ 9,742.00</u>	<u>\$ 31,260.82</u>

See Independent Auditor's Report.

LEAVENWORTH PUBLIC LIBRARY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS

For the year ended December 31, 2020

	Capital Outlay	Library Grants	Total Non-major Governmental Funds
REVENUES			
State Aid	\$ 0.00	\$ 0.00	\$ 0.00
Grants and Contributions	0.00	10,900.00	10,900.00
Other	0.00	0.00	0.00
	<u>0.00</u>	<u>10,900.00</u>	<u>10,900.00</u>
Total Revenues	<u>0.00</u>	<u>10,900.00</u>	<u>10,900.00</u>
EXPENDITURES			
Current:			
Personnel	0.00	0.00	0.00
Administration	0.00	1,158.00	1,158.00
Maintenance	0.00	0.00	0.00
	<u>0.00</u>	<u>1,158.00</u>	<u>1,158.00</u>
Total Expenditures	<u>0.00</u>	<u>1,158.00</u>	<u>1,158.00</u>
Excess (Deficiency) of Revenues over Expenditures	<u>0.00</u>	<u>9,742.00</u>	<u>9,742.00</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers in	1,000.82	0.00	1,000.82
Operating Transfers Out	0.00	0.00	0.00
	<u>1,000.82</u>	<u>0.00</u>	<u>1,000.82</u>
Total Other Financing Sources (Uses)	<u>1,000.82</u>	<u>0.00</u>	<u>1,000.82</u>
Net Change in Fund Balance	1,000.82	9,742.00	10,742.82
Fund Balances-Beginning of Year	<u>20,518.00</u>	<u>0.00</u>	<u>20,518.00</u>
Fund Balances-End of Year	<u>\$ 21,518.82</u>	<u>\$ 9,742.00</u>	<u>\$ 31,260.82</u>

See Independent Auditor's Report.