

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY

BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

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Year Ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Topeka and Shawnee County Public Library

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Topeka and Shawnee County Public Library (the Library), as of and for the year ended December 31, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Library, as of December 31, 2024, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Kansas Municipal Audit and Accounting Guide. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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 the Library's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditors' 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 auditors' 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 GAAS and *Government 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 GAAS and *Government 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

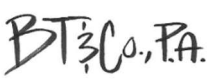
Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management 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 GAAS, 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 supplementary information, including combining general fund and nonmajor fund financial statements and budgetary comparisons for the debt service - bond and interest fund and state aid fund, 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 GAAS. In our opinion, the supplementary information listed above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2025 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



April 15, 2025
Topeka, Kansas

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of the Topeka and Shawnee County Public Library (Library), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Library's Financial Statements, which begin on page 14.

This discussion and analysis is designed to: (1) assist the reader in focusing on significant financial issues; (2) provide an overview of the Library's financial activity; (3) identify changes in the Library's financial position (its ability to address the next and subsequent year challenges); (4) identify any material deviations from the financial plan (the approved budget); (5) identify individual fund issues or concerns; and (6) facilitate transparency and demonstrate effective stewardship of public and private monies.

GENERAL INFORMATION

The Topeka and Shawnee County Public Library is a municipal corporation governed by an appointed ten-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the Library and its component unit, an entity for which the government is considered financially accountable. A discretely presented component unit is reported in a separate column in the basic financial statements to emphasize it is legally separate from the government. The discretely presented component unit has a December 31 year end.

Discretely Presented Component Unit. The Library Foundation (Foundation) was organized to help secure financial resources to ensure the continued growth, enhancement and development of the Topeka and Shawnee County Public Library's collections, programs, services, technology, and physical facilities by cultivating and soliciting philanthropic support, by providing conscientious stewardship of assets entrusted to it, and by encouraging appropriate community partnerships. The Foundation has the potential to impose a financial benefit/burden on the Library.

Complete financial statements of the Library Foundation are available from the Library Foundation administrative office.

FINANCIAL HIGHLIGHTS

- The overall condition of all funds remains adequate for the Library.

- The Library's total combined net position was $32,274,862 as of December 31, 2024. The unrestricted net position available to be used to meet the Library's ongoing obligations has resulted in a positive amount of $5,428,343. This is primarily the result of the required calculation and financial statement presentation of the Library's share of the net pension liability as a participating employer in the Kansas Public Employees Retirement System (KPERS) imposed by GASB Statements No. 68 and No. 71 (see footnote 8).

  Additionally, other postemployment healthcare benefits (OPEB) imposed by GASB Statement No. 75 (see footnote 9) represent a significant reported liability.

  In 2018, the Library offered medical and dental insurance to its retirees and qualifying dependents with a $300 premium subsidy paid by the Library for either plan. Kansas law requires that retirees be offered participation in the medical insurance plan through Medicare eligibility, but no subsidization of the

premiums is required. The inclusion of retirees in the medical insurance plan beyond reaching this eligibility, as well as the Library's subsidization of the premiums, are authorized by Board of Trustees' policy. However, during 2015 the Board of Trustees approved two new policies for *Group Health Care Benefits for Qualified Retirees*. Over two years, these policies reduced the Library's premium subsidy and the length of time for the subsidy and limited the age eligibility for participation to less than age 65 beginning January 1, 2017.

The OPEB liability is an actuarial calculation of not only the Library's contribution to the annual premiums, but the expected cost impact on the medical insurance plan due to the inclusion of the retirees and related actuarial assumptions about their future health care needs, longevity, the projected cost of health care and other factors. With the policy changes, over time this liability will decrease. The total OPEB actuarial liability projection increased in total by $90,383 from 2023 to 2024 for a total OPEB liability of $1,667,842. The number of insured retirees was 1 in 2024 which was the same in 2023.

If the Library or its medical insurance plan ceased to exist, all related liability presented in the financial statements would cease. The Library's only obligation is to allow participation in its medical insurance plan until a retiree is Medicare-eligible and pay any subsidy set by the Board while the policy remains in effect. This differs significantly from a pension or trust for postretirement benefits. Financial statement readers should consider this required financial statement presentation as strictly that, as contrasted with true liabilities due from the Library's assets.

- During the year, the Library's expenses were $1,904,691 less than the $21,429,815 generated in taxes and other revenues for governmental activities.

- The general fund reported a fund balance this year of $7,685,061.

- E-rate funds continue to offset part of the charges for telecommunication and internet services.

- Fees to library users, including printing, copying, interlibrary loan services, mailing of library materials, nonresident library cards, faxing, meeting rooms and other fees, generated $35,666 in 2024.

USING THIS AUDIT REPORT

This audit report consists of a series of financial statements and notes to those statements. The focus of these financial statements is on both the Library as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison and demonstrate the Library's accountability.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities

The government-wide financial statements are designed to provide readers with a broad overview of the Library's finances, in a manner similar to a private-sector business. The focus of the Statement of Net Position presents information on all the Library's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting.

The Statement of Activities presents information showing how the Library's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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., earned but unused compensated absences).

The government-wide financial statements describe functions of the Library that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the Library reflect the Library's basic services, including materials collections, reference and readers' services, programming, the Digital Branch, outreach services and public computers.

Reporting the Library's Major Funds

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements to be more familiar. The focus of the presentation is on major funds rather than fund types. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Library, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Library adopts an annual budget for its General Fund, Employee Benefit Fund, Debt Service Fund and State Aid Fund. The Capital Improvement Fund is a non-budgeted fund. A budgetary comparison schedule has been provided elsewhere in this report to demonstrate compliance with the budget. The budgetary comparisons can be found on pages 21-23 and pages 58-59 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-49 of this report.

FINANCIAL ANALYSIS OF THE LIBRARY AS A WHOLE

In accordance with GASB Statement No. 34 and because prior year information is available, the Library is presenting a comparative analysis of government-wide information.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

STATEMENT OF NET POSITION

Comparative as of December 31, 2024 and December 31, 2023

	2024	2023	Change
Assets:			
Cash and investments	$ 17,552,718	$ 15,652,395	$ 1,900,323
Receivables:			
Taxes and assessments	17,285,012	17,059,974	225,038
Other	17,776	48,419	(30,643)
Prepaid items	369,726	328,692	41,034
Due from component unit	203,269	188,987	14,282
Due from related party	1,782	2,433	(651)
Endowment securities	298,866	279,715	19,151
Split interest agreements	130,000	126,000	4,000
Capital assets not being depreciated:			
Land	1,157,229	1,157,229	-
Works of art	2,334,523	2,311,297	23,226
Work in progress	255,984	547,844	(291,860)
Capital assets net of accumulated depreciation:			
Buildings and improvements	19,421,568	19,103,038	318,530
Equipment	1,514,563	1,465,355	49,208
Books and collections	1,419,668	1,355,226	64,442
Total assets	61,962,684	59,626,604	2,336,080
Deferred outflows of resources:			
Deferred outflows - OPEB	603,167	688,065	(84,898)
Deferred outflow - pension	1,813,110	2,392,062	(578,952)
Total deferred outflows of resources	2,416,277	3,080,127	(663,850)
Liabilities:			
Accounts payable	263,852	378,079	(114,227)
Accrued payroll	357,090	293,408	63,682
Advances - grants	44	44	-
Unearned revenue	94,066	89,058	5,008
Long-term liabilities:			
Due within one year	655,804	605,092	50,712
Due in more than one year	11,012,682	10,286,893	725,789
Total liabilities	12,383,538	11,652,574	730,964
Deferred inflows of resources:			
Unavailable revenue - property taxes	17,285,012	17,059,974	225,038
Deferred inflows - split-interest agreements	130,000	126,000	4,000
Deferred inflows - OPEB	1,597,712	1,778,440	(180,728)
Deferred inflows - pension	707,837	438,273	269,564
Total deferred inflows of resources	19,720,561	19,402,687	317,874
Net position:			
Net investment in capital assets	26,103,535	25,939,989	163,546
Restricted for:			
Expendable:			
Other purposes	444,118	362,585	81,533
Nonexpendable	298,866	279,715	19,151
Unrestricted	5,428,343	5,069,181	359,162
Total net position	$ 32,274,862	$ 31,651,470	$ 623,392

When the financial data is presented in full compliance with accrual accounting, the Library's combined net position increased by $1,904,691 from $30,370,171 (Restated) as of December 31, 2023 to $32,274,862 as of December 31, 2024.

Statement of Activities

The following table summarizes the revenue and expenses of the Library's activities for 2023 and 2024.

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2024 and December 31, 2023

	2024	2023	Change
Program revenues:			
Charges for services	$ 296,976	$ 294,629	$ 2,347
Operating grants and contributions	695,041	321,423	373,618
Capital grants and contributions	6,000	7,650	(1,650)
General revenues:			
Property taxes	19,498,329	19,260,983	237,346
Net investment income	933,469	799,434	134,035
Total revenues	21,429,815	20,684,119	745,696
Function/program expenses:			
Library services	19,525,124	19,089,262	435,862
Total expenses	19,525,124	19,089,262	435,862
Change in net position	1,904,691	1,594,857	309,834
Net position - beginning of the year	31,651,470	30,056,613	1,594,857
Restatements	(1,281,299)	-	(1,281,299)
Net position - beginning of the year, restated	30,370,171	30,056,613	313,558
Net position - end of year	$ 32,274,862	$ 31,651,470	$ 623,392

The Library is primarily funded by a property tax levied on all property located within Shawnee County, except for property located within Rossville township and Silver Lake township. In March 2021, the Kansas Legislature passed Senate Bill (SB) 13 to establish limitations on ad valorem property tax levies by taxing subdivisions without an additional notice and hearing prior to budget adoption. Subsequently, Senate Substitute for House Bill 2104 was passed to amend the timelines in SB 13. SB 13 is retroactively effective January 1, 2021.

The bill repeals the tax lid law and computed tax limits imposed by KSA 79-2925b and KSA 79-2925c. Alternatively, the bill introduces the use of a "revenue neutral rate", defined as the amount of ad valorem tax revenue levied in the prior year over the current year assessed valuation estimates, expressed as a mill. County clerks are responsible for computing and providing the rate to taxing subdivisions with the budget information estimates by June 15th.

The Library cannot levy above the revenue neutral rate (RNR) without holding a Revenue Neutral Rate Hearing for tax payers to attend and provide feedback. At the end of the RNR hearing, the Board of Trustees will publicly vote to pass a resolution to exceed the RNR for the upcoming budget year.

As reported in the Statement of Activities on page 16, the cost of all of our governmental activities in 2024 was $19,525,124, an increase of $435,862 (2.2%) from the 2023 total cost of $19,089,262.

- The amount that our taxpayers paid for these activities through taxes was $19,498,329, an increase of $237,346 (1.2%) above 2023. With a slightly lower mill levy approved between the two years, the increase in tax revenues is due to the value of one mill based on actual property valuations, the amount of

other types of taxes like those on vehicles, and the amount of collectible taxes. Budgeted ad valorem taxes between 2023 and 2024 increased by $145,024 due to increased valuations over the prior year which produced $189,241 more per mill.

- Some of the cost ($296,976) was paid by those who directly benefited from the services.

- Some of the cost ($701,041) was paid by other governments and organizations who subsidized certain programs with grants and contributions.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The Library's budgets are prepared according to Kansas law. The budgeted major funds are the General Fund and the Employee Benefit Fund. The Capital Improvement Fund is a non-budgeted major fund.

During the fiscal year ended December 31, 2024, the Library did not amend the budget for any of the budgeted funds.

General Fund

STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL

Year ended December 31, 2024

	2024		
	Budget	Actual	Variance
Revenues:			
Ad valorem taxes	$ 14,151,388	$ 13,794,622	$ (356,766)
Delinquent taxes	-	296,544	296,544
Motor vehicle taxes	1,450,274	1,534,937	84,663
Payment in lieu of taxes	39,347	58,634	19,287
Revitalization rebates	(126,213)	(122,453)	3,760
Investment income	150,000	420,473	270,473
Overdue fines and fees	26,050	29,599	3,549
Miscellaneous	167,871	196,644	28,773
Total revenues	$ 15,858,717	$ 16,209,000	$ 350,283
Expenditures:			
Salaries	$ 9,377,450	$ 8,528,108	$ (849,342)
Library materials	2,074,000	1,977,664	(96,336)
Equipment and special projects	1,745,500	1,561,378	(184,122)
Other operating expenses	5,651,947	3,528,518	(2,123,429)
Total expenditures	$ 18,848,897	$ 15,595,668	$ (3,253,229)
Other financing sources:			
Transfers in	$ 10,010	$ -	$ (10,010)

The General Fund actual revenues for 2024 were $16,209,000; $350,283 over the budgeted amount of $15,858,717. 96% of all General Fund revenues came from taxes. Actual taxes collected represent 100.3% of the budgeted taxes which is an excellent collection rate and is primarily due to motor vehicle taxes and collection of delinquent taxes.

The actual expenditures of the General Fund for 2024 were $15,595,668; $3,253,229 ($1,603,229 without budgeted cash carryforward) below the budget estimate of $18,848,897. The percentage breakdown for General Fund expenditures was: salaries 54.7%; library materials 12.7%; equipment and special projects 10%; other operating expenses 22.6%.

The fund balance for the General Fund at the end of 2024 was $7,685,061 as compared to an ending fund balance on December 31, 2023 of $6,332,367.

Employee Benefit Fund

STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL

Year ended December 31, 2024

	2024		
	Budget	Actual	Variance
Revenues:			
Ad valorem taxes	$ 3,559,419	$ 3,471,224	$ (88,195)
Delinquent taxes	-	74,529	74,529
Motor vehicle taxes	377,341	399,856	22,515
Payments in lieu of taxes	11,540	14,755	3,215
Revitalization rebates	(31,746)	(30,835)	911
Investment income	85,000	134,511	49,511
Miscellaneous	99,112	85,621	(13,491)
Total revenues	$ 4,100,666	$ 4,149,661	$ 48,995
Expenditures:			
FICA	$ 717,375	$ 605,600	$ (111,775)
Health/dental insurance	3,618,770	2,406,128	(1,212,642)
KPERS	943,675	854,672	(89,003)
Employee assistance program	7,080	6,726	(354)
Cafeteria plan administration fees	2,305	714	(1,591)
Contingency/fund balance	400,000	-	(400,000)
Unemployment tax	15,004	8,988	(6,016)
Worker's compensation	53,000	59,918	6,918
Total expenditures	$ 5,757,209	$ 3,942,746	$ (1,814,463)

The Employee Benefit Fund actual revenue for 2024 was $4,149,661; $48,995 more than the budgeted amount of $4,100,666. 94.6% of all Employee Benefit Fund revenues came from taxes.

The actual expenditures of the Employee Benefit Fund for 2024 were $3,942,746; $1,814,463 ($1,414,463 without budgeted cash carryforward) below the original budget estimate of $5,757,209. The actual cost of health care paid by the Library was less than budgeted due to less than expected premium costs. The percentage breakdown for Employee Benefit Fund expenditures was: FICA 15.4%; health/dental insurance 61%; KPERS (retirement system) 21.7%; unemployment tax .2%; worker's compensation 1.5%; employee assistance program .2%; cafeteria benefit plan administration < .1%.

The fund balance for the Employee Benefit Fund at the end of 2024 was $2,391,051 as compared to an ending fund balance on December 31, 2023 of $2,207,185. This is primarily due to less than expected increases in health and dental insurance premiums from 2023.

Capital Improvement Fund

The Capital Improvement Fund is a special accruing fund established under K.S.A. 12-1268 which provides for an amount, not to exceed 20% of any annual General Fund budget prepared, published and approved by the Board of Trustees, to be set aside in a special fund for major capital improvements or major equipment purchases.

The Capital Improvement Fund actual revenues for 2024 were $343,887. Interest earnings comprise 100% of the Capital Improvement revenues. There was no transfer budgeted in 2024 from the General Fund.

There were no expenditures of the Capital Improvement Fund for 2024.

The fund balance for the Capital Improvement Fund at the end of 2024 was $6,877,610 as compared to $6,533,723 in 2023.

GOVERNMENTAL FUNDS REVENUES

The total governmental fund revenues of the Library for 2024 were $21,423,813; compared to total governmental fund revenues for 2023 of $21,678,541. Of the total revenues, $19,498,329 or 91% was generated from taxes and assessments; compared to $19,260,983 or 88.8% generated from taxes and assessments in 2023.

GOVERNMENTAL FUNDS EXPENDITURES

	2024		2023	
	Total	% of Total	Total	% of Total
General Fund	$ 15,382,743	80%	$ 14,251,311	79%
Employee Benefit Fund	3,966,509	20%	3,837,590	21%
Capital Improvement	-	0%	-	0%
Total Nonmajor Governmental Funds	85,528	0%	86,805	0%
	$ 19,434,780		$ 18,175,706	

In reviewing the chart above, you will see that the General Fund comprises 80% of all the expenditures within the governmental funds as compared to 79% in 2023. Governmental fund expenditures totaled to $19,434,780; an increase of $1,259,074 from the 2023 total of $18,175,706.

GOVERNMENTAL FUNDS FUND BALANCES

	Total Revenues	Total Expenditures	Fund Balance 1/1/2024	Fund Balance 12/31/2024
General Fund	$ 16,735,437	$ 15,382,743	$ 6,332,367	$ 7,685,061
Employee Benefit Fund	4,150,375	3,966,509	2,207,185	2,391,051
Capital Improvement Fund	343,887	-	6,533,723	6,877,610
Total Nonmajor Governmental Funds	194,114	85,528	666,777	775,363
	$ 21,423,813	$ 19,434,780	$ 15,740,052	$ 17,729,085

The governmental funds had a net increase in fund balance of $1,989,033. The ending fund balance for all governmental funds was $17,729,085. These fund balances will be used to fund future capital improvements, rising cost of health insurance and to pay expenses at the beginning of the next fiscal year. The fund balances are essential to maintain library operations since the library does not receive its first tax distribution until mid-to-late January.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,157,229	$ -	$ -	$ 1,157,229
Works of art	2,311,297	23,226	-	2,334,523
Work in progress	547,844	1,107,140	(1,399,000)	255,984
Total capital assets not being depreciated	4,016,370	1,130,366	(1,399,000)	3,747,736
Capital assets being depreciated:				
Building and improvements	36,933,959	1,399,000	-	38,332,959
Equipment	6,727,810	59,486	(128,681)	6,658,615
Books and collections	7,352,674	847,818	(787,194)	7,413,298
Total capital assets being depreciated	51,014,443	2,306,304	(915,875)	52,404,872
Less accumulated depreciation for:				
Buildings and improvements	(17,830,921)	(1,080,470)	-	(18,911,391)
Equipment	(5,262,455)	(10,278)	128,681	(5,144,052)
Books and collections	(5,997,448)	(619,860)	623,678	(5,993,630)
Total accumulated depreciation	(29,090,824)	(1,710,608)	752,359	(30,049,073)
Total capital assets being depreciated, net	21,923,619	595,696	(163,516)	22,355,799
Capital assets, net	$ 25,939,989	$ 1,726,062	$ (1,562,516)	$ 26,103,535

At the end of 2024 the Library had $56 million invested in land, works of art, buildings and improvements, equipment and books and collections. Of this amount $30 million in depreciation has been taken over the years. Total acquisitions for the year were $3,436,670 and depreciation was $1.7 million.

During fiscal year 2024, the Library completed renovations to the Reader's Lounge, upgraded the fire alarm panel and completed improvements to the loading dock.

In July 2016, the facilities master plan was approved by the Board of Trustees and includes several significant ongoing remodel projects which are scheduled to be completed in 2025. These projects include incurred services for the renovation and the remodel of the Kid's Library and the lower level staff space spaces, including restrooms. These are the additions shown in "Work in Progress" within capital assets.

FACTORS BEARING ON THE LIBRARY'S FUTURE

At the time that these financial statements were prepared and audited, the Library was aware of the following items that could have significant impact on its finances in the future:

- Interest rates in FY 2024 resulted in general fund interest income of $428,834, $134,511 for the employee benefits fund, and $343,887 for the capital improvement fund. The interest rates have remained steady in FY 2024 which will have a positive impact on future revenue.

- The property values in Shawnee County are currently stable. Statutory amendments by the State Legislature could decrease future property valuations by changing the definition of taxable personal property or capping or altering the governing body's ability to set budgets. Changes in property valuations impact future tax revenues, which directly impact the Library's operations.

- There are a number of capital projects related to infrastructure or service delivery forthcoming in the next five to ten years to include: (1) replacing the paneling in the rotunda; (2) infrastructure and

remodeling/reconfiguration of library spaces in accordance with the facilities master plan; and (3) community services outreach projects (in lieu of branches).

- A five-year facilities master plan was created in 2025. It encompasses infrastructure and design projects to maintain optimal conditions and operation of the existing building. It also allows the Board to exercise good stewardship in maintaining and improving the building, increasing public space in support of the Library's goals, and providing relevant customer service and experience in a 21st-century library environment. Projects will be approved and funded in phases, as funding allows, with each project approved by the Board of Trustees. Private resources through the Library Foundation will be sought to fund the project, as well as library operating and capital improvement funds as available.

- A new 2024-2029 strategic plan for the library was approved by the Board of Trustees in January 2024. It is an ongoing plan for the benefit and growth of the community, and is focused on the areas of connection, learning, space, joy and people.

- The Library will continue to closely monitor external factors such as utility costs, medical insurance and other employee benefits costs, and third-party service charges for significant changes that would have a negative impact on the budgets. Medical insurance premiums for 2023 increased about 5.4% from 2023. Actual claims experience will be reviewed throughout the year and plan adjustment decisions made as necessary.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Kim Strube
Chief Financial Officer
Topeka and Shawnee County Public Library
1515 SW 10th Avenue, Topeka, KS 66604-1374
Telephone (785) 580-4482, Fax (785) 580-4496
Email – kstrube@tscpl.org

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
STATEMENT OF NET POSITION
December 31, 2024

	Primary Government	Component Unit
	Governmental Activities	Library Foundation
ASSETS		
Cash and investments	$ 17,552,718	$ 3,775,926
Receivables:		
Taxes and assessments	17,285,012	-
Grants	-	21,499
Pledges	-	77,609
Other	17,776	-
Prepaid items	369,726	
Other assets	-	7,445
Due from component unit	203,269	-
Due from related party	1,782	-
Endowment securities	298,866	-
Split-interest agreements	130,000	-
Restricted assets:		
Investments	-	8,344,624
Capital assets not being depreciated:		
Land	1,157,229	-
Works of art	2,334,523	-
Work in progress	255,984	-
Capital assets net of accumulated depreciation:		
Buildings and improvements	19,421,568	-
Equipment	1,514,563	5,031
Books and collections	1,419,668	-
Total assets	61,962,684	12,232,134
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - OPEB	603,167	-
Deferred outflows - pension	1,813,110	-
Total deferred outflows of resources	$ 2,416,277	$ -

(Continued)

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
STATEMENT OF NET POSITION
(Continued)
December 31, 2024

	Primary Government Governmental Activities	Component Unit Library Foundation
LIABILITIES		
Accounts payable	$ 263,852	$ 4,176
Accrued payroll	357,090	-
Advances - grants	44	-
Unearned revenue	94,066	-
Due to primary government	-	203,269
Long-term liabilities:		
Due within one year	655,804	-
Due in more than one year	11,012,682	-
Total liabilities	12,383,538	207,445
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	17,285,012	-
Deferred inflows - split-interest agreements	130,000	-
Deferred inflows - OPEB	1,597,712	-
Deferred inflows - pension	707,837	-
Total deferred inflows of resources	19,720,561	-
NET POSITION		
Net investment in capital assets	26,103,535	-
Restricted for:		
Expendable - other purposes	444,118	-
Nonexpendable - book purchases	298,866	-
Donor restrictions	-	8,422,233
Unrestricted	5,428,343	3,602,456
Total net position	$ 32,274,862	$ 12,024,689

See accompanying notes to basic financial statements.

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

Functions/Programs	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: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit Library Foundation
Primary government:						
Governmental activities:						
Library services	$ 19,525,124	$ 296,976	$ 695,041	$ 6,000	$ (18,527,107)	$ -
Component unit:						
Library Foundation	$ 927,427	$ -	$ 391,075	$ 95,100	-	(441,252)
General revenues:						
Property taxes					19,498,329	-
Net investment income					933,469	1,856,341
Unrealized loss on investments					-	(791,723)
Grants not restricted to specific programs					-	21,499
Café fees					-	15,500
Total general revenues					20,431,798	1,101,617
Change in net position					1,904,691	660,365
Net position, beginning of year, as previously presented					31,651,470	11,364,324
Restatements					(1,281,299)	-
Net position, beginning of year, as restated					30,370,171	11,364,324
Net position, end of year					$ 32,274,862	$ 12,024,689

See accompanying notes to basic financial statements.

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
BALANCE SHEET -
GOVERNMENTAL FUNDS
December 31, 2024

	General	Employee Benefit	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 7,824,987	$ 2,530,434	$ 6,877,610	$ 319,687	$ 17,552,718
Receivables:					
Taxes and assessments	13,888,822	3,396,190	-	-	17,285,012
Other	15,821	1,955	-	-	17,776
Prepaid items	369,726	-	-	-	369,726
Due from component unit	42,203	492	-	160,574	203,269
Due from related party	722	1,060	-	-	1,782
Endowment securities	-	-	-	298,866	298,866
Total assets	$ 22,142,281	$ 5,930,131	$ 6,877,610	$ 779,127	$ 35,729,149
LIABILITIES					
Accounts payable	$ 260,132	$ -	$ -	$ 3,720	$ 263,852
Accrued payroll	214,200	142,890	-	-	357,090
Advances - grants	-	-	-	44	44
Unearned revenue	94,066	-	-	-	94,066
Total liabilities	568,398	142,890	-	3,764	715,052
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	13,888,822	3,396,190	-	-	17,285,012
Total deferred inflows of resources	13,888,822	3,396,190	-	-	17,285,012
FUND BALANCES					
Nonspendable:					
Prepaid items	369,726	-	-	-	369,726
Legally or contractually required to be maintained intact	-	-	-	298,866	298,866
Restricted:					
Specific library programs	-	-	-	444,118	444,118
Assigned	1,857,728	2,391,051	6,877,610	32,379	11,158,768
Unassigned	5,457,607	-	-	-	5,457,607
Total fund balances	7,685,061	2,391,051	6,877,610	775,363	17,729,085
Total liabilities, deferred inflows of resources and fund balances	$ 22,142,281	$ 5,930,131	$ 6,877,610	$ 779,127	$ 35,729,149

See accompanying notes to basic financial statements.

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2024

Total fund balance in governmental fund balance sheet		$ 17,729,085
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		26,103,535
The estimated fair values of split-interest agreements are not financial resources and, therefore, are not reported in the funds.		130,000
Deferred outflows of resources represent a consumption of net assets that applies to a future period and so will not be recognized as an expenditure of resources until then.		
Deferred OPEB outflow	$ 603,167	
Deferred pension outflow	1,813,110	2,416,277
Liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences	(2,100,391)	
Total OPEB liability	(2,021,132)	
Net pension liability	(7,546,963)	(11,668,486)
Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as a revenue until then.		
Deferred inflows - split-interest agreements	(130,000)	
Deferred OPEB inflow	(1,597,712)	
Deferred pension inflow	(707,837)	(2,435,549)
Net position of governmental activities		$ 32,274,862

See accompanying notes to basic financial statements.

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	General	Employee Benefit	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes and assessments	$ 15,562,284	$ 3,929,529	$ -	$ 6,516	$ 19,498,329
Intergovernmental revenues	48,744	-	-	593	49,337
Contributions	-	-	-	85,000	85,000
Investment income	428,834	134,511	343,887	26,237	933,469
Overdue fines and fees	29,599	-	-	-	29,599
Miscellaneous	160,911	86,335	-	20,130	267,376
Receipts from component unit	505,065	-	-	55,638	560,703
Total revenues	16,735,437	4,150,375	343,887	194,114	21,423,813
EXPENDITURES					
Library services	13,372,098	3,966,509	-	58,503	17,397,110
Capital outlay	2,010,645	-	-	27,025	2,037,670
Total expenditures	15,382,743	3,966,509	-	85,528	19,434,780
Net change in fund balances	1,352,694	183,866	343,887	108,586	1,989,033
Fund balances, beginning of year	6,332,367	2,207,185	6,533,723	666,777	15,740,052
Fund balances, end of year	$ 7,685,061	$ 2,391,051	$ 6,877,610	$ 775,363	$ 17,729,085

See accompanying notes to basic financial statements.

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

Net change in fund balances - total governmental funds		$ 1,989,033
Amounts reported for governmental activities in the statement of activities are different because:		
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 and reported as depreciation This is the amount by which capital outlays $ 2,031,670 exceeded depreciation $ 1,710,608 in the current period.		321,062
The net effect of various miscellaneous transactions involving capital assets is to decrease net position.		
Loss on disposal of capital assets	$ (163,516)	
Donated capital assets	6,000	(157,516)
Some expenses reported in the statement of activities do not require the use of current financial resources. The details of these expenses are as follows:		
Changes in OPEB liabilities and related deferred outflows and inflows of resources	26,597	
Changes in compensated absences	(41,660)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(232,825)	(247,888)
Change in net position of governmental activities		$ 1,904,691

See accompanying notes to basic financial statements.

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS) -
GENERAL FUND
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Taxes and assessments:			
Ad valorem taxes	$ 14,151,388	$ 13,794,622	$ (356,766)
Delinquent taxes	-	296,544	296,544
Motor vehicle taxes	1,450,274	1,534,937	84,663
Payments in lieu of taxes	39,347	58,634	19,287
Revitalization rebates	(126,213)	(122,453)	3,760
Total taxes and assessments	15,514,796	15,562,284	47,488
Investment income	150,000	420,473	270,473
Overdue fines and fees	26,050	29,599	3,549
Miscellaneous	167,871	196,644	28,773
Total revenues	15,858,717	16,209,000	350,283
EXPENDITURES			
Library services:			
Cataloging and ILL services	104,959	97,670	(7,289)
Contracted - digital services	667,991	802,188	134,197
Contracted - E-rate services	1,279	1,793	514
Contracted - facilities	348,600	335,394	(13,206)
Contracted - office equipment	66,900	79,506	12,606
Contracted - professional	282,000	249,251	(32,749)
Digital services support	623,112	478,971	(144,141)
Furniture/equipment	45,500	34,802	(10,698)
Gallery art purchases	8,000	7,607	(393)
Insurance	87,000	64,807	(22,193)
Marketing	60,208	59,407	(801)
Materials	2,074,000	1,977,664	(96,336)
Memberships/dues	30,900	30,416	(484)
Mileage	7,800	7,849	49
Miscellaneous	5,000	4,820	(180)
Payments to other libraries	144,411	153,436	9,025
Postage/shipping	64,270	48,924	(15,346)
Printing	116,408	38,711	(77,697)
Programming	113,227	86,102	(27,125)
Expenditures - forward	$ 4,851,565	$ 4,559,318	$ (292,247)

(Continued)

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS) - GENERAL FUND
(Continued)
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
Expenditures - forward	$ 4,851,565	$ 4,559,318	$ (292,247)
Salaries and wages	9,377,450	8,528,108	(849,342)
Special projects	1,700,000	1,526,576	(173,424)
Staff conferences	174,000	141,919	(32,081)
Staff training	50,000	28,411	(21,589)
Supplies	263,532	204,826	(58,706)
Telecommunications	165,064	110,920	(54,144)
Utilities	511,881	418,736	(93,145)
Vehicle fuel and maintenance	105,405	76,854	(28,551)
Contingency	1,650,000	-	(1,650,000)
Total expenditures	18,848,897	15,595,668	(3,253,229)
Excess (deficiency) of revenues over (under) expenditures	(2,990,180)	613,332	3,603,512
OTHER FINANCING SOURCES			
Transfers in	10,010	-	(10,010)
Net change in fund balances		613,332	
Fund balances, beginning of year		5,797,799	
Less encumbrances - beginning of year		(1,199,989)	
Add cancellations of prior year encumbrances		162,150	
Add encumbrances - end of year		1,381,329	
GAAP adjustments		(33,195)	
Fund balances for budgeted funds included with the General Fund on GAAP basis financial statements:			
State Aid Fund		48,744	
Fund balances for non-budgeted funds included with the General Fund on GAAP basis financial statements:			
Undesignated Gifts/Memorials		904,837	
Workshops		2,207	
Fun Committee		7,847	
Fund balances, end of year		$ 7,685,061	

See accompanying notes to basic financial statements.

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS) - EMPLOYEE BENEFIT FUND
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Ad valorem taxes	$ 3,559,419	$ 3,471,224	$ (88,195)
Delinquent taxes	-	74,529	74,529
Motor vehicle taxes	377,341	399,856	22,515
Payments in lieu of taxes	11,540	14,755	3,215
Revitalization rebates	(31,746)	(30,835)	911
Total taxes and assessments	3,916,554	3,929,529	12,975
Investment income	85,000	134,511	49,511
Miscellaneous	99,112	85,621	(13,491)
Total revenues	$ 4,100,666	4,149,661	$ 48,995
EXPENDITURES			
Library services	$ 5,757,209	3,942,746	$ (1,814,463)
Net change in fund balances		206,915	
Fund balances, beginning of year		2,207,185	
Add encumbrances - end of year		150	
GAAP adjustments		(23,199)	
Fund balances, end of year		$ 2,391,051	

See accompanying notes to basic financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

The Topeka and Shawnee County Public Library (the Library) is a municipal corporation governed by an appointed ten-member board. The accompanying financial statements present the Library and its component unit, an entity for which the government is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the basic financial statements to emphasize it is legally separate from the government. The discretely presented component unit has a December 31 year end.

Discretely Presented Component Unit. The Library Foundation (the Foundation) was organized to promote the continued growth, enhancement and development of library collections, programs, services, technology and physical facilities of the Library by encouraging and soliciting private philanthropic support. Inclusion of the Foundation as a discretely presented component unit is warranted by the nature and significance of the relationship between the Library and the Foundation. The Foundation reports under FASB standards, including Topic 958. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the Library's financial reporting entity for these differences.

Complete financial statements for the Foundation are available from the Foundation administrative office.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. The primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the reporting period. Expenditures are recorded when the related fund liability is incurred as under accrual accounting; however, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Significant revenues which are considered susceptible to accrual include property taxes, interest, overdue fines and certain state and federal grants and entitlements. Miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. While property taxes receivable are shown in the financial statements as assets of the Library, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were raised and budgeted. Instead, they are offset by a deferred inflow of resources account.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Library; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable, i.e., revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt, or earlier if they meet the available and measurable criteria.

The Library reports the following major governmental funds:

General Fund is the principal operating fund of the Library and accounts for all unrestricted resources not accounted for in other funds.

Employee Benefit Fund is used for the purpose of paying the Library's share of any employee benefits.

Capital Improvement Fund is used for the cost of equipment and additions to the building and for the acquisition of land required for such addition, branch or parking facility for use by the patrons.

Additionally, the Library reports the following fund types:

Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal, interest and other related costs of, the Library's long-term debt.

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Library's programs.

When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, then unrestricted resources as they are needed.

Pooled Cash and Investments

The Library considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and investments of the individual funds are combined to form a pool which is managed by the Chief Financial Officer. Each fund's equity in the pool is included in "cash and investments" in the financial statements. These pooled cash and investments consist primarily of operating accounts and investments in the Kansas Municipal Investment Pool (MIP), which is overseen by the State of Kansas. The fair value of the Library's position in the MIP is the same as the pool value of the shares. Investment earnings, including interest income, are allocated to the funds based on each fund's participation in the pool.

Investments and Endowment Securities

Investments and endowment securities for the Library and its component unit are recorded at fair value based on quoted market prices.

Receivables

Receivables are carried at their original amount. Management records an allowance for doubtful accounts when considered necessary based on an analysis of the accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as revenue when received. All amounts are anticipated to be collectible at December 31, 2024.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets which include land, buildings and improvements, equipment, books and collections and works of art, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial cost of more than $ 50,000 for buildings and improvements, $ 5,000 for vehicles and $ 3,000 for all other assets and an estimated useful life of more than one year. All purchased capital assets are valued at historical cost where records are available and at an estimated historical cost where no such records exist. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Library's capital assets, as well as the Foundation's assets, are depreciated using the straight-line method over the estimated useful lives of the capital assets. Works of art, which are deemed to be inexhaustible, i.e., assets whose economic life is used up so slowly that its useful life is extraordinarily long, are not depreciated. The estimated useful lives are:

Buildings and improvements	40 years
Equipment	5 to 15 years
Books and collections	5 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Library has two items that qualify for reporting in this category. Deferred outflows for pension and other postemployment benefits (OPEB) are reported in the government-wide statement of net position. See Notes 8 and 9 for more information on the deferred outflows for pension and OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Library has four items that qualify for reporting in this category. One item, *unavailable revenue*, is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. The governmental funds and governmental activities report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items are deferred inflows for pension, OPEB and split-interest agreements. See Notes 8 and 9 for more information on the deferred inflows for OPEB and pension and Note 4 for information on the split-interest agreements.

Compensated Absences

The liability for compensated absences in the government-wide statements consists of unpaid, accumulated vacation, holiday and sick leave balances. Under the terms of the Library's personnel policy, employees are granted vacation and sick leave in varying amounts depending upon employee classification and length of service. Holiday leave is provided to employees not scheduled to work on an approved, paid holiday and is available to use up to six months from the date of the accrual, after which time it is forfeited. All regular full-time employees accrue sick leave at the rate of one day per month. Vacation is accumulated at the rate of 15 to 25 days per year depending upon the employee's length of service and classification. Typically, accumulated vacation in excess of a one-year accrual is forfeited as of December 31 each year. Vacation is prorated for part-time employees. Employees retiring from or terminating their employment with the Library are eligible to receive payment for their accumulated vacation. Employees retiring from the Library are eligible to receive payment for a portion of their accumulated sick leave. Benefits considered more likely than not to be used as leave or settled at separation are recognized in the financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Pensions

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The KPERS investments are reported at fair value.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the Library is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2024, fund balances for governmental funds are made up of the following:

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

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

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

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

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and deferred inflows and disclosure of contingent

assets, liabilities, deferred outflows and deferred inflows at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Policy

Kansas statutes require that an annual operating budget be legally adopted for the general fund, employee benefit fund, debt service fund and state aid fund. A legal operating budget is not required for the capital improvement fund and certain special revenue funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in a local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The municipality did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in a local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no official budget amendments during 2024.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each applicable fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the cash basis of accounting, modified by the recording of encumbrances. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitments, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

The statement of revenues, expenditures, and changes in fund balances - governmental funds reports revenues and expenditures on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Encumbrances are not included as expenditures. The statements of revenues, expenditures, and changes in fund balances - budget and actual

are prepared on the basis utilized in preparing the budget and, accordingly, include encumbrances as expenditures.

Spending of funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes or by using internal spending limits established by the governing body.

Adoption of New Accounting Standards

During the year, the Library adopted the following accounting standards:

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62* – This Statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences* – This Statement better meets the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of this Statement is considered a change in accounting principle. As a result, beginning net position on the statement of activities decreased and beginning accrued compensated absences in Note 7 to the financial statements increased.

Pending Governmental Accounting Standards Board Statements

At December 31, 2024, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Library. The statements that might impact the Library are as follows:

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by assessing whether a concentration or constraint makes the primary government reporting units vulnerable to the risk of substantial impact. The requirements of this Statement will become effective for the Library in the fiscal year ended December 31, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement will become effective for the Library in the fiscal year ended December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and additional disclosures for capital assets held for sale. The requirements of this Statement will become effective for the Library in the fiscal year ended December 31, 2026.

2 - Cash and Investments

Credit risk. Kansas statutes authorize the Library, with certain restrictions, to deposit or invest in open accounts; certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool (MIP). The Library's investment policy does not place requirements on the credit quality ratings of its endowment securities. The Library's investments were not rated by a rating agency as of December 31, 2024. The Foundation is not required to follow Kansas statutes and thus may invest in any instrument allowed by the Foundation's investment policies.

Custodial credit risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned. 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. Kansas statutes require that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the Library. Endowment securities in the amount of $ 298,866 had a custodial credit risk exposure because the related securities are uninsured, unregistered and held by the Library's investment manager, which is also the counterparty for these particular transactions.

Interest rate risk. Interest rate risk is the risk that changes in the interest rates may adversely affect an investment's fair value. The Library is not exposed to significant interest rate risk.

Concentration of credit risk. The Library's investment policy does not place any limitations on the percentage of the Library's deposits and investments that may be with any one issuer. Kansas statutes indirectly prohibit such a limitation, as local banks must be given preference on each investment of idle funds.

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

As of December 31, 2024, the Library's endowment securities including cash and cash equivalents and mutual funds of $ 298,866 were valued with quoted prices on the active market (Level 1 input). MIP investments in the Overnight Pool are considered cash equivalents not subject to fair value leveling.

As of December 31, 2024, the Foundation's money market mutual funds, mutual funds, bonds, preferred stock and equities of $ 11,320,973 were valued with quoted prices on the active market (Level 1 input). Brokered certificates of deposit of $ 50,006 were valued based on the closing price reported on the active market as well as surveying the dealer community and obtaining broker dealer quotes on a daily basis (Level 2 input). Certain other investments of $ 490,164 that are measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy.

At December 31, 2024, the Library had the following investment in the MIP:

Investment Type	Maturities	Fair Value
State of Kansas Municipal Investment Pool	< 1 year	$ 8,787,159

The deposits and investments of the Library are shown in the financial statements as follows:

Cash and cash equivalents, including petty cash and change funds of $ 2,699	$ 17,552,718
Endowment securities:	
Cash and cash equivalents	6,934
Fixed income mutual funds	132,668
Equity mutual funds	159,264
	298,866
	$ 17,851,584

The Foundation's total cash and investments at December 31, 2024 were as follows:

	Cost	Carrying Amount - Fair Value
Cash	$ 187,268	$ 187,268
Money market mutual funds	591,552	597,313
Brokered certificates of deposit	50,000	50,006
Certificates of deposit	72,139	72,139
Mutual funds	6,315,987	6,895,817
Bonds	167,432	162,873
Preferred stock	7,846	6,037
Equities	3,216,773	3,658,933
Investments held in trust at Topeka Community Foundation - pooled shares	185,454	490,164
Total investments	$ 10,794,451	$ 12,120,550

The Foundation’s total cash and investments are shown in the financial statements as follows:

Cash and investments:	
Without donor restrictions	$ 3,775,926
With donor restrictions	8,344,624
	$ 12,120,550

3 - Tax Revenue

The Library's property tax is levied each November 1 on the assessed value as of the prior January 1 for all property located in the Library's jurisdiction. A lien is automatically put on the property on November 1 of the year levied. Assessed values are established by the Shawnee County Appraiser. The assessed value on which the 2024 levy was based was $ 2,165,544,676. During the year ended December 31, 2024, the Library collected approximately 97% of property taxes which were levied for the period.

Property taxes are due in total by December 20 following the levy date, or they may be paid in equal installments if paid by December 20 and the following May 10. Property taxes are collected by Shawnee County.

State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year, because these revenues are designated to finance the following year's operations. Therefore, taxes levied in the current year are recorded as taxes receivable and unavailable revenue at year end and are recognized as revenue, net of estimated uncollectible and delinquent amounts, in the year for which they were budgeted.

Tax revenue, including interest and penalties, by fund type for fiscal year 2024 is as follows:

	General	Employee Benefit	Debt Service - Bond and Interest	Total
Ad valorem taxes	$ 13,794,622	$ 3,471,224	$ -	$ 17,265,846
Delinquent taxes	296,544	74,529	6,511	377,584
Motor vehicle taxes	1,534,937	399,856	5	1,934,798
Payments in lieu of taxes	58,634	14,755	-	73,389
Revitalization rebates	(122,453)	(30,835)	-	(153,288)
	$ 15,562,284	$ 3,929,529	$ 6,516	$ 19,498,329

The Library's property tax levies per $ 1,000 assessed valuation for 2024 property tax revenues were as follows:

Fund	Levy
General	$ 6.535
Employee Benefit	1.644
	$ 8.178

4 - Split-Interest Agreements

The Library is the beneficiary of two charitable trusts. The terms of the first charitable trust are for the beneficiaries to receive six percent of the value of the trust in quarterly payments. The Library is a beneficiary of ten percent of that distribution. The approximate value of the Library's portion of the charitable lead trust was $ 77,000 at December 31, 2024. The terms of the second charitable trust are for the Library as sole beneficiary to receive the net income from the trust semiannually. The distributions are to be used for the purchase of books on history, art, travel and science. The approximate value of the Library's portion of the perpetual trust was $ 53,000 at December 31, 2024. The split interest agreements are recorded at the estimated fair value based on the present value of future distributions using assumptions of a seven percent rate of return over 20 years.

5 - Transactions with Related Parties

Library Foundation

The Foundation's income distribution policy requires that the Foundation make an annual distribution to the Library in an amount equivalent to five percent of the market value of all unrestricted and undesignated non-endowed funds averaged over the period of the preceding 20 quarters. The income distribution in 2024 to the Library was $ 126,978.

Also, as provided in the income distribution policy of the Foundation, the Foundation's trustees shall consider requests from the Library on a case-by-case basis. The Foundation transferred restricted assets of $ 433,727 to the Library during the year ended December 31, 2024.

The Foundation uses Library employees to perform most of its operations. The Foundation reimburses the Library for 50% of the development director's salary and related benefits and 100% of the development associate's salary and related benefits. All payroll and withholding activities for these employees are performed by the Library. The total amount paid during 2024 to the Library for salaries and benefits was $ 121,679.

Amounts due from the component unit consist of the following at December 31, 2024:

Distributions held on behalf of Library	$	201,576
Due for reimbursement of payroll		1,693
	$	203,269

Friends of the Library

The Friends of the Library (the Friends) supports the operations of the Library by providing funds for the purchase of books and equipment and various Library projects.

The Friends also pays the Library for 80% of the salary and benefits of the Friends' office manager. The office manager is considered a loaned employee of the Library and is subject to all of the Library's policies and procedures. The total amount paid during 2024 to the Library for salaries and benefits was $ 50,143. The amount due from the Friends for salaries and benefits at December 31, 2024 was $ 1,782.

The Friends also reimburses the Library for the operating expenses incurred by the Friends' organization during the year. The total amount paid to the Library for various operating expenses was $ 14.

The Library makes an annual request of the Friends for a contribution to be used for various Library projects. In 2024, the Friends contributed $ 85,000 to the Library to fund the Library's requests.

6 - Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,157,229	$ -	$ -	$ 1,157,229
Works of art	2,311,297	23,226	-	2,334,523
Work in progress	547,844	1,107,140	(1,399,000)	255,984
Total capital assets not being depreciated	4,016,370	1,130,366	(1,399,000)	3,747,736
Capital assets being depreciated:				
Buildings and improvements	36,933,959	1,399,000	-	38,332,959
Equipment	6,727,810	59,486	(128,681)	6,658,615
Books and collections	7,352,674	847,818	(787,194)	7,413,298
Total capital assets being depreciated	51,014,443	2,306,304	(915,875)	52,404,872
Less accumulated depreciation for:				
Buildings and improvements	(17,830,921)	(1,080,470)	-	(18,911,391)
Equipment	(5,262,455)	(10,278)	128,681	(5,144,052)
Books and collections	(5,997,448)	(619,860)	623,678	(5,993,630)
Total accumulated depreciation	(29,090,824)	(1,710,608)	752,359	(30,049,073)
Total capital assets being depreciated, net	21,923,619	595,696	(163,516)	22,355,799
Capital assets, net	$ 25,939,989	$ 1,726,062	$ (1,562,516)	$ 26,103,535

Depreciation expense of $ 1,710,608 was charged to the Library services function of the primary government.

7 - Long-Term Debt

The following is a summary of long-term debt transactions of the Library for the year ended December 31, 2024:

	Beginning Balance as Originally Stated	Restatement	Beginning Balance as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 777,432	$ 1,281,299	$ 2,058,731	$ 1,010,522	$ 968,862	$ 2,100,391	$ 655,804
Total OPEB liability	1,951,899	-	1,951,899	175,241	106,008	2,021,132	-
Net pension liability	8,162,654	-	8,162,654	-	615,691	7,546,963	-
Total long-term debt	$ 10,891,985	$ 1,281,299	$ 12,173,284	$ 1,185,763	$ 1,690,561	$ 11,668,486	$ 655,804

The net pension liability and the total OPEB liability are generally liquidated by the general fund and employee benefit fund.

8 - Defined Benefit Pension Plan

General Information About the Pension Plan

Description of Pension Plan. The Library participates in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas.

KPERS provides pension benefits 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 Library are included in the Local employee group.

KPERS issues an annual comprehensive financial report which is available on the KPERS website at www.kpers.org.

Benefits Provided. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees 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 an employee's combined age and years of credited service equals 85 points.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees 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.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement, a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee'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.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan was created for new hires starting after January 1, 2015. 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.

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.

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 are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS 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 for the KPERS fiscal year ended June 30, 2024.

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate were 9.26% for the fiscal year ended December 31, 2024. Contributions to the Pension Plan from the Library were $ 772,206 for the year ended December 31, 2024.

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

At December 31, 2024, the Library reported a liability of $ 7,546,963 for its proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2024, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. 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, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each 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 Library's proportion of the collective net pension liability was based on the ratio of the Library's actual contributions to KPERS, relative to the total employer and nonemployer contributions of the Local group within KPERS for the KPERS fiscal year ended June 30, 2024. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2024, the Library's proportion was .355280%, which was a decrease of .033806% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Library recognized pension expense of $ 1,007,151. At December 31, 2024, the 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
Difference between expected and actual experience	$ 918,039	$ -
Net difference between projected and actual earnings on pension plan investments	46,235	-
Changes of assumptions	456,174	-
Changes in proportionate share	2,935	707,837
Library contributions subsequent to measurement date	389,727	-
Total	$ 1,813,110	$ 707,837

The $ 389,727 reported as deferred outflows of resources related to pensions resulting from the Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2025. Other 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,	
2025	$ 147,780
2026	575,688
2027	48,135
2028	(56,057)
	$ 715,546

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Price inflation	2.75 percent
Salary increases, including price inflation	3.50 to 15.50 percent
Long-term rate of return, net of investment expense, including price inflation	7.00 percent

Mortality rates were based on the Pub 2010 Mortality Tables, with age setbacks and age set forwards based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study, which covered the four-year period ending December 31, 2022.

Changes and items of impact relative to the prior valuation were as follows.

- The mortality assumption was changed to the Pub-2010 family of mortality tables projected generationally using MP-2021.
- Disability rates were reduced.
- The probability of KPERS 1 members leaving their contributions with the System were modified to better reflect observed experience.
- Factors that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense component of the actuarial required contribution rate was increased from 0.18% to 0.23%.
- The merit salary increase assumption was increased.

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 included in the pension plan's target asset allocations as of the most recent experience study, dated January 29, 2024, are summarized in the following table:

Asset Class	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global equities	43%	8.20%
Core fixed income	13%	2.20%
Yield driven	12%	5.30%
Infrastructure	3%	6.80%
Real estate	15%	5.70%
Alternatives	11%	12.00%
Short-term investments	3%	0.30%
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group may

not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in the future. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Library's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the Library's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the Library's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Library's proportionate share of the collective net pension liability	$ 10,925,938	$ 7,546,963	$ 4,723,062

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

9 - Other Postemployment Healthcare Benefits

Health Insurance

Plan Description, Benefits Provided and Contributions. The Library provides postemployment medical and dental insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040) and the Library's Board of Trustees establishes participating retirees' contribution amounts. The benefits are provided through a fully-insured arrangement that operates as a single-employer defined benefit OPEB plan. Qualifying retirees are those employees with 520 consecutive weeks of full-time employment with the Library who are eligible to receive pension benefits under the Kansas Public Employees' Retirement System. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The Plan does not issue a standalone financial report.

The postemployment medical and dental insurance plan was amended in April 2015. Starting in 2016 retirees must contribute Medical/Rx group plan premiums less an amount that varies based on hours worked at retirement. In all cases, retirees must contribute group plan premiums to continue Dental coverage. Starting in 2017, a premium reduction for Medical/Rx coverage is available from the later of January 1, 2017 or the commencement of benefits for up to 36 months not to exceed retiree age 65. After this period retirees must contribute full group premiums without any reduction. Effective January 1, 2017 access to retiree post-65 coverage is eliminated. In 2024, retired plan members receiving benefits contributed $ 18,858 to the plan, and the Library contributed $ 15,341.

Employees Covered by Benefit Terms. At December 31, 2024 the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	1
Active plan members	168
	169

Total OPEB Liability

The Library's total OPEB liability of $ 1,667,842 was measured as of December 31, 2024 and was determined by an actuarial valuation performed as of January 1, 2024.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.22 percent
Salary increases	4.0 percent per year
Healthcare cost trend rates	7.25 percent for 2025, decreasing 0.25 percent per year through year 8, then .5 percent per year to an ultimate rate of 5.00 percent for 2033.
Retirees' share of benefit-related costs	A reduction applies for up to 36 months (not to exceed retiree age 65) from the later of January 1, 2017 or commencement of retiree coverage. After the 36 months retirees may continue coverage by paying the group plan premium.
Actuarial cost method	Entry Age Normal - Level Percent-of-Pay

The discount rate was based on the average of the S&P Municipal Bond 20 Year High Grade and Fidelity GO AA-20 Year published yields.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-Weighted General Mortality Tables using Scale MP-2021 Full Generational Improvement.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was changed from 3.88% to 4.22%.
2. The per capita costs, retiree contribution premiums and the assumed trends were updated as part of the evaluation. The January 1, 2025 renewal was taken into account.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2023	$ 1,577,459
Changes for the year:	
Service cost	64,784
Interest	63,421
Differences between expected and actual experience	15,861
Changes in assumptions or other inputs	(38,342)
Employer contribution (benefit payments)	(15,341)
Net changes	90,383
Balance at December 31, 2024	$ 1,667,842

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.22 percent) or 1-percentage-point higher (5.22 percent) than the current discount rate:

	1% Decrease (3.22%)	Discount Rate (4.22%)	1% Increase (5.22%)
Total OPEB liability	$ 1,782,328	$ 1,667,842	$ 1,559,039

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the Library as well as what the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 1,530,166	$ 1,667,842	$ 1,826,338

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Library recognized OPEB expense of $ 4,735. At December 31, 2024, the Library reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 459,437	$ 421,769
Changes in assumptions or other inputs	30,232	1,035,064
	$ 489,669	$ 1,456,833

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Year Ended December 31,	
2025	$ (132,940)
2026	(132,940)
2027	(132,940)
2028	(134,251)
2029	(146,494)
2030 and Thereafter	(287,599)
	$ (967,164)

Disability Benefits and Life Insurance

Plan Description, Benefits Provided and Contributions. The Library participates in a single-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.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2024 totaled $ 32,159.

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

Plan Description, Benefits Provided and Contributions

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

Employees Covered by Benefit Terms. At December 31, 2024, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	4
Active plan members	163
	167

Total OPEB Liability

The Library's total OPEB liability of $ 353,290 was measured as of June 30, 2024 and was determined by an actuarial valuation performed as of December 31, 2023.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.93 percent
Implicit inflation rate	2.75 percent
Salary increases	3.50% (composed of 2.75% inflation and 0.75% productivity)
Payroll growth	3.0% near-term growth for cashflow projections
Actuarial cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Index.

Pre-retirement mortality rate assumptions were 90% of RP-2014 M Total Dataset +2 for males and 90% of RP-2014 F Total Dataset +1 for females. Generational mortality improvements were projected for future years using MP-2021. Post-disability mortality rates are included in long-term disability claim termination rates.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2017 through December 31, 2019.

Changes and items of impact relative to the prior valuation were as follows.

1. The demographic assumptions have been updated based upon the most recent KPERS experience study.
2. The discount rate was updated in accordance with the requirements of GASB 75.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2023	$ 374,440
Changes for the year:	
Service cost	17,453
Interest	13,722
Effect of economic/demographic gains or losses	(19,039)
Effect of assumptions changes or inputs	(1,127)
Employer contribution (benefit payments)	(32,159)
Net changes	(21,150)
Balance at December 31, 2024	$ 353,290

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Library, as well as what the Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	$ 368,698	$ 353,290	$ 338,257

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the Library as well as what the Library's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 353,290	$ 353,290	$ 353,290

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2024, the Library recognized OPEB expense of $ 26,920. At December 31, 2024, the Library reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 49,227	$ 83,937
Changes of assumptions	22,657	56,942
Library contributions subsequent to the measurement date	41,614	-
	$ 113,498	$ 140,879

The $ 41,614 reported as deferred outflows of resources related to OPEB resulting from the Library's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows or resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,		
2025	$	(4,255)
2026		(3,755)
2027		(2,003)
2028		(4,349)
2029		(14,983)
2030 and Thereafter		(39,650)
	$	(68,995)

10 - 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. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

11 - Commitments and Contingencies – Encumbrances

The Library uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory 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, 2024, the Library's recorded encumbrances in governmental funds were as follows:

General	$	1,857,728
Employee benefit		150
Nonmajor governmental funds		17,483
	$	1,875,361

12 - Tax Abatements

The City of Topeka and Shawnee County enter into property tax abatement agreements with local businesses for the purpose of attracting businesses within their jurisdictions. For the fiscal year ended December 31, 2024, abated property taxes that impacted the Library totaled $ 1,050,764, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A property tax abatement to a healthcare organization. The Library's portion of the abatement amounted to $ 149,309.
- A property tax abatement to a confectionary, pet food, and other food products manufacturer. The Library's portion of the abatement amounted to $ 120,679.
- A property tax abatement to a retail corporation that operates a chain of hypermarkets, discount department stores and grocery stores. The Library's portion of the abatement amounted to $ 318,141.

13 - Subsequent Events

The Library has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements are available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
Schedule of Changes in the Library's Total OPEB Liability and Related Ratios
Health Insurance
Last Eight Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	$ 64,784	$ 63,018	$ 73,188	$ 123,683	$ 112,715	$ 120,526	$ 122,242	$ 107,961
Interest	63,421	71,350	35,212	49,578	66,570	97,695	79,977	86,416
Changes in benefit terms	-	-	-	-	-	-	(189,208)	-
Differences between actual and expected experience	15,861	(191,332)	197,903	(416,785)	94,351	244,717	335,348	-
Changes of assumptions and inputs	(38,342)	(7,002)	(310,861)	(503,877)	38,358	(856,279)	(99,116)	27,849
Benefit payments	(15,341)	(4,983)	(3,840)	(7,219)	(17,739)	(51,459)	(70,920)	(61,805)
Net change in total OPEB liability	90,383	(68,949)	(8,398)	(754,620)	294,255	(444,800)	178,323	160,421
Total OPEB liability, beginning	1,577,459	1,646,408	1,654,806	2,409,426	2,115,171	2,559,971	2,381,648	2,221,227
Total OPEB liability, ending	$ 1,667,842	$ 1,577,459	$ 1,646,408	$ 1,654,806	$ 2,409,426	$ 2,115,171	$ 2,559,971	$ 2,381,648
Covered employee payroll	$ 8,144,963	$ 8,144,963	$ 7,767,846	$ 7,767,846	$ 8,261,951	$ 8,261,951	$ 8,012,257	$ 8,012,257
Library's total OPEB liability as a percentage of covered employee payroll	20.48%	19.37%	21.20%	21.30%	29.16%	25.60%	31.95%	29.73%

Notes to Schedule:

Changes of assumptions. The discount rate was changed from 3.88% to 4.22%. The per capita costs, retiree contribution premiums, and the assumed trends were updated as part of the valuation. The January 1, 2025 renewal was taken into account.

*GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
Schedule of Changes in the Library's Total OPEB Liability and Related Ratios
Disability Benefits and Life Insurance
Last Eight Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	$ 17,453	$ 17,669	$ 30,948	$ 33,177	$ 27,147	$ 25,338	$ 25,116	$ 29,511
Interest	13,722	13,987	11,186	11,431	17,693	15,037	14,308	11,445
Effect of economic/demographic gains or losses	(19,039)	(16,543)	(47,377)	(13,855)	(15,381)	128,409	(15,462)	-
Effect of assumptions changes or inputs	(1,127)	(1,896)	(71,529)	1,162	36,553	10,138	(5,637)	(15,210)
Benefit payments	(32,159)	(32,159)	(33,467)	(24,596)	(95,299)	(32,766)	(26,651)	(19,949)
Net change in total OPEB liability	(21,150)	(18,942)	(110,239)	7,319	(29,287)	146,156	(8,326)	5,797
Total OPEB liability, beginning	374,440	393,382	503,621	496,302	525,589	379,433	387,759	381,962
Total OPEB liability, ending	$ 353,290	$ 374,440	$ 393,382	$ 503,621	$ 496,302	$ 525,589	$ 379,433	$ 387,759
Covered employee payroll	$ 8,045,220	$ 7,752,530	$ 7,958,696	$ 7,973,865	$ 8,410,736	$ 7,716,393	$ 7,411,172	$ 7,860,403
Library's total OPEB liability as a percentage of covered employee payroll	4.39%	4.83%	4.94%	6.32%	5.90%	6.81%	5.12%	4.93%

Notes to Schedule:

Changes of assumptions. The demographic assumptions have been updated based on the most recent KPERS experience study. The discount rate was updated in accordance with the requirements of GASB 75.

*GASB 75 requires the presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Ten KPERS Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
The Library's proportion of the collective net pension liability	0.355280%	0.389086%	0.391385%	0.425938%	0.446810%	0.437578%	0.435441%	0.445965%	0.459203%	0.461173%
The Library's proportionate share of the collective net pension liability	$ 7,546,963	$ 8,162,654	$ 7,780,907	$ 5,111,069	$ 7,746,139	$ 6,114,594	$ 6,069,133	$ 6,459,605	$ 7,104,006	$ 6,055,405
The Library's covered payroll	$ 8,118,606	$ 8,352,748	$ 7,820,366	$ 8,112,696	$ 8,141,029	$ 7,698,239	$ 7,544,616	$ 7,705,485	$ 7,696,374	$ 7,521,499
The Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	93%	98%	99%	63%	95%	79%	80%	84%	92%	81%
Plan fiduciary net position as a percentage of the total pension liability	72.75%	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
Schedule of the Library's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 772,206	$ 676,990	$ 721,164	$ 728,855	$ 727,009	$ 737,578	$ 657,693	$ 667,751	$ 719,190	$ 740,553
Contributions in relation to the contractually required contribution	(772,206)	(676,990)	(721,164)	(728,855)	(727,009)	(737,578)	(657,693)	(667,751)	(719,190)	(740,553)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The Library's covered payroll	$ 8,246,744	$ 7,955,682	$ 8,028,291	$ 8,189,192	$ 8,233,218	$ 7,975,191	$ 7,448,606	$ 7,685,252	$ 7,733,114	$ 7,632,953
Contributions as a percentage of covered payroll	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	10.00%

SUPPLEMENTARY INFORMATION

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
COMBINING BALANCE SHEET -
GENERAL FUND
December 31, 2024

	General	State Aid	Undesignated Gifts/ Memorials	Workshops	Fun Committee	Total General Fund
ASSETS						
Cash and investments	$ 6,900,954	$ 48,744	$ 865,235	$ 2,207	$ 7,847	$ 7,824,987
Receivables:						
Taxes and assessments	13,888,822	-	-	-	-	13,888,822
Other	15,821	-	-	-	-	15,821
Prepaid items	369,726	-	-	-	-	369,726
Due from component unit	1,201	-	41,002	-	-	42,203
Due from related party	722	-	-	-	-	722
Total assets	$ 21,177,246	$ 48,744	$ 906,237	$ 2,207	$ 7,847	$ 22,142,281
LIABILITIES						
Accounts payable	$ 260,132	$ -	$ -	$ -	$ -	$ 260,132
Accrued payroll	212,800	-	1,400	-	-	214,200
Unearned revenue	94,066	-	-	-	-	94,066
Total liabilities	566,998	-	1,400	-	-	568,398
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	13,888,822	-	-	-	-	13,888,822
Total deferred inflows of resources	13,888,822	-	-	-	-	13,888,822
FUND BALANCES						
Nonspendable:						
Prepaid items	369,726	-	-	-	-	369,726
Assigned	1,381,329	48,744	427,655	-	-	1,857,728
Unassigned	4,970,371	-	477,182	2,207	7,847	5,457,607
Total fund balances	6,721,426	48,744	904,837	2,207	7,847	7,685,061
Total liabilities, deferred inflows of resources and fund balances	$ 21,177,246	$ 48,744	$ 906,237	$ 2,207	$ 7,847	$ 22,142,281

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GENERAL FUND
Year Ended December 31, 2024

	General	State Aid	Undesignated Gifts/ Memorials	Workshops	Fun Committee	Total General Fund
REVENUES						
Taxes and assessments	$ 15,562,284	$ -	$ -	$ -	$ -	$ 15,562,284
Intergovernmental revenues	-	48,744	-	-	-	48,744
Investment income	420,473	-	8,355	6	-	428,834
Overdue fines and fees	29,599	-	-	-	-	29,599
Miscellaneous	159,744	-	-	-	1,167	160,911
Receipts from component unit	-	-	505,065	-	-	505,065
Total revenues	16,172,100	48,744	513,420	6	1,167	16,735,437
EXPENDITURES						
Library services	13,243,828	49,187	78,917	-	166	13,372,098
Capital outlay	2,004,645	-	6,000	-	-	2,010,645
Total expenditures	15,248,473	49,187	84,917	-	166	15,382,743
Net change in fund balances	923,627	(443)	428,503	6	1,001	1,352,694
Fund balances, beginning of year	5,797,799	49,187	476,334	2,201	6,846	6,332,367
Fund balances, end of year	$ 6,721,426	$ 48,744	$ 904,837	$ 2,207	$ 7,847	$ 7,685,061

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2024

	Special Revenue Funds				
	Debt Service - Bond and Interest	Grants	Other Special Revenue	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	$ 8,231	$ 44	$ 311,412	$ -	$ 319,687
Due from component unit	-	-	160,574	-	160,574
Endowment securities	-	-	-	298,866	298,866
Total assets	$ 8,231	$ 44	$ 471,986	$ 298,866	$ 779,127
LIABILITIES					
Accounts payable	$ -	$ -	$ 3,720	$ -	$ 3,720
Advances - grants	-	44	-	-	44
Total liabilities	-	44	3,720	-	3,764
FUND BALANCES					
Nonspendable:					
Legally or contractually required to be maintained intact	-	-	-	298,866	298,866
Restricted:					
Specific library programs	-	-	444,118	-	444,118
Assigned	8,231	-	24,148	-	32,379
Total fund balances	8,231	-	468,266	298,866	775,363
Total liabilities and fund balances	$ 8,231	$ 44	$ 471,986	$ 298,866	$ 779,127

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2024

	Special Revenue Funds				
	Debt Service - Bond and Interest	Grants	Other Special Revenue	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES					
Taxes and assessments	$ 6,516	$ -	$ -	$ -	$ 6,516
Intergovernmental revenues	-	593	-	-	593
Contributions	-	-	85,000	-	85,000
Investment income	620	-	6,466	19,151	26,237
Miscellaneous	-	-	20,130	-	20,130
Receipts from component unit	-	-	55,638	-	55,638
Total revenues	7,136	593	167,234	19,151	194,114
EXPENDITURES					
Library services	-	593	57,910	-	58,503
Capital outlay	-	-	27,025	-	27,025
Total expenditures	-	593	84,935	-	85,528
Net change in fund balances	7,136	-	82,299	19,151	108,586
Fund balances, beginning of year	1,095	-	385,967	279,715	666,777
Fund balances, end of year	$ 8,231	$ -	$ 468,266	$ 298,866	$ 775,363

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
COMPARISON OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGET BASIS) -
DEBT SERVICE - BOND AND INTEREST FUND
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Taxes and assessments:			
Delinquent taxes	$ 10,000	$ 6,511	$ (3,489)
Motor vehicle tax	-	5	5
	10,000	6,516	(3,484)
Investment income	10	620	610
Total revenues	$ 10,010	7,136	$ (2,874)
OTHER FINANCING USES			
Transfers out	$ 10,010	-	$ 10,010
Net change in fund balances		7,136	
Fund balances, beginning of year		1,095	
Fund balances, end of year		$ 8,231	

TOPEKA AND SHAWNEE COUNTY PUBLIC LIBRARY
COMPARISON OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGET BASIS) -
STATE AID FUND
Year Ended December 31, 2024

	Original and Final Budget	Actual	Variance with Final Budget Over (Under)
REVENUES			
Intergovernmental revenues	$ 52,000	$ 48,744	$ (3,256)
EXPENDITURES			
Library services	$ 52,000	48,744	$ (3,256)
Net change in fund balances		-	
Fund balances, beginning of year		49,187	
Less encumbrances - beginning of year		(49,187)	
Add encumbrances - end of year		48,744	
Fund balances, end of year		$ 48,744	

BT & Co. P.A.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Trustees
Topeka and Shawnee County Public Library

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Topeka and Shawnee County Public Library (the Library), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated April 15, 2025. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the discretely presented component unit.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



April 15, 2025
Topeka, Kansas