LEAVENWORTH PUBLIC LIBRARY

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2021

LEAVENWORTH PUBLIC LIBRARY

TABLE OF CONTENTS
Year ended December 31, 2021

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet – Governmental Funds	10
Statement of Revenues, Expenditures, and Changes	
Changes in Fund Balances- Governmental Funds	11
Statement of Revenues, Expenditures, and	
Changes in Fund Balance – Budget and Actual:	
General Fund	13
Employee Benefits Fund	14
Notes to Financial Statements	15
Required Supplemental Information:	
Schedule of the Library's Proportionate Share of the Net Pension Liability	31
Combining Fund Statements:	
Combining Schedule Net Position of Major Funds	34
Combining Schedule Activities of Major Funds	35
Combining Schedule Net Position Non-Major Funds	36
Combining Schedule Activities of Non-Major Funds	37

234 South Main
P.O. Box 1020
Ottawa, Kansas 66067
(785) 242-3170
(785) 242-9250 FAX
www.agc-cpas.com WEB SITE

Agler & Gaeddert CHARTERED
Certified Public Accountants

Harold K. Mayes, CPA
Jennifer L. Kettler, CPA
Lucille L. Hinderliter, 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, 2021, 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, 2021, 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.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

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.
May 23, 2022

LEAVENWORTH PUBLIC LIBRARY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

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, 2021. 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, 2021 by $1,274,747.52. Of this amount, $446,871.25 (unrestricted net position) may be used to meet the entity's ongoing obligations to patrons and vendors.
- The Library's total net position increased 9.33% from the prior year.
- As of December 31, 2021, the Library's governmental funds reported combined fund balances of $928,718.94, an increase of $39.251.35 from the prior year.
- Approximately 35.05%, or $446,871.25 is available for spending at the Library's discretion (unassigned fund balance).
- As of December 31, 2021, fund balance for the General Fund was $841,369.86 or 76.36% 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 $1,274,747.52 as of December 31, 2021, the most recent fiscal year.

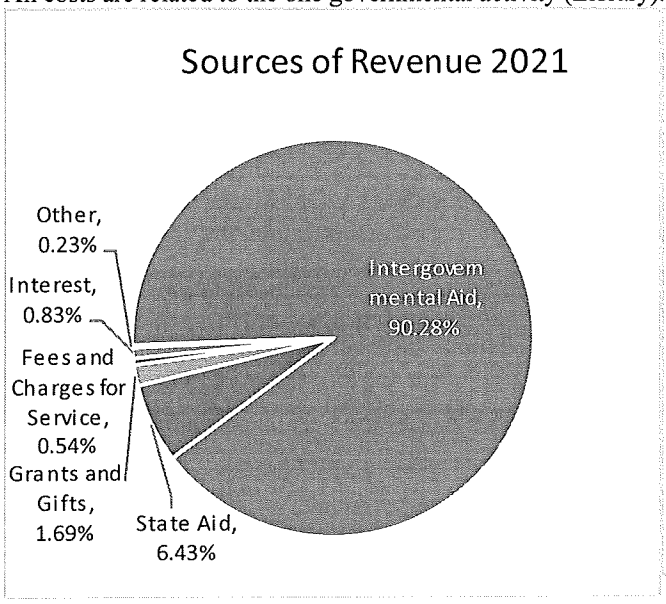
A significant portion of the Library's net position, 63.19% reflects its investment in capital assets (e.g. equipment, books, furniture and fixtures). The Library uses these capital assets to provide services to its patrons; consequently, these assets are not available for future spending.

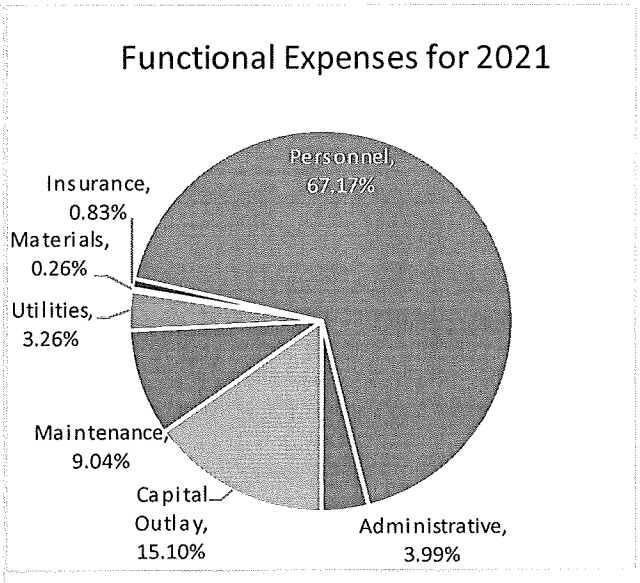
Table 1
December 31, 2020
Condensed Statement of Net Position

	Governmental Activities		Total Percentage Change
	2020	2021	2020-2021
Other Assets	$ 2,029,450	$ 2,267,378	11.72%
Capital Assets, Net of Accumulated Depreciation	757,204	805,464	6.37%
Total Assets	2,786,654	3,072,842	10.27%
Deferred Outflows of Resources	131,563	97,075	-26.21%
Total Deferred Outflows of Resources	131,563	97,075	-26.21%
Liabilities	610,761	390,527	-36.06%
Total Liabilites	610,761	390,527	-36.06%
Deferred Inflows of Resources	1,141,548	1,504,643	31.81%
Total Deferred Inflows of Resources	1,141,548	1,504,643	31.81%
Net Position:			
Net Investment in Capital Assets	757,204	805,464	6.37%
Other Net Position	408,704	469,284	14.82%
Total Net Position	$ 1,165,908	$ 1,274,748	9.34%

Changes in net position. The Leavenworth Public Library's total revenues increased by 4.08%. Approximately 90.28% of Library revenue comes from property taxes. The remaining 9.52% 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, 2021 to sustain its operations and increase its net position. See Table 2.

Table 2
Leavenworth Public Library
Changes in Net Position

	Governmental Activities		Total Percentage Change
	2020	2021	2020-2021
Revenues:			
Program revenues:			
Charges for Services	$ 4,151	$ 7,587	82.78%
Operating Grants and Contributions	29,245	23,591	-19.33%
Capital Grants and Contributions	0	0	0.00%
General Revenues:			
Intergovernmental Aid	1,193,739	1,262,442	5.76%
State Aid & NEKLS Grant	85,540	89,892	5.09%
Interest Income	14,100	11,538	-18.17%
Other	13,764	3,205	-76.71%
Total Revenues	1,340,539	1,398,255	4.31%
Expenses:			
Library	1,317,800	1,289,415	-2.15%
Total Expenses	1,317,800	1,289,415	-2.15%
Excess (Deficiency) of Revenues over Expenses	22,739	108,840	378.65%
Transfers In	0	0	0.00%
Transfers Out	0	0	0.00%
Increase (decrease) in net positioin	$ 22,739	$ 108,840	378.65%

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As the Library completed the year, its general fund reported combined fund balances of $841,370, an increase of $3,3334 from last year. The Employee Benefits Fund reported a increase in fund balance over the prior year of $44,766. The Capital Outlay Fund reported a decrease of $(7,119), and the Library Grant Fund a decrease of $(1,729).

The revenues of the General Fund increased by 3.671%, while expenditures increased by 5.35% The overall effect of operations in the General Fund was a 2.65% decrease in fund balance.

General Fund Budgetary Highlights

Total General Fund revenues for the Library for the year ended December 31, 2021 were 91.59% of budget. Total General Fund expenditures for the year ended December 31, 2021, were 91.32% 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, 2021, the Library had invested $805,464 in capital assets (net of accumulated depreciation), including equipment, books, furniture, and fixtures. These amounts represent a net increase of $48,260 (net of depreciation) over the prior year.

	Governmental Activities	
	2020	2021
Books	$ 650,236	707,640
Equipment Furniture & Fixtures	106,968	97,824
Total	$ 757,204	$ 805,464

ECONOMIC FACTORS AND CHANGES

The Covid-19 epidemic disrupted every aspect of service at the Leavenworth Public Library in 2021. 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 2021 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 2021, 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 2021. 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.

FINANCIAL STATEMENTS

LEAVENWORTH PUBLIC LIBRARY

STATEMENTS OF NET POSITION
GOVERNMENT-WIDE
December 31, 2021

	Governmental Activities (Primary Government)	Discretely Presented Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and Investments	$ 943,732.62	$ 435,665.47
Property Taxes Receivable	1,323,646.00	0.00
Capital Assets, Net of Accumulated Depreciation	805,463.58	0.00
Total Assets	3,072,842.20	435,665.47
DEFERRED OUTFLOWS OF RESOURCES		
OPEB Pension	380.00	0.00
KPERS Pension	96,695.00	0.00
Total Deferred Outflows of Resources	97,075.00	0.00
Total Assets and Deferred Outflows of Resources	$ 3,169,917.20	$ 435,665.47
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
LIABILITIES		
Accounts Payable	$ 15,009.78	$ 0.00
Accrued Liabilities	3.90	0.00
OPEB Net Pension Liability	6,538.00	0.00
KPERS Net Pension Liability	368,975.00	0.00
Total Liabilities	390,526.68	0.00
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	1,323,646.00	0.00
OPEB Pension	7,680.00	0.00
KPERS Pension	173,317.00	0.00
Total Deferred Inflows of Resources	1,504,643.00	0.00
Total Liabilities and Deferred Inflows of Resources	$ 1,895,169.68	$ 0.00
NET POSITION		
Net Investment in Capital Assets	$ 805,463.58	$ 0.00
Restricted	0.00	435,665.47
Assigned to capital improvements	22,412.69	0.00
Unrestricted	446,871.25	0.00
Total Net Position	$ 1,274,747.52	$ 435,665.47

The accompanying notes are an integral part of this statement.

LEAVENWORTH PUBLIC LIBRARY

STATEMENTS OF ACTIVITIES
GOVERNMENT-WIDE
For the year ended December 31, 2021

	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)	Net (Expense) Revenue and Changes in Net Position: Discretely Presented Component Unit
Primary Government:						
Library	$ (1,289,414.62)	$ 7,586.85	$ 23,590.81	$ 0.00	$ (1,258,236.96)	$ (23,017.70)
General Revenues:						
Intergovernmental Aid					1,262,442.47	0.00
State Aid & NEKLS Grant					89,891.65	0.00
Interest Income					11,537.99	3.33
Investment Income					0.00	12,238.29
Donations					0.00	7,863.31
Other					3,204.96	33,558.17
Total General Revenues					1,367,077.07	53,663.10
Change in Net Position					108,840.11	30,645.40
Net Position - Beginning of Year					1,165,907.41	405,020.07
Net Position - End of Year					$ 1,274,747.52	$ 435,665.47

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

LEAVENWORTH PUBLIC LIBRARY

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2021

	General	Employee Benefits	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	$ 856,383.54	$ 64,936.39	$ 22,412.69	$ 943,732.62
Property Taxes Receivable	1,109,146.00	214,500.00	0.00	1,323,646.00
Total Assets	$ 1,965,529.54	$ 279,436.39	$ 22,412.69	$ 2,267,378.62
LIABILITIES				
Accounts Payable	$ 15,009.78	$ 0.00	$ 0.00	$ 15,009.78
Accrued Liabilities	3.90	0.00	0.00	3.90
Total Liabilities	15,013.68	0.00	0.00	15,013.68
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	1,109,146.00	214,500.00	0.00	1,323,646.00
Total Deferred Inflows of Resources	1,109,146.00	214,500.00	0.00	1,323,646.00
FUND BALANCES				
Assigned:				
Capital Improvements	0.00	0.00	22,412.69	22,412.69
Unassigned	841,369.86	64,936.39	0.00	906,306.25
Total Fund Balances	841,369.86	64,936.39	22,412.69	928,718.94
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,965,529.54	$ 279,436.39	$ 22,412.69	

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.	$ 805,463.58
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	97,075.00
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	(556,510.00)
Net Position of Governmental Activities	$ 1,274,747.52

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, 2021

	General	Employee Benefits	Other Governmental Funds	Total Governmental Funds
REVENUES				
Intergovernmental Aid	$ 967,252.50	$ 295,189.97	$ 0.00	$ 1,262,442.47
State Aid & NEKLS Grant	89,891.65	0.00	0.00	89,891.65
Fees and Charges for Service	7,586.85	0.00	0.00	7,586.85
Grants and Contributions	22,390.81	0.00	1,200.00	23,590.81
Interest	11,537.99	0.00	0.00	11,537.99
Other	3,204.96	0.00	0.00	3,204.96
Total Revenues	1,101,864.76	295,189.97	1,200.00	1,398,254.73
EXPENDITURES				
Current:				
Personnel	662,408.01	250,424.17	0.00	912,832.18
Materials	3,560.67	0.00	0.00	3,560.67
Administration	51,265.69	0.00	2,928.79	54,194.48
Insurance	11,360.00	0.00	0.00	11,360.00
Utilities	44,274.68	0.00	0.00	44,274.68
Maintenance	120,910.34	0.00	7,119.34	128,029.68
Capital Outlay	204,751.69	0.00	0.00	204,751.69
Total Expenditures	1,098,531.08	250,424.17	10,048.13	1,359,003.38
Excess Deficiency of Revenues over Expenditures	3,333.68	44,765.80	(8,848.13)	39,251.35
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
	3,333.68	44,765.80	(8,848.13)	39,251.35
Fund Balances-Beginning of Year	838,036.18	20,170.59	31,260.82	889,467.59
Fund Balances-End of Year	$ 841,369.86	$ 64,936.39	$ 22,412.69	$ 928,718.94

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, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net Changes in Fund Balance - Total Government Funds		$ 39,251.35
Change in Paaybles Statutory vs. GAAP		11,306.52
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	$ 188,412.69	
Depreciation Expense	(153,216.45)	
		35,196.24
Pension accruals are not reported as expenditures in the governmental funds and are not shown as an expense in the governmental funds		23,086.00
Change in Net Position of Governmental Activities as Reported on the Statement of Activities		$ 108,840.11

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, 2021

	Budget	Actual Amounts	Variance with Final Budget Over (Under)
REVENUES			
Intergovernmental Aid	$ 1,088,409.00	$ 967,252.50	$ (121,156.50)
State Aid & NEKLS Grants	70,465.00	89,891.65	19,426.65
Fees and Charges for Service	11,800.00	7,586.85	(4,213.15)
Grants and Contributions	19,500.00	22,390.81	2,890.81
Interest	7,800.00	11,537.99	3,737.99
Other	5,000.00	3,204.96	(1,795.04)
Total Revenues	1,202,974.00	1,101,864.76	(101,109.24)
EXPENDITURES			
Current:			
Personnel	683,000.00	662,408.01	(20,591.99)
Materials	4,300.00	3,560.67	(739.33)
Administration	60,400.00	51,265.69	(9,134.31)
Insurance	9,900.00	11,360.00	1,460.00
Utilities	53,800.00	44,274.68	(9,525.32)
Maintenance	95,420.00	120,910.34	25,490.34
Capital Outlay	296,154.00	204,751.69	(91,402.31)
Total Expenditures	1,202,974.00	1,098,531.08	(104,442.92)
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	3,333.68	$ 3,333.68
Fund Balance - Beginning of Year		838,036.18	
Fund Balance - End of Year		$ 841,369.86	

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, 2021

	Budget	Actual Amounts	Variance with Final Budget Over (Under)
REVENUES			
Intergovernmental Aid	$ 293,000.00	$ 295,189.97	$ 2,189.97
Total Revenues	293,000.00	295,189.97	2,189.97
EXPENDITURES			
Current:			
Personnel	293,000.00	250,424.17	(42,575.83)
Total Expenditures	293,000.00	250,424.17	(42,575.83)
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	44,765.80	$ 44,765.80
Fund Balance - Beginning of Year		20,170.59	
Fund Balance - End of Year		$ 64,936.39	

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

NOTES TO FINANCIAL STATEMENT
December 31, 2021

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. FUND BALANCES

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, 2021, 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 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 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 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, 2021

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, 2021, the Library's cash and investments consisted of the following:

Cash	$	343,632.62
Petty Cash		100.00
Investments		600,000.00
Total	$	943,732.62

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

Investment Type	Fair Value
Non-negotiable Certificates of deposit:	
Citizens Savings & Loan Association, 01/16/2022	$ 100,000.00
Citizens Savings & Loan Association, 08/12/2025	100,000.00
Citizens Savings & Loan Association, 03/15/2022	100,000.00
Citizens Savings & Loan Association, 03/15/2024	200,000.00
Mutual Savings	100,000.00
Total Fair Value	$ 600,000.00

Leavenworth Library Foundation – component unit

As of December 31, 2021, the Foundation's cash and investments consisted of the following:

Cash	$	7,490.06
Investments		428,175.41
Total	$	435,665.47

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

As of December 31, 2021, the Foundation had the following investments:

Investment type		Rating	Percentage
Trust Investment	$ 435,665.47	Not available	100.00%
Total Fair Value	$ 435,665.47		

During the year ended December 31, 2021, the Foundation's net investment income consisted of the following:

Asset Receipts	$	4,757.25
Dividends		12,238.29
Capital Gain		37,183.82
Unrealized gain (loss)		(8,382.90)
Fees		(5,846.58)
Net investment income	$	39,949.88

NOTE G. 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.

At December 31, 2021, the Library's carrying amount of deposits was $943,732.62 (which includes $100 petty cash) and the bank balance was $1,043,029.97. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance, $350,0000 was covered by federal depository insurance, and the remaining $693,029.97 was collateralized with securities held by the pledging financial institutions' agents in the Library's name.

At December 31, 2021, the Foundation's carrying amount of deposits was $7,490.06 and the bank balance was $7,490.06. The bank balance was held by one bank, resulting in a concentration of credit risk. Of the bank balance, $7,490.06 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	Transfes From	Statutory Authority		Amount
No transfers in 2021			$	
Total			$	0.00

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.

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, 2021 was as follows:

	Beginning balance	Additions	Dispositions	Ending Balance
Capital Assets				
Books	$ 1,929,807.41	$ 189,322.21	$ 70,725.00	$ 2,048,404.62
Equipment Furniture & Fixtures	529,845.17	12,154.00	499.00	541,500.17
Total capital assets	2,459,652.58	201,476.21	71,224.00	2,589,904.79
Less accumulated depreciation for:				
Books	1,279,571.00	131,918.18	70,725.00	1,340,764.18
Furniture & fixtures	422,877.76	21,298.27	499.00	443,677.03
Total accumulated depreciation	1,702,448.76	153,216.45	71,224.00	1,784,441.21
Total capital assets, net	$ 757,203.82	$ 48,259.76	$ 0.00	$ 805,463.58

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, 2021. It appears the amount of deferred outflows, inflows and net pension liability are not material and have not been quantified in this financial statement.

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.

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, 2021, 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.

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:

	2021	
	Actuarial Employer Rate	Statutory Employer Rate
Local government employees	8.87%	8.87%

Member contribution rates as a percentage of eligible compensation of fiscal year 2021 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, 2021 (rolled forward to December 31, 2021) 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, 2021 (rolled forward to December 31, 2021). 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 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, 2021 were as follows:

	Total Pension Liability	Less Fiduciary Net Position	Net Pension Liability
State/School	$ 22,490,931,300	$ 16,856,922,061	$ 5,634,009,239
Local	6,360,883,973	5,160,927,769	1,199,956,204
Police & Firemen	3,990,360,545	3,036,116,085	954,244,460
Judges	211,869,786	200,629,404	11,240,382
	$ 33,054,045,604	$ 25,254,595,319	$ 7,799,450,285
Leavenworth Public Library			$ 368,975.00

At December 31, 2021, Leavenworth Public Library reported a liability of $368,975.00 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, 2021, which was rolled forward to June 30, 2021 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, 2021 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:

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%
	100.000%	

Discount Rate - The discount rate used to measure the total pension liability at the measurement date of June 30, 2021 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, 2021

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 2021 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 8.87 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 2021. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2021. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2021 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, 2021, and was recorded as Fiscal Year 2019 contributions. The 2021 Legislature session passed Senate Bill 9, which authorized a transfer of $115 million to KPERS, received in March 2021. House Sub for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School group in Fiscal Year 2021 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

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, 2021, 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 (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
State/School	$ 8,278,153,106	$ 5,634,009,239	$ 3,410,812,605
Local	1,973,811,456	1,199,956,204	550,980,523
Police & Firemen	1,432,229,642	954,244,460	554,409,747
Judges	30,739,614	11,240,382	(5,612,848)
Total	$ 11,714,933,818	$ 7,799,450,285	$ 4,510,590,027
Leavenworth Public Library	$ 606,927	$ 368,975	$ 169,421

Pension Expense - For the year ended December 31, 2021, 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, 2021, 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	$ 14,564	$ 3,341
Net difference between projected and actual earnings on investment	0	131,022
Changes in assumptions	72,633	0
Changes in proportion	9,498	38,954
Total	$ 96,695	$ 173,317

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:

Year ended December 31,	Deferred (Inflows) Outflows Amount
2022	$ (11,045)
2023	(10,341)
2024	(17,249)
2025	(39,078)
2026	1,091
Thereafter	0

Through December 31, 2021 and as of the date of the report the above amounts have not changed for December 31, 2021.

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 art 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.

NOTE M – OTHER POSTEMPLOYMENT BENEFIT PLAN - continued

Covered Employees – Leavenworth Public Library has the following employees covered by the Plan as of December 31, 2021:

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

Total OPEB Liability – Leavenworth Public Library total OPEB liability of $216,970 reported as of December 30, 2021 was measured as of June 30, 2021 (the measurement date), and was determined by an actuarial valuation as of June 30, 2021 which was rolled forward to December 31, 2021 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, 2021 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 2021, 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 (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Leavenworth Public Library	$ 6,509	$ 6,538	$ 6,486

OPEB Expense - For the year ended December 31, 2021, 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.

NOTE M – OTHER POSTEMPLOYMENT BENEFIT PLAN - continued

Balance Beginning of Year	$	8,086
Changes for the Year		
Service Cost		2,471
Interest on total OPEB liability		234
Effect of plan changes		0
Effect o f economic/demographic gains or losses		(4,254)
Effect of assumptions changes or inputs		1
Benefit payments		0
Balance End of Year	$	6,538

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2021, 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	$	(7,577)
Changes in assumptions		380		(103)
Benefit payments subsequent to the measurement date		0		0
Total	$	380	$	(7,680)

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
2022	$	(948)
2023		(948)
2024		(948)
2025		(948)
2026		(941)
Thereafter		(2,567)

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.

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, 2021, the Library's component unit, the Leavenworth Library Foundation, donated $15,000 to the Library.

COVID-19
On January 30, 2021, 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 2021, 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 2021. 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 2021. 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, 2021, and ends on December 30, 2021.
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, 2021 (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 23, 2022, the date the financial statements were available to be issued. See above for Covid-19.

REQUIRED SUPPLEMENTAL
INFORMATION

LEAVENWORTH PUBLIC LIBRARY

REQUIRED SUPPLEMENARY INFORMATION
December 31, 2021

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	0.003%	0.003%
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 7 of the 10 years to be presented

OPEB LIABILITY
Schedule of Changes in Total OPEB Liability and Related Ratios

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

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

2017	2018	2019	2020	2021
0.033%	0.033%	0.034%	0.042%	0.005%
$ 470,907	$ 453,093	$ 478,279	$ 585,490	$ 368,975
$ 584,240	$ 619,185	$ 656,550	$ 664,055	$ 660,315
80.60%	73.18%	72.85%	88.17%	55.88%
67.12%	68.87%	41.84%	48.96%	28.94%

2020	2021
$ 2,208	$ 2,471
319	234
0	0
(1,744)	(4,254)
403	1
0	0
1,186	(1,548)
6,900	8,086
$ 8,086	$ 6,538
$ 664,055	$ 660,315

See Independent Auditor's Report.

SUPPLEMENTAL INFORMATION

LEAVENWORTH PUBLIC LIBRARY

COMBINING SCHEDULE NET POSITION OF MAJOR FUNDS

As of December 31, 2021

	General	Gifts & Memorial	Total General Fund
ASSETS			
Cash and Investments	$ 713,535.70	$ 142,847.84	$ 856,383.54
Property Taxes Receivable	1,109,146.00	0.00	1,109,146.00
Total Assets	$ 1,822,681.70	$ 142,847.84	$ 1,965,529.54
LIABILITIES			
Accounts Payable	$ 15,009.78	$ 0.00	$ 15,009.78
Accrued Liabilities	3.90	0.00	3.90
Total Liabilities	15,013.68	0.00	15,013.68
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	1,109,146.00	0.00	1,109,146.00
Total Deferred Inflows of Resources	1,109,146.00	0.00	1,109,146.00
FUND BALANCES			
Unassigned	698,522.02	142,847.84	841,369.86
Total Fund Balances	698,522.02	142,847.84	841,369.86
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,822,681.70	$ 142,847.84	$ 1,965,529.54

See Independent Auditor's Report.

LEAVENWORTH PUBLIC LIBRARY

COMBINING SCHEDULE ACTIVITIES OF MAJOR FUNDS

For the year ended December 31, 2021

	General	Gifts & Memorial	Total General Fund
REVENUES			
Intergovernmental Aid	$ 967,252.50	$ 0.00	$ 967,252.50
State Aid and Grants	89,891.65	0.00	89,891.65
Fees and Charges for Service	7,586.85	0.00	7,586.85
Grants and Contributions	0.00	22,390.81	22,390.81
Interest	11,537.99	0.00	11,537.99
Other	3,204.96	0.00	3,204.96
Total Revenues	1,079,473.95	22,390.81	1,101,864.76
EXPENDITURES			
Current:			
Personnel	662,408.01	0.00	662,408.01
Materials	3,560.67	0.00	3,560.67
Administration	51,265.69	0.00	51,265.69
Insurance	11,360.00	0.00	11,360.00
Utilities	44,274.68	0.00	44,274.68
Maintenance	120,910.34	0.00	120,910.34
Capital Outlay	204,751.69	0.00	204,751.69
Total Expenditures	1,098,531.08	0.00	1,098,531.08
Excess (Deficiency) of Revenues over Expenditures	(19,057.13)	22,390.81	3,333.68
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	(19,057.13)	22,390.81	3,333.68
Fund Balances-Beginning of Year	717,579.15	120,457.03	838,036.18
Fund Balances-End of Year	$ 698,522.02	$ 142,847.84	$ 841,369.86

See Independent Auditor's Report.

LEAVENWORTH PUBLIC LIBRARY

COMBINING SCHEDULE NET POSITION OF NON-MAJOR FUNDS

As of December 31, 2021

	Capital Outlay	Library Grant	Total Non-major Governmental Funds
ASSETS			
Cash and Investments	$ 14,399.48	$ 8,013.21	$ 22,412.69
Total Assets	$ 14,399.48	$ 8,013.21	$ 22,412.69
LIABILITIES			
Payroll Taxes Payable	$ 0.00	$ 0.00	$ 0.00
Total Liabilities	0.00	0.00	0.00
FUND BALANCES			
Assigned:			
Capital Improvements	14,399.48	8,013.21	22,412.69
Total Fund Balances	14,399.48	8,013.21	22,412.69
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 14,399.48	$ 8,013.21	$ 22,412.69

LEAVENWORTH PUBLIC LIBRARY

COMBINING SCHEDULE OF ACTIVITIES OF NON-MAJOR FUNDS

For the year ended December 31, 2021

	Capital Outlay	Library Grants	Total Non-major Governmental Funds
REVENUES			
State Aid	$ 0.00	$ 0.00	$ 0.00
Grants and Contributions	0.00	1,200.00	1,200.00
Other	0.00	0.00	0.00
Total Revenues	0.00	1,200.00	1,200.00
EXPENDITURES			
Current:			
Personnel	0.00	0.00	0.00
Administration	0.00	2,928.79	2,928.79
Maintenance	7,119.34	0.00	7,119.34
Total Expenditures	7,119.34	2,928.79	10,048.13
Excess (Deficiency) of Revenues over Expenditures	(7,119.34)	(1,728.79)	(8,848.13)
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	(7,119.34)	(1,728.79)	(8,848.13)
Fund Balances-Beginning of Year	21,518.82	9,742.00	31,260.82
Fund Balances-End of Year	$ 14,399.48	$ 8,013.21	$ 22,412.69

See Independent Auditor's Report.