LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

AUDIT REPORT
For the years ended December 31, 2022 and 2021

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

AUDIT REPORT
For the years ended December 31, 2022 and 2021

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HAY·RICE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
CHARTERED

INDEPENDENT AUDITOR'S REPORT

To the Board Members of the
Liberal Memorial Library
Liberal, Kansas 67901

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Liberal Memorial Library, Liberal, Kansas, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the 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, each major fund, and the aggregate remaining fund information of the Liberal Memorial Library, as of December 31, 2022 and 2021, and the respective changes in financial position for the years 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 and the *Kansas Municipal Audit and Accounting Guide*. 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 of the Liberal Memorial 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 the *Kansas Municipal Audit and Accounting Guide*; 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.

21 PLAZA DRIVE P.O. BOX 2707 LIBERAL, KS 67905-2707 (620) 624-8471 FAX (620) 624-9260 HRA@hayrice.com
Members of the American Institute and of the Kansas Society of Certified Public Accountants
Member of Private Practice Section

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 the 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 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 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 on pages 4 through 6 and 23 through 24 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 Library's basic financial statements. The introductory section and statistical section 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hay•Rice & Associates, Chartered

Hay•Rice & Associates, Chartered

August 24, 2023

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2022

As management of the Liberal Memorial Library, we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Liberal Memorial Library for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements, which begin on page 8.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Library's financial statements. The financial statements are designed to provide readers with a broad overview of the Library's finances. One of the most important questions asked about the Library's finances is, "Is the Library as a whole better off or worse off as a result of the year's activities?" The balance sheet and the statement of revenues, expenses, and changes in fund equity report information about the Library in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The balance sheet presents information on all of the Library's assets and liabilities, with the difference between the two reported as fund equity. Over time, increases or decreases in fund equity may serve as a useful indicator of whether the financial position of the Library is improving or deteriorating.

The statement of revenues, expenses, and changes in fund equity presents information showing how the Library's fund equity changed during the most recent fiscal year. All changes in fund equity are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The financial statements report on the function of the Library that is principally supported by intergovernmental revenues. The Library's function is to provide a library for the City of Liberal and the surrounding area, which is funded primarily with tax revenues levied by the City of Liberal on the Library's behalf.

Government-Wide Financial Statements vs. Fund Financial Statements

The Library maintains one governmental fund to account for all its functions. The governmental fund type financial statements represent both the government-wide financial statements, as well as the fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to the full understanding of the amounts provided in the financial statements. The notes to the financial statements can be found on pages 10 through 21 of this report.

Financial Highlights

- The assets of the Library exceeded its liabilities at the close of the most recent fiscal year by $734,469.

- The Library had property tax revenues of $594,776, intergovernmental revenues of $33,500, program revenues (charges for services) of $13,874 and program expenses of $750,226 for the year ended December 31, 2022.

- The cash balance at December 31, 2022 was $408,803 representing a decrease of $19,897 from January 1, 2022.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2022, the Library's investment in capital assets for its governmental activities was $601,580 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, and equipment.

Additional information on the Liberal Memorial Library's capital assets can be found in Note 5 on page 13.

Financial Analysis

A comparative analysis of current and prior year balances follows:

	December 31	
	2022	2021
Total Assets and Deferred Outflows of Resources	$1,767,482	$1,747,393
Total Liabilities and Deferred Inflows of Resources	1,033,013	929,485
Total Fund Equity	734,469	817,908
Total Revenue	666,787	699,961
Total Expenses	750,226	714,938
Net Increase (Decrease) in Net Position	(83,439)	(14,977)
Cash and Cash Equivalents	408,803	428,780

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Library's budget for the 2022 fiscal year:

Enhance new and existing programs

Increasing cost of materials

Employment of adequate staff members

Contacting the Library's Financial Management

The financial report is designed to provide a general overview of the Library's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Liberal Memorial Library, 519 N. Kansas, Liberal, Kansas 67901, or call (620) 626-0180.

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

FINANCIAL STATEMENTS
For the years ended December 31, 2022 and 2021

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

Statement 1

STATEMENTS OF NET POSITION
December 31, 2022 and 2021

	2022	2021
Assets		
Cash and investments	$ 408,803	$ 428,780
Taxes receivable	603,598	603,598
Capital assets	1,967,962	1,938,795
Less – Accumulated depreciation	(1,366,382)	(1,307,697)
Total Assets	$ 1,613,981	$ 1,663,476
Deferred Outflows of Resources		
Pension	153,501	83,917
Total Assets and Deferred Outflows of Resources	$ 1,767,482	$ 1,747,393
Liabilities		
Accounts payable	$ 5,535	$ 3,570
Accrued salaries	9,120	4,521
Accrued compensated absences	23,092	15,173
Net pension liability	378,444	209,008
Total Liabilities	$ 416,191	$ 232,272
Deferred Inflows of Resources		
Deferred revenue	$ 603,598	$ 603,598
Pension	13,224	93,615
Total Deferred Inflows of Resources	$ 616,822	$ 697,213
Net Position		
Unrestricted	$ 132,889	$ 186,810
Invested in capital assets	601,580	631,098
Total Net Position	$ 734,469	$ 817,908

The notes to the financial statements are an integral part of this statement.

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

Statement 2

STATEMENTS OF ACTIVITIES
For the years ended December 31, 2022 and 2021

	2022	2021
Expenditure/Expenses		
Library Operations:		
Personal services	$ 422,485	$ 381,153
Commodities	57,915	94,785
Contractual services	211,141	181,667
Depreciation	58,685	57,333
Total Program Expenses	$ 750,226	$ 714,938
Program Revenues		
Charges for services	13,874	8,476
Net Program Expenses	$ 736,352	$ 706,462
General Revenues		
Property taxes	$ 594,776	$ 600,570
Intergovernmental	33,500	29,290
Investment earnings	987	990
Gifts and bequests	3,594	1,881
Grants	20,056	58,754
Total General Revenues	$ 652,913	$ 691,485
Increase (Decrease) in Net Position	$ (83,439)	$ (14,977)
Net Position, Beginning of the Year	817,908	832,885
Net Position, End of the Year	$ 734,469	$ 817,908

The notes to the financial statements are an integral part of this statement.

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

NOTES TO FINANCIAL STATEMENTS
For the years ended December 31, 2022 and 2021

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Liberal Memorial Library is a municipal organization governed by an appointed board. The Liberal Memorial Library is a component unit of the City of Liberal, Kansas. There are no related municipal entities or component units of the Liberal Memorial Library.

Basis of Accounting

The Library has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented after applying memorandum adjustments, where applicable, resulting in financial statements presented on the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Restricted Assets

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Library's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Library's policy is to first apply the expenditure toward restricted fund balance and then to other, less restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

Capital Assets

Capital assets, which include property, buildings and improvements, and equipment are reported in the assets section of the financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	10 to 40 years
Furniture and equipment	2 to 10 years

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Note 2: Stewardship, Compliance and Accountability

Budgets

Applicable Kansas statutes require that budgets be legally adopted for all funds, unless exempted by a specific statute. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments, such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

Budget authorizations are not required for the State Aid, Gift and Bequest, Capital Improvements or Capital Projects Funds.

Schedule 1 presents budgetary comparisons of the General Fund.

Note 3: Cash and Time Deposits

Cash on hand, demand and time deposits are shown in aggregate in accordance with the provisions of KSA 12-1671 and 12-1672.

Time deposits are carried at cost, plus accrued interest. The carrying amount of these deposits are included in the financial statement as "cash and time deposits".

In accordance with KSA 9-1402 and KSA 12-1675, the Library Board deposited their funds with Equity Bank, Liberal, Kansas.

The following coverage was provided at December 31, 2022:

First National Bank:			
Carrying value – Book value	$408,803		
Balance per bank statements		$397,718	
FDIC			$314,056
Depository security			$ 83,662
Funds at risk			-

Note 4: Accounts Receivable

Generally, the only stated receivables would be as follows:

1 – Available Library Fund balance at year end limited to the budget appropriation on hand with the City Treasurer.

2 – Any reimbursements due from the Library System and from other individuals.

3 – Balances due on state contractual agreements at year end.

Note 5: Statement of Changes in General Fixed Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 28,000	$ -	-	$ 28,000
Building	122,680	-	-	122,680
Building addition	568,645	-	-	568,645
Improvements	524,286	6,806	-	531,092
Furnishings and Equipment:				
Office furniture and equipment	547,244	22,361	-	569,605
Shelving, etc.	108,383	-	-	108,383
Audio-visual equipment	39,557	-	-	39,557
Total Current Year	$ 1,938,795	$ 29,167	-	$ 1,967,962
Less – Accumulated depreciation	(1,307,697)			(1,366,382)
Net Capital Assets	$ 631,098			$ 601,580

Note 6: Compensated Absences/Uncompensated Absences

Vacation and Sick Leave

All full time regular employees are to accrue vacation leave after completing one full year of service on the basis of one day for each month of service. A maximum of 21 days can be accumulated. Upon termination, any unused vacation leave is compensated on the employee's authorized salary.

All full time employees are to accrue sick leave one day for each month of service. Employees are able to carryover 90 days. There is no compensation for sick days upon end of employment.

Note 7: Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description

The Liberal Memorial Library participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.90% for the fiscal year ended December 31, 2022. Contributions to the pension plan from the Liberal Memorial Library were $54,664 for the year ended December 31, 2022.

Note 7: Defined Benefit Pension Plan (Continued)

Net Pension Liability

At December 31, 2022 and 2021, the Liberal Memorial Library's proportionate share of the collective net pension liability reported by KPERS was $378,444 and $209,008, respectively. The net pension liabilities were measured as of June 30, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of December 31, 2021 and 2020, which were rolled forward to June 30, 2022 and 2021. The Liberal Memorial Library's proportion of the net pension liability was based on the ratio of the Liberal Memorial Library's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Benefits

Benefits are established by statute and may only be changed by the Kansas Legislature. Members with ten or more years of credited service may retire as early as age 55, 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".

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.

Note 7: Defined Benefit Pension Plan (Continued)

Benefits (Continued)

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 percent 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 post-retirement 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. For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Employer and Nonemployer 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 Library is included in the local group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The allocation percentages for the Library's share of the collective pension amounts as of December 31, 2022 and 2021 are based on the ratio of each employer's contributions to total employer and nonemployer contributions of the group for the years ended June 30, 2022 and 2021, respectively. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. As of December 31, 2022, the Library's proportion was 0.0190 percent which was an increase of .0016 from its share at December 31, 2021.

Note 7: Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability was determined by actuarial valuations as of December 31, 2021 and 2020, which were then rolled forward to June 30, 2022 and 2021, using the following actuarial assumptions:

Actuarial Assumptions	2021	2020
Price inflation	2.75%	2.75%
Salary increases, including price inflation	3.50%-12.00%	3.50%-12.00%
Investment rate of return, compounded annually, net of investment expense and including price inflation	7.00%	7.25%

For 2022 and 2021, mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on Scale MP-2016.

The actuarial assumptions used in the December 31, 2021 and 2020 valuations were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2018.

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. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, 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
US Equities	23.50%	5.20%
Non-US Equities	23.50	6.40

Note 7: Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

Asset Class	Long-term Target Allocation	Long-term Expected Real Rate of Return
Fixed income	11.00	1.55
Yield driven	8.00	4.70
Real return	11.00	3.25
Private real estate	11.00	4.45
Private equity	8.00	9.50
Short-term investments	4.00	0.25
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent as of December 31, 2020 and 7.00 percent as of December 31, 2021. The Local, Police and Firemen, and Judges employers are contributing at the full actuarial contribution rate. However, the State and School employers do not necessarily do so. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. The statutory cap for the year ended June 30, 2022 was 1.2 percent. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made within the same range as have been made during the past few years.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the pension plan as of June 30, 2022, calculated using the discount rate of 7.00 percent, 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 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Library's share of net pension liability	$543,647	$378,444	$240,806

Note 7: Defined Benefit Pension Plan (Continued)

Pension Expense

For the years ended December 31, 2022 and 2021, the Library recognized pension expense of $169,436 and $117,907, respectively, which includes 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 period.

Deferred Outflows of Resources and Deferred Inflows of Resources

A summary of the collective deferred outflows of resources and deferred inflows of resources at December 31, 2022 and 2021 are included in the tables below. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive plan members at the beginning of the measurement period. Investment gains and losses are recognized over a fixed five-year period.

	2022	2021
Deferred Outflows of Resources:		
Changes in proportion and differences between Library's contributions and proportionate share of contributions	$ 29,663	$ 19,850
Employer contributions subsequent to the measurement date	16,997	14,673
Differences between expected and actual experience	14,314	8,250
Net differences between projected and actual earnings on pension plan investment	32,035	-
Changes of assumptions	60,492	41,144
Total Deferred Outflows of Resources	$153,501	$ 83,917

Note 7: Defined Benefit Pension Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

	2022	2021
Deferred Inflows of Resources:		
Differences between expected and actual experience	$ 678	$ 1,892
Changes of assumptions	-	-
Changes in proportion	12,546	17,505
Net difference between projected and actual earnings on pension plan investments	-	74,218
Total Deferred Inflows of Resources	$ 13,224	$ 93,615

The following table provides the deferred outflows of resources and deferred inflows of resources as of December 31, 2022 that will be recognized in pension expense in future years:

Year Ended December 31	Employer Contributions Subsequent to the Measurement Date	Recognition of Net Deferred Outflows/(Inflows) of Resources by Year	Total
2023	$ 16,997	$ 36,435	$ 53,432
2024	-	32,569	32,569
2025	-	14,533	14,533
2026	-	37,801	37,801
2027	-	1,942	1,942
	$ 16,997	$123,280	$140,277

Note 8: Reconciliation of Difference Between Governmental Fund Statement and the Statement of Net Position

Fund Balance, Schedule 1	$ 394,149
Fund Balance – State aid	-
Fund Balance – I.L.L. Development Fund	-
Addition of net capital assets	601,580
Addition of deferred outflows of resources	153,500
Addition of net pension liability	(378,444)
Addition of pension-related deferred inflows of resources	(13,224)
Addition of accrued compensated absences	(23,092)
Net Position, Statement 1	$ 734,469

Note 9: Reconciliation of Difference Between Governmental Fund Statement and the Statement of Activities

Net change in Fund Balance, Schedule 1	$ (26,540)
Pension expense recognized	(169,436)
Difference in deferred outflow of resources	69,583
Difference in deferred inflows of resources	80,391
Increase (decrease) of accrued compensated absences	(7,919)
Current year capitalized assets	29,167
Current year depreciation	(58,685)
Change in Net Position, Statement 2	$ (83,439)

Note 10: Subsequent Events

The Liberal Memorial Library's management has evaluated events and transactions through August 24, 2023, the date which the financial statements were available to be issued.

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

SUPPLEMENTAL SCHEDULES
For the years ended December 31, 2022 and 2021

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

Schedule 1

GOVERNMENTAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the years ended December 31, 2022 and 2021

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Revenues				
Appropriation from City:				
Library Fund	$594,776	$603,598	$ (8,822)	$600,570
Library System	33,500	-	33,500	29,290
Fines, fees and xerox	13,874	17,500	(3,626)	8,476
Gift and Bequest	3,594	-	3,594	1,881
Interest	987	1,500	(513)	990
Grants	20,056	75,000	(54,944)	58,754
Total Revenues	$666,787	$697,598	$ (30,811)	$699,961
Expenditures				
Salaries	$395,105	$481,898	$ (86,793)	$397,475
Payroll taxes	32,201	-	32,201	34,006
Health/Life insurance/Work Comp	49,638	48,000	1,638	59,761
Books/Foreign language	19,676	44,000	(24,324)	16,939
Building maintenance	6,241	7,000	(759)	8,866
Periodicals and reference	3,066	5,600	(2,534)	5,755
Supplies and postage	14,583	10,000	4,583	11,480
Utilities and phone	28,828	35,900	(7,072)	27,333
Capital outlay	29,167	5,000	24,167	38,795
Computer expense	995	1,000	(5)	1,259
Insurance	16,042	12,000	4,042	11,336
Retirement	36,003	-	36,003	32,996

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

Schedule 1
(Continued)

GOVERNMENTAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
For the years ended December 31, 2022 and 2021

	Current Year			
	Actual	Budget	Variance Over (Under)	Prior Year Actual
Expenditures (Continued)				
Miscellaneous	754	-	754	494
Service contracts	10,582	21,200	(10,618)	7,919
Travel and entertainment	4,252	5,000	(748)	2,667
Professional fees	5,735	-	5,735	5,490
Advertising/Marketing	1,306	-	1,306	700
Programs	7,016	8,000	(984)	8,094
Audio-visual	15,087	13,000	2,087	12,521
Bank charges	-	-	-	96
Grants	17,050	-	17,050	28,739
Total Expenditures	$693,327	$697,598	$ (4,271)	$712,721
Revenues over (under) Expenditures	$ (26,540)			$ (12,760)
Fund Balances Unassigned, Beginning	420,689			433,449
Fund Balances Unassigned, Ending	$394,149			$420,689

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

Schedule 2

SCHEDULE OF LIBRARY'S PROPORTIONATE SHARE
OF THE NET DEFINED PENSION PLAN LIABILITY
December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Library's proportion of the net pension liability	0.0190	0.0174	0.0189	0.0172%	0.0164%	0.0159%	0.0168%	0.0162%	0.0186%	0.1628%
Library's proportionate share of the net pension Liability	$378,444	$209,008	$326,915	$239,845	$228,665	$230,203	$260,350	$212,188	$229,214	$247,780
Library's covered-employee payroll	371,540	371,540	363,077	329,742	308,641	279,917	288,098	287,145	290,079	252,355
Library's proportionate share of the net pension liability as a percentage of its covered-employee payroll	101.86%	56.25%	90.04%	72.74%	74.09%	82.24%	90.37%	73.90%	79.02%	98.19%
Plan fiduciary net position as a percentage of the total pension liability	70.66%	81.14%	70.77%	75.02%	74.22%	72.15%	68.60%	71.98%	72.56%	64.56%

LIBERAL MEMORIAL LIBRARY
Liberal, Kansas

Schedule 3

SCHEDULE OF LIBRARY'S CONTRIBUTIONS
TO DEFINED PENSION PLAN
December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 31,596	$ 32,956	$ 31,261	$ 29,313	$ 25,895	$ 23,681	$ 26,447	$ 27,221	$ 25,643	$ 20,037
Contributions in relation to the contractually required contribution	(31,596)	(32,956)	(31,261)	(29,313)	(25,895)	(23,681)	(26,447)	(27,221)	(25,643)	(20,037)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Library's covered-employee payroll	$355,009	$371,540	$363,077	$329,742	$308,641	$279,917	$288,098	$287,145	$290,079	$252,355
Contributions as a percentage of covered-employee payroll	8.90%	8.87%	8.89%	8.89%	8.39%	8.46%	9.18%	9.48%	8.84%	7.94%