LEAVENWORTH PUBLIC LIBRARY

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2025

LEAVENWORTH PUBLIC LIBRARY

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1225 West Sixth Avenue, Ste. A
Emporia, KS 66801
(620) 342-7641
(620) 342-8682 FAX

Dan Robertson, CPA
Kathleen Centlivre, CPA

Agler & Gaeddert CHARTERED
Certified Public Accountants
www.ag.cpa

234 S. Main Street
Ottawa, KS 66067
(785) 242-3170
(785) 242-9250 FAX

Harold Mayes, CPA

INDEPENDENT AUDITOR'S REPOORT

Board of Directors
Leavenworth Public Library
Leavenworth, Kansas

Opinions
We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Leavenworth Public Library as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Leavenworth Public Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Leavenworth Public Library, as of December 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Leavenworth Public Library's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Leavenworth Public Library's ability to continue as a going concern for a reasonable period of time.

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

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

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

Harold K. Mayes Jr

Harold K Mayes Jr., CPA
Agler & Gaeddert, Chartered
Ottawa, Ks.
April 20, 2026

MANAGEMENT DISCUSSION AND ANALYSIS

LEAVENWORTH PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2025

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, 2025. 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, 2025 by $1,200,646.95. Of this amount, $130,265.25 (unrestricted net position) may be used to meet the entity's ongoing obligations to patrons and vendors.
- The Library's total net position decreased 2.16% from the prior year.
- As of December 31, 2025, the Library's governmental funds reported combined net position of $1,200,646.95, an decrease of $26,472.19 from the prior year.
- Approximately 10.85%, or $130,265.25 is available for spending at the Library's discretion (unassigned net position).
- As of December 31, 2025, fund balance for the General Fund was $1,151,316.90 or 95.89% 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.

- 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 $1,200,646.95 as of December 31, 2025, the most recent fiscal year.

A significant portion of the Library's net position, 88.69% 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.

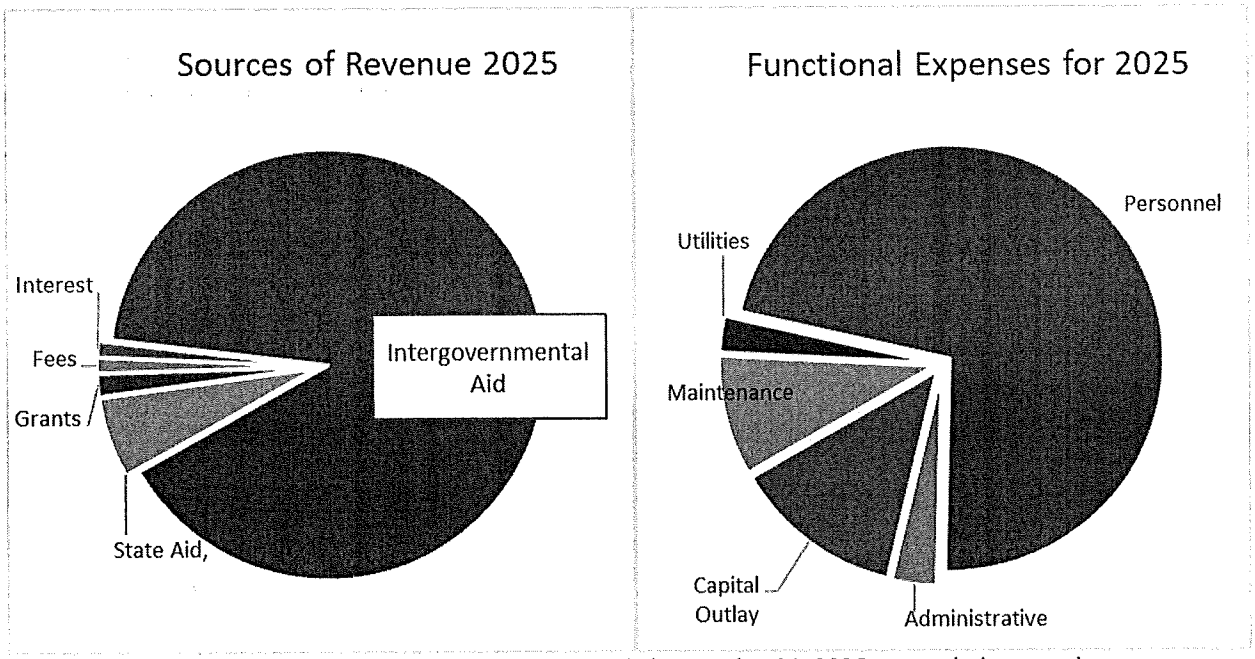
Table 1

Condensed Statement of Net Position

	Governmental Activities		Total Percentage Change
	2024	2024	2024-2025
Other Assets	$ 2,500,194	$ 2,293,032	9.03%
Capital Assets, Net of Accumulated Depreciation	1,064,894	1,005,564	5.90%
Total Assets	3,565,088	3,298,596	-7.48%
Deferred Outflows of Resources	127,053	158,807	-20.00%
Total Deferred Outflows of Resources	127,053	158,807	-20.00%
Liabilities	662,490	686,741	-3.53%
Total Liabilites	662,490	686,741	-3.53%
Deferred Inflows of Resources	1,829,004	1,543,543	18.49%
Total Deferred Inflows of Resources	1,829,004	1,543,543	18.49%
Net Position:			
Net Investment in Capital Assets	1,064,894	1,005,564	5.90%
Other Net Position	135,753	221,555	-38.73%
Total Net Position	$ 1,200,647	$ 1,227,119	-2.16%

Changes in net position. The Leavenworth Public Library's total revenues increased by 5.20%. Approximately 89.89% of Library revenue comes from property taxes. The remaining 10.11% 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, 2025 to sustain its operations.

Table 2

Changes in Net Position

	Governmental Activities		Total Percentage Change
	2025	2024	2024-2025
Revenues:			
Program revenues:			
Charges for Services	$ 19,852	$ 15,917	24.72%
Operating Grants and Contributions	27,468	14,321	91.80%
Capital Grants and Contributions	0	0	0.00%
General Revenues:			
Intergovernmental Aid	1,537,375	1,476,459	4.13%
State Aid & NEKLS Grant	103,063	98,762	4.35%
Interest Income	20,579	19,838	3.74%
Other	1,813	250	625.20%
Total Revenues	1,710,150	1,625,547	5.20%
Expenses:			
Library	1,736,622	1,689,557	2.79%
Total Expenses	1,736,622	1,689,557	2.79%
Excess (Deficiency) of Revenues over Expenses	(26,472)	(64,010)	-58.64%
Transfers In	0	0	0.00%
Transfers Out	0	0	0.00%
Increase (decrease) in net positioin	$ (26,472)	$ (64,010)	141.80%

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As the Library completed the year, its general fund reported combined fund balance of $646,955.72, a decrease of $76,261.94 from last year. The Employee Benefits Fund reported an increase in fund balance over the prior year of $77.99. The Capital Outlay Fund reported no change in its fund balance and the Library Grant Fund reported no change in its fund balance

The revenues of the General Fund increased by 4.56% while expenditures increased by 5.82% The overall effect of operations in the General Fund was a 10.55% decrease in fund balance.

General Fund Budgetary Highlights

Total General Fund revenues for the Library for the year ended December 31, 2025 were 83.61% of budget. Total General Fund expenditures for the year ended December 31, 2025, were 82.64% 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, 2025, the Library had invested $1,064,894.18 in capital assets (net of accumulated depreciation), including equipment, books, furniture, and fixtures. These amounts represent a net increase of $59,329.76 (net of depreciation) over the prior year.

	Governmental Activities	
	2025	2024
Books	$ 963,489	$ 893,869
Equipment Furniture & Fixtures	101,405	111,695
Total	$ 1,064,894	$ 1,005,564

MISSION

The Leavenworth Public Library is a gathering place for everyone that stimulates discovery, understanding and enjoyment.

FY2025 GENERAL FUND SUMMARY

City property taxes generate 89.89% of the Library's general fund revenue. No sales taxes or other direct City funding is received. A grants, gifts, copy and fax fees, interest on Library CDs account for the rest of Library revenue.

The Charter Ordinance passed by the City Commission in 1986 allows the Library Board of Trustees to approve a budget that collects a maximum of 3.75 mills for the general fund. The Board's FY2025 budget decreased the general fund mill rate from 3.501 to 3.486. It was the third consecutive year the Library's mill rate decreased.

FY2025 EMPLOYEE BENEFIT FUND SUMMARY

They FY2025 EBF budget anticipated a 8.58% increase in costs. Pay increases resulted in higher expenses for KPERS, Medicare and Social Security. The FY2025 mill rate increased from .931mills in 2024 to .978 mills in 2025.

Other statistics for the Library's operation:

- The Leavenworth Public Library is a gathering space for everyone that stimulates discovery, understanding and enjoyment--patron entered every 8 seconds
- Thriving, vital resource for thousands--item borrowed every 4 seconds
- Effective use of tax dollars--average book price $17.26, our cost per circulation $6.75
- The leading provider in this part of Kansas--30% more circulation than closest competitors

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, 2025

	Governmental Activities (Primary Government)	Discretely Presented Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and Investments	$ 713,468.83	$ 517,609.52
Property Taxes Receivable	1,786,725.00	0.00
Capital Assets, Net of Accumulated Depreciation	1,064,894.18	0.00
Total Assets	3,565,088.01	517,609.52
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Pension	286.00	0.00
KPERS Pension	126,767.00	0.00
Total Deferred Outflows of Resources	127,053.00	0.00
Total Assets and Deferred Outflows of Resources	$ 3,692,141.01	$ 517,609.52
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
LIABILITIES		
Accounts Payable	$ 17,183.06	$ 0.00
Accrued Liabilities	0.00	0.00
OPEB Net Pension Liability	2,806.00	0.00
KPERS Net Pension Liability	642,501.00	0.00
Total Liabilities	662,490.06	0.00
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	1,786,725.00	0.00
OPEB Pension	12,054.00	0.00
KPERS Pension	30,225.00	0.00
Total Deferred Inflows of Resources	1,829,004.00	0.00
Total Liabilities and Deferred Inflows of Resources	$ 2,491,494.06	$ 0.00
NET POSITION		
Net Investment in Capital Assets	$ 1,064,894.18	$ 0.00
Restricted	0.00	517,609.52
Assigned to capital improvements	5,487.52	0.00
Unrestricted	130,265.25	0.00
Total Net Position	$ 1,200,646.95	$ 517,609.52

The accompanying notes are an integral part of this statement.

LEAVENWORTH PUBLIC LIBRARY

STATEMENTS OF ACTIVITIES
GOVERNMENT-WIDE
For the year ended December 31, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities (Primary Government)	Discretely Presented Component Unit
Primary Government:						
Library	$ (1,736,622.50)	$ 19,852.22	$ 27,468.44	$ 0.00	$ (1,689,301.84)	$ (19,808.56)
General Revenues:						
Intergovernmental Aid					1,537,375.24	0.00
State Aid & NEKLS Grant					103,062.70	0.00
Interest Income					20,578.76	0.00
Investment Income					0.00	11,820.66
Donations					0.00	21,504.69
Fundraisers					0.00	0.00
Other					1,812.95	52,331.59
Total General Revenues					1,662,829.65	85,656.94
Change in Net Position					(26,472.19)	65,848.38
Net Position - Beginning of Year					1,227,119.14	451,761.14
Net Position - End of Year					$ 1,200,646.95	$ 517,609.52

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

LEAVENWORTH PUBLIC LIBRARY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2025

	General	Employee Benefits	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	$ 664,138.78	$ 35,650.59	$ 13,679.46	$ 713,468.83
Property Taxes Receivable	1,352,028.00	434,697.00	0.00	1,786,725.00
Total Assets	$ 2,016,166.78	$ 470,347.59	$ 13,679.46	$ 2,500,193.83
LIABILITIES				
Accounts Payable	$ 17,183.06	$ 0.00	$ 0.00	$ 17,183.06
Accrued Liabilities	0.00	0.00	0.00	0.00
Total Liabilities	17,183.06	0.00	0.00	17,183.06
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	1,352,028.00	434,697.00	0.00	1,786,725.00
Total Deferred Inflows of Resources	1,352,028.00	434,697.00	0.00	1,786,725.00
FUND BALANCES				
Assigned:				
Capital Improvements	0.00	0.00	13,679.46	13,679.46
Unassigned	646,955.72	35,650.59	0.00	682,606.31
Total Fund Balances	646,955.72	35,650.59	13,679.46	696,285.77
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,016,166.78	$ 470,347.59	$ 13,679.46	

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.	$ 1,064,894.18
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	127,053.00
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	(687,586.00)
Net Position of Governmental Activities	$ 1,200,646.95

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, 2025

	General	Employee Benefits	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental Aid	$ 1,202,297.25	$ 335,077.99	$ 0.00	$ 1,537,375.24
State Aid & NEKLS Grant	103,062.70	0.00	0.00	103,062.70
Fees and Charges for Service	19,852.22	0.00	0.00	19,852.22
Grants and Contributions	27,468.44	0.00	0.00	27,468.44
Interest	20,578.76	0.00	0.00	20,578.76
Other	1,812.95	0.00	0.00	1,812.95
Total Revenues	1,375,072.32	335,077.99	0.00	1,710,150.31
EXPENDITURES				
Current:				
Personnel	930,767.35	335,000.00	0.00	1,265,767.35
Materials	7,681.48	0.00	0.00	7,681.48
Administration	60,033.58	0.00	0.00	60,033.58
Insurance	15,839.00	0.00	0.00	15,839.00
Utilities	48,731.40	0.00	0.00	48,731.40
Maintenance	160,930.56	0.00	0.00	160,930.56
Capital Outlay	227,350.89	0.00	0.00	227,350.89
Total Expenditures	1,451,334.26	335,000.00	0.00	1,786,334.26
Excess Deficiency of Revenues over Expenditures	(76,261.94)	77.99	0.00	(76,183.95)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	0.00	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00	0.00
Total Other Financing Sources	0.00	0.00	0.00	0.00
	(76,261.94)	77.99	0.00	(76,183.95)
Fund Balances-Beginning of Year	723,217.66	35,572.60	13,679.46	772,469.72
Fund Balances-End of Year	$ 646,955.72	$ 35,650.59	$ 13,679.46	$ 696,285.77

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, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net Changes in Fund Balance - Total Government Funds		$ (76,183.95)
Change in Payables Statutory vs. GAAP		0.00
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	$ 250,653.35	
Depreciation Expense	(190,831.62)	
		59,821.73
Loss on disposal of assets		(491.97)
Pension accruals are not reported as expenditures in the governmental funds and are not shown as an expense in the governmental funds		(9,618.00)
Change in Net Position of Governmental Activities as Reported on the Statement of Activities		$ (26,472.19)

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, 2025

	Budget	Actual Amounts	Variance with Final Budget Over (Under)
REVENUES			
Intergovernmental Aid	$ 1,512,195.00	$ 1,202,297.25	$ (309,897.75)
State Aid & NEKLS Grants	99,217.00	103,062.70	3,845.70
Fees and Charges for Service	15,266.00	19,852.22	4,586.22
Grants and Contributions	8,000.00	27,468.44	19,468.44
Interest	8,000.00	20,578.76	12,578.76
Other	2,000.00	1,812.95	(187.05)
Total Revenues	1,644,678.00	1,375,072.32	(269,605.68)
EXPENDITURES			
Current:			
Personnel	1,212,000.00	930,767.35	(281,232.65)
Materials	2,500.00	7,681.48	5,181.48
Administration	46,149.00	60,033.58	13,884.58
Insurance	15,900.00	15,839.00	(61.00)
Utilities	50,700.00	48,731.40	(1,968.60)
Maintenance	188,930.00	160,930.56	(27,999.44)
Capital Outlay	240,150.00	227,350.89	(12,799.11)
Total Expenditures	1,756,329.00	1,451,334.26	(304,994.74)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00
Total Other Financing Sources (Uses)	0.00	0.00	0.00
Net Change in Fund Balance	$ (111,651.00)	(76,261.94)	$ 35,389.06
Fund Balance - Beginning of Year		723,217.66	
Fund Balance - End of Year		$ 646,955.72	

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, 2025

	Budget	Actual Amounts	Variance with Final Budget Over (Under)
REVENUES			
Intergovernmental Aid	$ 335,000.00	$ 335,077.99	$ 77.99
Total Revenues	335,000.00	335,077.99	77.99
EXPENDITURES			
Current:			
Personnel	335,000.00	335,000.00	0.00
Total Expenditures	335,000.00	335,000.00	0.00
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	0.00	0.00	0.00
Total Other Financing Sources (Uses)	0.00	0.00	0.00
Net Change in Fund Balance	$ 0.00	77.99	$ 77.99
Fund Balance - Beginning of Year		35,572.60	
Fund Balance - End of Year		$ 35,650.59	

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

NOTES TO FINANCIAL STATEMENT
December 31, 2025

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.

NOTE C. REVENUE RECOGNITION

The Library uses the accrual basis recognizing revenues when measured and available "generally collected within a short period, typically 60 days," to pay current liabilities. Property taxes are recognized as received with collection and dispersal being made in the year following the date of levy. Property taxes levied in the current year are recorded as "Deferred Revenues." Expenditure driven grants are recognized once qualifying expenditures are made. Fines/Charges are recorded when cash is received.

NOTE D. NET POSITION

As prescribed by GASB Statement No. 54, governmental funds report net position 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, 2025, fund balances for governmental funds are made up of the following:

Non-spendable net position - 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 net position - 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 net position - includes amounts that can be spent only for 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 net position - 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.

Unrestricted - 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.

Net investments in capital assets – includes capital assets net of depreciation and applicable debt.

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 E. 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 F. 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 G. COMPLIANCE WITH KANSAS STATUTES

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

The Library is not aware of any statutory violations for year ended December 31, 2025

NOTE H. 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.

As of December 31, 2025, the Library's cash and investments consisted of the following:

Cash	$	163,368.83
Petty Cash		100.00
Investments		550,000.00
Total	$	713,468.83

As of December 31, 2025, the Library had the following investments:

Investment Type	Fair Value
Non-negotiable Certificates of deposit:	
Citizens Savings & Loan Association	$ 250,000.00
Commerce Bank	100,000.00
Mutual Savings	200,000.00
Total Fair Value	$ 550,000.00

As of December 31, 2025, the Foundation's cash and investments consisted of the following:

Cash	$	31,447.85
Investments		486,161.67
Total	$	517,609.52

The cash and investments of the Foundation are restriceted for use in promoting the activities of the Library.

As of December 31, 2025, the Foundation had the following investments:

Investment type		Rating	Percentage
Trust Investment	$ 486,161.67	Not available	100.00%
Total Fair Value	$ 486,161.67		

During the year ended December 31, 2025, the Foundation's net investment income consisted of the following:

Asset Receipts	$	0.00
Dividends/Interesst		11,820.66
Realized gain (loss)		22,861.59
Unrealized gain (loss)		29,470.00
Fees		(6,446.06)
Net investment income	$	57,706.19

NOTE H. CASH AND INVESTMENTS – 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, except during designate "peak periods" when require coverage is 50%. The Library did not have any peak periods designated. All deposits were legally secured at the end of the year.

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.

On December 31, 2025, the Library's carrying amount of deposits was $713,468.83 (which includes $100 petty cash) and the bank balance was $831,524.99. The difference between carrying amount and bank balance is due to outstanding checks and deposits. The bank balance was held by three banks, thus reducing concentration of credit risk. Of the bank balance, $551,788.77 was covered by federal depository insurance, and the remaining $279,736.22 was collateralized with securities held by the pledging financial institutions' agents in the Library's name.

On December 31, 2025, the Foundation's carrying amount of deposits was $31,447.85 and the bank balance was $31,447.85 The bank balance was held by one bank, resulting in a concentration of credit risk. Of the bank balance, $31,447.85 was covered by federal depository insurance.

NOTE I. 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	Transfes From	Statutory Authority		Amount
General Fund	Foundation		$	10,713.00
Total			$	10,713.00

NOTE J. 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.

NOTE J. 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, 2025, were as follows:

	Beginning balance	Additions	Dispositions	Ending Balance
Capital Assets				
Books	$ 2,146,927.98	$ 234,253.05	$ 0.00	$ 2,381,181.03
Equipment Furniture & Fixtures	565,150.99	28,395.21	6,602.99	586,943.21
Total capital assets	2,712,078.97	262,648.26	6,602.99	2,968,124.24
Less accumulated depreciation for:				
Books	1,253,058.68	164,633.76	0.00	1,417,692.44
Furniture & fixtures	465,450.78	26,197.86	6,111.02	485,537.62
Total accumulated depreciation	1,718,509.46	190,831.62	6,111.02	1,903,230.06
Total capital assets, net	$ 993,569.51	$ 71,816.64	$ 491.97	$ 1,064,894.18

NOTE K. 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.

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.

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

Compensated absences - continued

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.

NOTE L. 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. On December 31, 2025, the Library did not have any recorded encumbrances in governmental funds.

NOTE M. 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

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

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 may be age 50 with 20 years of credited service), 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 credited service equal 85 "points" (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes the 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 the age of 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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 the retirement systems are funded on an actuarial reserve basis.

NOTE M. DEFINED BENEFIT PENSION PLAN – continued

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 increases 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:

	2025	
	Actuarial Employer Rate	Statutory Employer Rate
Local government employees	9.71%	9.71%

Member contribution rates as a percentage of eligible compensation of fiscal year 2025 is 6.00%.

Basis of Presentation The schedules of employer and non-employer allocations and the schedules of pension amounts by employer and non-employer (the Schedules) present amounts that are elements of the financial statements of the System or of its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of either the System or its participating employers. The amounts presented in the Schedules were prepared in accordance with the accounting principles accepted in the United States of America. Such preparation requires management of the System to make a number of estimates and assumptions relating to the reported amounts. Actual results could differ from those estimates.

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, 2025 (rolled forward to December 31, 2025) is 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, 2025 (rolled forward to December 31, 2025). 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.

NOTE M. DEFINED BENEFIT PENSION PLAN – continued

Net Pension Liability - The components of the collective net position liability of the participating employers by each group on December 31, 2025, were as follows:

	Total Pension Liability	Less Fiduciary Net Position	Net Pension Liability
State/School	$ 25,971,276,053	$ 19,942,956,803	$ 6,028,319,250
Local	7,830,411,531	5,826,164,913	2,004,246,618
Police & Firemen	5,087,670,254	3,466,228,953	1,621,441,301
Judges	240,356,964	214,485,494	25,871,470
	$ 39,129,714,802	$ 29,449,836,163	$ 9,679,878,639
Leavenworth Public Library			$ 642,501

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025, 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 15.50 percent, including price inflation
Investment Rate of Return	7.00 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-2021.

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 weighing 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 January 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-term target allocation	Long-Term Expected Real Rate of Return
Global Equity	43.00%	8.20%
Alternatives	11.00%	12.00%
Real Estate	15.00%	5.70%
Yield Driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Core Fixed Income	13.00%	2.20%
Short-term investments	3.00%	0.30%
	100.000%	

NOTE M. DEFINED BENEFIT PENSION PLAN – continued

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flow used to determine the discount rate was based on member and employer contributions as outlined below.

In KPERS, the Local, Kansas Police and Firemen, and Judges groups are contributing at the full actuarial contribution rate. However, the State/School groups do not necessarily do so.

Based on legislation first passed in 1993, the employer contribution rates certified by KPERS Board may not increase by more than the statutory cap. Subsequent legislation in 2012 set the statutory cap at 0.90 percent for Fiscal Year 2014, 1.00 percent for Fiscal Year 2015, 1.10 percent for Fiscal Year 2016 and 1.20 percent for Fiscal Years 2017 and beyond.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the statutorily capped rates.

Legislation in the 2016 session (S.B. 161) provided for the delay of up to $100.0 million in State and School contributions to the Retirement System for Fiscal Year 2016. Concurrently, 2016 H. Sub for S.B. 249 provided that the delayed contributions would be paid in full, with interest at 8.00 percent, by June 30, 2018. However, legislation passed by the 2017 Legislature removed the repayment provision. In addition, 2017 S. Sub for H.B. 2052 delayed $64.0 million in Fiscal Year 2017 contributions, to be paid over 20 years in level dollar installments. The first-year payment of $6.4 million was paid in full at the beginning of Fiscal Year 2018, and appropriations for Fiscal Year 2018 were made for the State/School group at the statutory contribution rate of 12.01 percent for that year.

Additional legislation in the 2017 Session (S. Sub for H.B. 2002) provided for a reduction of $194.0 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. 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 receivable by the System.

The 2018 Legislature passed H. Sub for S.B. 109 that provided additional contributions to the school group of $56.0 million in Fiscal Year 2018 and $82.0 million in Fiscal Year 2019.

The 2019 Legislature passed S.B. 9 that provided additional contributions to the school group of $115.0 million in Fiscal Year 2019. H. Sub for S.B. 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in Fiscal Year 2020 of $51.0 million.

The 2021 Legislature passed HB 2405, which authorizes the state of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School's unfunded actuarial liability. SB 159 recertified the State/School contribution rates for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09 percent to 13.33 percent and Fiscal Year 2023 from 13.86 percent to 13.11 percent. The bond proceeds were received by KPERS on August 26, 2021.

The 2022 Legislature passed SB 421, which authorized the state of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred to the System. In Fiscal Year 2023 SB 421 authorized transfers totaling $271.0 million. These transfers are included in the cash flow.

The 2023 Legislature passed HB 2196, which expanded the Deferred Retirement Option Plan (DROP) in KP&F to include all of that System's employers as of April 27, 2023. Under that same Bill, the Kansas Department of Wildlife and Parks (KDWP) became an affiliated KP&F employer making certain law enforcement positions in the Agency eligible for KP&F future service participation as of July 1, 2023. HB 2100 was also passed, defining and establishing limits on environmental, social and governance factors when entering into contracts (including

NOTE M. DEFINED BENEFIT PENSION PLAN – continued

investment contracts) and when making proxy votes on behalf of the System. This latter change was not expected to materially affect the asset allocation.

The 2024 Legislature passed HB 2711 that increased both the lump sum retiree death benefit from $4,000 to $6,000 and employer contribution rates for State/School for FY 2025 and FY 2026 and for Local employers for CY 2025 to fund this benefit improvement. The Bill also increased the employer contribution threshold for the 30% Working After Retirement (WAR) rate from $25,000 to $40,000; and the earnings limit for KP&F retirees from $25,000 to $40,000; while creating an exemption from employer contributions for nurses and direct support workers at Community Development Disability Organizations (CDDOs). Further, the Bill increased the alternative investment cap from 15% to 25% and requires the System to divest all publicly traded securities held in funds by countries of concern.

There was no legislation passed in 2025 impacting plan provisions.

Based on the employer contribution history described above, it is a reasonable assumption that the State/School group's contribution rate may not be certified at the statutory rate at some point in the future. It has been assumed that the contribution rates will be made within the same range as have been seen in the past few years. Using this assumption, actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

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, 2025, calculated using the discount rate of 7.00%, 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
State/School	$ 9,093,398,424	$ 6,028,319,250	$ 3,450,103,696
Local	2,957,638,076	2,004,246,618	1,203,525,357
Police & Firemen	2,230,734,236	1,621,441,301	1,110,946,960
Judges	47,609,998	25,871,470	7,023,041
Total	$ 14,329,380,734	$ 9,679,878,639	$ 5,771,599,054
Leavenworth Public Library	$ 948,130	$ 642,501	$ 385,814

Pension Expense - For the year ended December 31, 2025, the Leavenworth Public Library recognized pension expense of $117,709.84 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 - On December 31, 2025, Leavenworth Public Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE M. DEFINED BENEFIT PENSION PLAN – continued

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	$ 82,792	$ (22,066)
Net difference between projected and actual earnings on investment	0	0
Changes in assumptions	15,882	0
Changes in proportion	28,093	(8,159)
Total	$ 126,767	$ (30,225)

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

Year ended December 31,	Deferred (Inflows) Outflows Amount
2026	$ 71,450
2027	19,232
2028	8,947
2029	(3,087)
2030	0
Thereafter	0

Through December 31, 2025, and as of the date of the report the above amounts have not changed for December 31, 2025.

NOTE N. – 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.

NOTE N. – OTHER POSTEMPLOYMENT BENEFIT PLAN - continued

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 members 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.

Covered Employees – Leavenworth Public Library has the following employees covered by the Plan as of December 31, 2025:

Inactive employees or beneficiaries currently receiving payments	0
Active employees	19
Total	19

Total OPEB Liability – Leavenworth Public Library total OPEB liability of $10,561 reported as of December 30, 2025, was measured as of June 30, 2025 (the measurement date), and was determined by an actuarial valuation as of June 30, 2025, which was rolled forward to December 31, 2025, using the following actuarial assumptions:

Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50 to 10.30%
Discount rate (based on the 20 year municipal bond rate with an average training AA/Aa or better, obtained from the Municipal Bond Index	5.20%

The following actuarial assumptions were used in the development of Leavenworth Public Library's long-term disability cost projections. Where consistent with the terms of the plan, actuarial assumptions affecting active employee liabilities have utilized the assumptions for the Kansas Public Employees Retirement System (KPERS) as provided on December 31, 2023, Actuarial Valuation reports for the pension plan. These assumptions were adopted by the KPERS Board in connection with a study of experience during 2019-2022. Assumptions related to post-disability payout streams are based on historical experience of the KPERS Death and Disability Plan for all participants.

NOTE N. – OTHER POSTEMPLOYMENT BENEFIT PLAN - continued

Changes in Total OPEB Liability

Balance Beginning of Year	$	4,441
Changes for the Year		
Service Cost		1,738
Interest on total OPEB liability		243
Effect of plan changes		0
Effect o f economic/demographic gains or losses		(3,486)
Effect of assumptions changes or inputs		(130)
Benefit payments		0
Balance End of Year	$	2,806

Sensitivity Analysis - The following presents the Leavenworth Library's total OPEB liability calculated using the discount rate of 3.65% as of December 31, 2025 as well as what the Tri-Ko, Inc.'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 4.20%	Discount Rate 5.20%	1% Increase 6.20%
Leavenworth Public Library	$ 2,909	$ 2,806	$ 2,703

OPEB Expense - For the year ended December 31, 2025, Leavenworth Public Library recognized OPEB expenses of $1,298 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.

Deferred Outflows of Resources and Deferred Inflows of Resources - On December 31, 2025, 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	$	(11,113)
Changes in assumptions		286		(941)
Benefit payments subsequent to the measurement date		0		0
Total	$	286	$	(12,054)

NOTE N. – OTHER POSTEMPLOYMENT BENEFIT PLAN - continued

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
20026	$	(2,053)
2027		(1,987)
2028		(1,809)
2029		(1,661)
2030		(1,535)
Thereafter		(2,723)

NOTE O. 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.

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.

NOTE P. RELATED PARTY TRANSACTION

Leavenworth Library Foundation
During the year ended December 31, 2025, the Library's component unit, the Leavenworth Library Foundation, donated $10,713.00 to the Library.

NOTE Q. SUBSEQUENT EVENTS

The Library evaluated subsequent events through April 20, 2026, the date the financial statements were available to be issued. No significant events were noted

REQUIRED SUPPLEMENTAL
INFORMATION

LEAVENWORTH PUBLIC LIBRARY

REQUIRED SUPPLEMENARY INFORMATION
December 31, 2025

KPERS PENSION PLAN

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

	2016	2017	2018
Library's proportion of the net pension liability	0.003%	0.033%	0.033%
Library's proportionate share of the net pension liability	$ 510,628	$ 470,907	$ 453,093
Library's covered-employee payroll	$ 583,838	$ 584,240	$ 619,185
Library's proportional share of the net pension liability as a percentage of its covered employee payroll	87.46%	80.60%	73.18%
Total pension liability as a percentage of net position	65.10%	67.12%	68.87%

OPEB LIABILITY

Schedule of Changes in Total OPEB Liability and Related Ratios

	2018	2019	2020
Service Costs	$ 1,894	$ 1,919	$ 2,208
Interest Total OPEB Liability	287	323	319
Changes of Benefit Terms	0	0	0
Effect of Economic/Demographic Gains or (Losses)	(1,813)	(1,862)	(1,744)
Effect of Assumption Charges or Inputs	(59)	85	403
Benefit Payments	0	0	0
Net change in Total OPEB Liability	309	465	1,186
Total OPEB Liability, Beginning	6,126	6,435	6,900
Total OPEB Liability, Ending	$ 6,435	$ 6,900	$ 8,086
Covered Payroll	$ 619,185	$ 656,550	$ 664,055

*Information is only available for 8 of the 10 years to be presented

2019	2020	2021	2022	2023	2024	2025
0.034%	0.042%	0.005%	0.006%	0.006%	0.007%	0.007%
$ 478,279	$ 585,490	$ 368,975	$ 595,419	$ 612,861	$ 673,933	$ 642,501
$ 656,550	$ 664,055	$ 660,315	$ 623,059	$ 791,866	$ 843,642	$ 870,691
72.85%	88.17%	55.88%	95.56%	77.39%	79.88%	73.79%
41.84%	48.96%	28.94%	46.05%	47.40%	54.92%	53.51%

2021	2022	2023	2024	2025
$ 2,471	$ 2,229	$ 1,396	$ 1,298	$ 1,738
234	189	215	184	243
0	0	0	0	0
(4,254)	(2,936)	(2,532)	(935)	(3,486)
1	(1,333)	(4)	132	(130)
0	0	0	0	0
(1,548)	(1,851)	(925)	679	(1,635)
8,086	6,538	4,687	3,762	4,441
$ 6,538	$ 4,687	$ 3,762	$ 4,441	$ 2,806
$ 660,315	$ 623,059	$ 791,866	$ 843,642	$ 870,691

See Independent Auditor's Report.

SUPPLEMENTAL INFORMATION

LEAVENWORTH PUBLIC LIBRARY

COMBINING SCHEDULE NET POSITION OF MAJOR FUNDS

As of December 31, 2025

	General	Gifts & Memorial	Total General Fund
ASSETS			
Cash and Investments	$ 499,202.51	$ 164,936.27	$ 664,138.78
Property Taxes Receivable	1,352,028.00	0.00	1,352,028.00
Total Assets	$ 1,851,230.51	$ 164,936.27	$ 2,016,166.78
LIABILITIES			
Accounts Payable	$ 17,183.06	$ 0.00	$ 17,183.06
Accrued Liabilities	0.00	0.00	0.00
Total Liabilities	17,183.06	0.00	17,183.06
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	1,352,028.00	0.00	1,352,028.00
Total Deferred Inflows of Resources	1,352,028.00	0.00	1,352,028.00
FUND BALANCES			
Unassigned	482,019.45	164,936.27	646,955.72
Total Fund Balances	482,019.45	164,936.27	646,955.72
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,851,230.51	$ 164,936.27	$ 2,016,166.78

LEAVENWORTH PUBLIC LIBRARY

COMBINING SCHEDULE ACTIVITIES OF MAJOR FUNDS

For the year ended December 31, 2025

	General	Gifts & Memorial	Total General Fund
REVENUES			
Intergovernmental Aid	$ 1,202,297.25	$ 0.00	$ 1,202,297.25
State Aid and Grants	103,062.70	0.00	103,062.70
Fees and Charges for Service	19,852.22	0.00	19,852.22
Grants and Contributions	15.90	27,452.54	27,468.44
Interest	20,578.76	0.00	20,578.76
Other	1,496.95	316.00	1,812.95
Total Revenues	1,347,303.78	27,768.54	1,375,072.32
EXPENDITURES			
Current:			
Personnel	928,032.35	2,735.00	930,767.35
Materials	3,781.65	3,899.83	7,681.48
Administration	60,033.58	0.00	60,033.58
Insurance	15,839.00	0.00	15,839.00
Utilities	48,731.40	0.00	48,731.40
Maintenance	149,370.73	11,559.83	160,930.56
Capital Outlay	227,350.89	0.00	227,350.89
Total Expenditures	1,433,139.60	18,194.66	1,451,334.26
Excess (Deficiency) of Revenues over Expenditures	(85,835.82)	9,573.88	(76,261.94)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00
Total Other Financing Sources (Uses)	0.00	0.00	0.00
Net Change in Fund Balance	(85,835.82)	9,573.88	(76,261.94)
Fund Balances-Beginning of Year	567,855.27	155,362.39	723,217.66
Fund Balances-End of Year	$ 482,019.45	$ 164,936.27	$ 646,955.72

See Independent Auditor's Report.

LEAVENWORTH PUBLIC LIBRARY

COMBINING SCHEDULE NET POSITION OF NON-MAJOR FUNDS

As of December 31, 2025

	Capital Outlay	Library Grant	Total Non-major Governmental Funds
ASSETS			
Cash and Investments	$ 5,487.52	$ 8,191.94	$ 13,679.46
Total Assets	$ 5,487.52	$ 8,191.94	$ 13,679.46
LIABILITIES			
Payroll Taxes Payable	$ 0.00	$ 0.00	$ 0.00
Total Liabilities	0.00	0.00	0.00
FUND BALANCES			
Assigned:			
Capital Improvements	5,487.52	8,191.94	13,679.46
Total Fund Balances	5,487.52	8,191.94	13,679.46
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,487.52	$ 8,191.94	$ 13,679.46

LEAVENWORTH PUBLIC LIBRARY

COMBINING SCHEDULE OF ACTIVITIES OF NON-MAJOR FUNDS

For the year ended December 31, 2025

	Capital Outlay	Library Grants	Total Non-major Governmental Funds
REVENUES			
State Aid	$ 0.00	$ 0.00	$ 0.00
Grants and Contributions	0.00	0.00	0.00
Other	0.00	0.00	0.00
Total Revenues	0.00	0.00	0.00
EXPENDITURES			
Current:			
Personnel	0.00	0	0.00
Administration	0.00	0.00	0.00
Maintenance	0.00	0.00	0.00
Total Expenditures	0.00	0.00	0.00
Excess (Deficiency) of Revenues over Expenditures	0.00	0.00	0.00
OTHER FINANCING SOURCES (USES)			
Operating Transfers in	0.00	0.00	0.00
Operating Transfers Out	0.00	0.00	0.00
Total Other Financing Sources (Uses)	0.00	0.00	0.00
Net Change in Fund Balance	0.00	0.00	0.00
Fund Balances-Beginning of Year	5,487.52	8,191.94	13,679.46
Fund Balances-End of Year	$ 5,487.52	$ 8,191.94	$ 13,679.46

See Independent Auditor's Report.