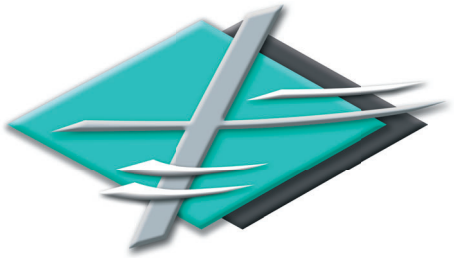
# THE WINFIELD PUBLIC LIBRARY
# WINFIELD, KANSAS

## FINANCIAL STATEMENTS

## FOR THE YEAR ENDED
## DECEMBER 31, 2024



LOYD GROUP, LLC

Certified Public Accountants

# WINFIELD PUBLIC LIBRARY
# Winfield, Kansas

## For the Year Ended December 31, 2024

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# INDEPENDENT AUDITOR'S REPORT

Board of Directors
Winfield Public Library
Winfield, Kansas

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of Winfield Public Library, a component unit of the City of Winfield as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Winfield Public Library's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Winfield Public Library as of December 31, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

***Responsibilities of Management for the Financial Statements***

Winfield Public Library's 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 Winfield Public Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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, 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 Winfield Public Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Winfield Public Library's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Library's Proportionate Share of the Net Pension Liability, Schedule of Library's Contributions, and the notes to the required supplementary information as 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Loyd Group, LLC

Loyd Group, LLC
Galva, KS
February 28, 2025

**Winfield Public Library**
**Management's Discussion and Analysis**
**For the Year Ended December 31, 2024**

As management for the Winfield Public Libary (the 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.

## Overview of the Financial Statements

The Library's financial report consists of the following sections:

Management Discussion and Analysis;
The basic financial statements, which include the government-wide and the fund financial statements, along with the notes to the basic financial statements;

The basic financial statements of the Library include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for the reader's understanding of the financial statements.

Government-wide financial statements present the results of the Library's operations using the accrual basis of accounting, the basis of accounting used by private-sector businesses. These statements focus on the long-term financial picture of the Library as a whole.

The statement of net position reports all the Library's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the two reported as net position. Net position is an important measure of the Library's overall financial health. The increases and decreases in net position can be monitored to determine whether the Library's financial position is improving or deteriorating.

The statement of activities shows how the Library's net position changed during the most recent fiscal year. The unique feature of this statement is how it shows the revenues and expenses related to specific programs and how much of the programs were supported by the general taxes of the Library. Since this statement is prepared on the accrual basis of accounting, all revenues and expenses are included, regardless of when cash is received.

Fund financial statements focus on individual parts of the Library's government. These statements report the Library's operations in more detail than the government-wide financial statements. 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 uses fund accounting to ensure compliance with finance-related legal requirements.

Governmental funds financial statements are prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available, and expenditures are recognized when the related fund liability is incurred, except for long-term debt and other similar items, which are recorded when due. The focus, therefore, is on the short-term financial picture of the operations reported rather than the Library as a whole. Most of the Library's basic operations are reported in the Governmental Fund financial statements. The information reported in these statements can be compared to the governmental activities information in the government-wide statements. The reconciliation at the end of the fund financial statements details the relationship between the two types of financial statements.

The Library maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and capital projects fund, all of which are major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Notes to the basic financial statements provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements.

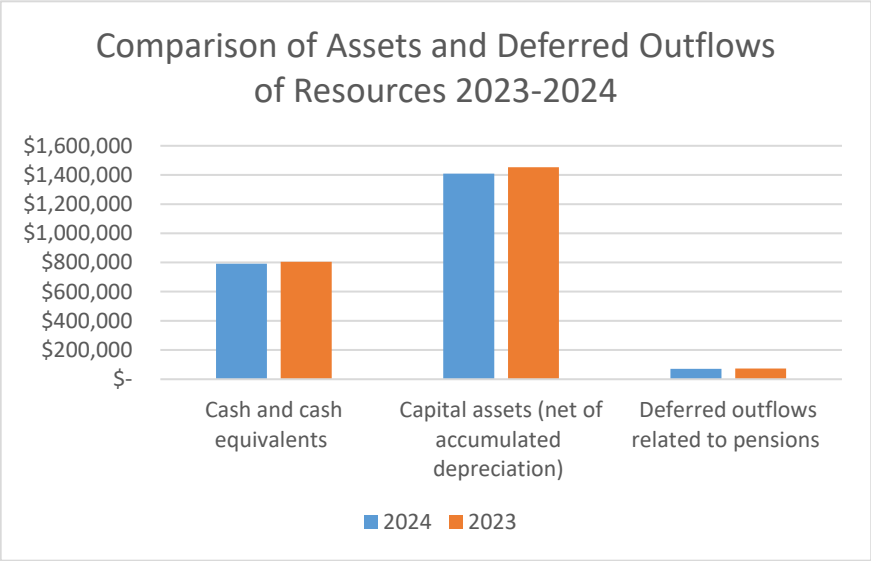
## Analysis of the Government-Wide Financial Statements

### Analysis of net position

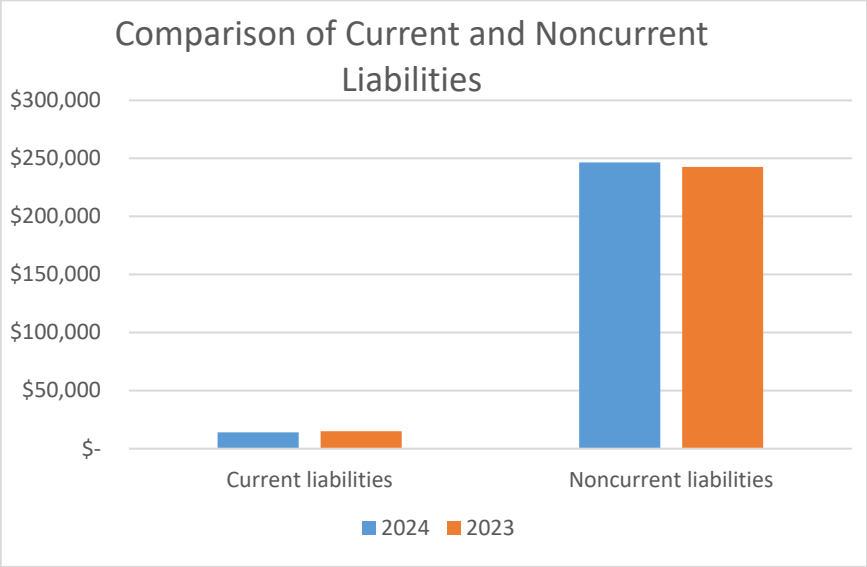
As indicated earlier, net position may serve over time as a useful indicator of the Library's financial condition. For the Library, assets plus deferred outflows exceeded liabilities plus deferred inflows of resources by $1.99 million at the close of the current fiscal year. The Library's net position decreased by $63.3 thousand from the prior year.

**Statement of Net Position Comparison**
**As of December 31, 2024 and 2023**

| | 2024 | 2023 | Change | % of Change |
|---|---|---|---|---|
| Assets: | | | | |
| Cash and cash equivalents | $ 791,420 | $ 804,704 | $ (13,284) | -1.65% |
| Capital assets (net of accumulated depreciation) | 1,408,613 | 1,452,862 | (44,249) | -3.05% |
| Total assets | 2,200,033 | 2,257,566 | (57,533) | -2.55% |
| Deferred outflows related to pensions | 70,878 | 72,803 | (1,925) | -2.64% |
| Total Assets and Deferred Outflows of Resources | $ 2,270,911 | $ 2,330,369 | $ (59,458) | -2.55% |
| Liabilities: | | | | |
| Accounts payable | 9,454 | 8,078 | 1,376 | 17.03% |
| Salary and benefits payable | 4,559 | 6,926 | (2,367) | -34.18% |
| Noncurrent liabilities: | | | | |
| Due within one year | - | - | - | 0.00% |
| Due in more than one year | 246,465 | 242,580 | 3,885 | 1.60% |
| Total liabilities | 260,478 | 257,584 | 2,894 | 1.12% |
| Deferred inflows related to pensions | 11,368 | 10,369 | 999 | 9.63% |
| Net Position: | | | | |
| Net investment in capital assets | 1,408,613 | 1,452,862 | (44,249) | -3.05% |
| Restricted for: | | | | |
| Trust funds | - | 5,785 | (5,785) | 0.00% |
| Unrestricted | 590,452 | 603,769 | (13,317) | -2.21% |
| Total net position | 1,999,065 | 2,062,416 | (63,351) | -3.07% |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | $ 2,270,911 | $ 2,330,369 | $ (59,458) | -2.55% |




Total assets consist of current and capital assets. Current assets are resources that are reasonably expected, based on plans and intentions, to be converted into cash or its equivalent during the current operating cycle. Capital assets are long-term tangible assets obtained because of past transactions, events, or circumstances and include buildings, equipment, and improvements to buildings and land.




Total liabilities consist of current and noncurrent payables. Current liabilities are current debts that are owed and due within 12 months. It is expected that current liabilities will consume current financial resources to satisfy debt. Noncurrent liabilities are debts that are owed but not due within 12 months. It is not expected that these liabilities will consume current financial resources to satisfy the debt.

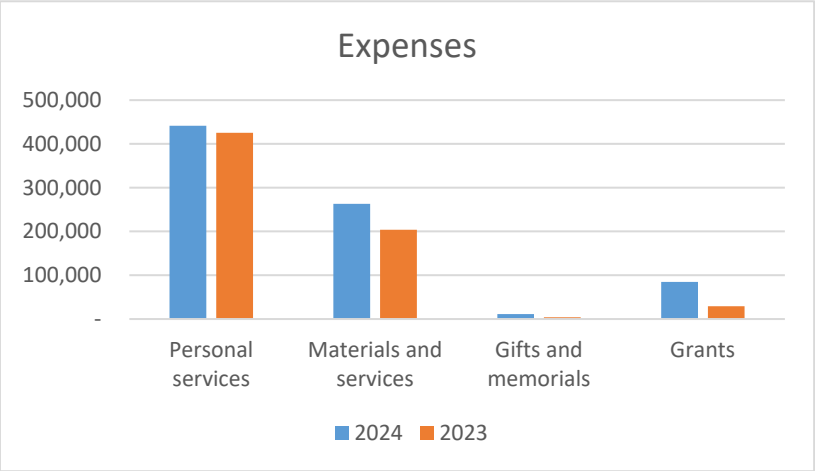
Total assets decreased due mainly to disposition of assets during the year. Total liabilities increased primarily due to the net pension liability and the tenant security deposits. Changes in deferred resources (the Library's defined pension plan) are governed by the state retirement system guidelines.

**Analysis of changes in net position**

**Changes in Net Position**
**As of December 31, 2024 and 2023**

| | 2024 | 2023 | Changes | % of Change |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Program revenues: | | | | |
| Charges for services | $ 7,858 | $ 7,181 | $ 677 | 9.43% |
| Operating grants and contributions | 99,729 | 81,152 | 18,577 | 22.89% |
| General revenues: | | | | |
| Property taxes | 577,865 | 548,305 | 29,560 | 5.39% |
| Investment earnings | 51,324 | 7,447 | 43,877 | 589.19% |
| Gain (loss) on disposal of property and equipment | - | - | - | 0.00% |
| Total revenues | 736,776 | 644,085 | 92,691 | 14.39% |
| **Expenses:** | | | | |
| Personal services | 441,237 | 425,352 | 15,885 | 3.73% |
| Materials and services | 263,051 | 203,827 | 59,224 | 29.06% |
| Gifts and memorials | 11,223 | 3,669 | 7,554 | 205.89% |
| Grants | 84,616 | 28,894 | 55,722 | 192.85% |
| Total expenses | 800,127 | 661,742 | 138,385 | 20.91% |
| Change in net position | (63,351) | (17,657) | (45,694) | 258.79% |
| Net position, beginning | 2,062,415 | 2,080,072 | (17,657) | -0.85% |
| Net position, ending | $ 1,999,064 | $ 2,062,415 | $ (63,351) | -3.07% |

Total revenue increased in due to increase in property taxes and investment earnings. Total operating expenses' increase also had an effect on the financial statements. The net effect was a decrease in changes in net position.



## Capital Assets

The Library's investment in capital assets for its governmental activities as of December 31, 2024, amounts to $1.40 million (net of accumulated depreciation). This investment in capital assets includes the below asset types.

| | Beginning Balance | Additions | Dispositions | Ending Balance |
|---|---|---|---|---|
| Depreciable capital assets: | | | | |
| Leasehold Cost | $ 1,760,904 | $ - | $ - | $ 1,760,904 |
| Computers & Equipment | 8,959 | 8,420 | - | 17,379 |
| Furniture & Fixtures | 52,763 | - | - | 52,763 |
| Total depreciable capital assets | 1,822,626 | 8,420 | - | 1,831,046 |
| Accumulated depreciation: | | | | |
| Leasehold Cost | 320,546 | 45,151 | - | 365,697 |
| Computers & Equipment | 4,379 | 6,621 | - | 11,000 |
| Furniture & Fixtures | 44,466 | 1,271 | - | 45,737 |
| Total accumulated depreciation | 369,391 | 53,043 | - | 422,434 |
| Total governmental activities capital assets (net) | $ 1,453,235 | $ (44,623) | $ - | $ 1,408,612 |

## Debt

The Library had no long-term obligations such as notes or bonds payable.

## Contacting the Library's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Library's finances and to show accountability for money it receives. If you have questions or need further clarification regarding the financial statements, contact Tabitha Hogan, Director, Winfield Public Library, 620-221-4470.

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

WINFIELD PUBLIC LIBRARY

Statement of Net Position
December 31, 2024

| | Governmental Activities |
|---|---|
| Assets: | |
| Cash and cash equivalents | $ 791,420 |
| Capital assets (net of accumulated depreciation) | 1,408,613 |
| Total assets | 2,200,033 |
| Deferred Outflows of Resources: | |
| Deferred outflows related to pensions | 45,145 |
| Deferred outflows related to pensions - subsequent contributions | 25,733 |
| Deferred outflows of resources | 70,878 |
| Liabilities: | |
| Accounts payable | 9,454 |
| Salary and benefits payable | 4,559 |
| Noncurrent liabilities: | |
| Due within one year | - |
| Due in more than one year | 246,465 |
| Total liabilities | 260,478 |
| Deferred Inflows of Resources: | |
| Deferred inflows related to pensions | 11,368 |
| Total deferred inflows of resources | 11,368 |
| Net Position: | |
| Net investment in capital assets | 1,408,613 |
| Restricted for: | |
| Unrestricted | 590,452 |
| Total net position | $ 1,999,065 |

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

WINFIELD 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: Total Governmental Activities |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Personal services | $ 441,237 | $ - | $ - | $ - | $ (441,237) |
| Materials and services | 263,051 | 7,858 | 3,283 | - | (251,910) |
| Gifts and memorials | 11,223 | - | 2,571 | - | (8,652) |
| Grants | 84,616 | - | 93,875 | - | 9,259 |
| Total Governmental Activities | $ 800,127 | $ 7,858 | $ 99,729 | $ - | (692,540) |
| General Revenues and Transfers: | | | | | |
| General Revenues: | | | | | |
| Property taxes levied for: | | | | | |
| General purposes | | | | | 577,865 |
| Investment earnings | | | | | 51,324 |
| Gain (loss) on disposal of property and equipment | | | | | - |
| Transfers in (out) | | | | | - |
| Total general revenues and transfers | | | | | 629,189 |
| Change in net position | | | | | (63,351) |
| Net position at beginning of year | | | | | 2,062,416 |
| Net position at end of year | | | | | $ 1,999,065 |

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

# FUND FINANCIAL STATEMENTS

WINFIELD PUBLIC LIBRARY

Balance Sheet - Governmental Funds
December 31, 2024

| | General | Capital Projects | Trust Funds | Total |
|---|---|---|---|---|
| Assets: | | | | |
| Cash and short-term investments | $ 319,670 | $ 471,750 | $ - | $ 791,420 |
| Liabilities: | | | | |
| Accounts payable | $ 9,454 | $ - | $ - | $ 9,454 |
| Fund Balances: | | | | |
| Assigned | - | 471,750 | | 471,750 |
| Unassigned | 310,216 | - | - | 310,216 |
| Total fund balances | 310,216 | 471,750 | - | 781,966 |
| Total liabilities, deferred inflows and fund balances | $ 319,670 | $ 471,750 | $ - | $ 791,420 |

WINFIELD PUBLIC LIBRARY

Reconciliation of the Balance Sheet of Governmental Funds
To Statement of Net Position
December 31, 2024

| | | |
|---|---|---|
| Total Governmental Fund Balances | | $ 781,966 |
| 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 (capital assets net of accumulated depreciation): | | |
| Cost | 1,831,046 | |
| Accumulated depreciation | (422,433) | |
| | | 1,408,613 |
| Certain items, which result in a consumption of net position applicable to a future reporting period, are recognized as deferred outflows of resources in government-wide financial statements: | | |
| Deferred outflows related to pensions | | 70,878 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | | |
| Accrued wages and benefits payable | 4,559 | |
| Compensated absences payable | 19,619 | |
| Net pension liability payable | 226,846 | |
| | | (251,024) |
| Certain items, which result in an acquisition of net position applicable to a future reporting period, are recognized as deferred inflows of resources in government-wide financial statements: | | |
| Deferred inflows related to pensions | | (11,368) |
| Net Position of Governmental Activities | | $ 1,999,065 |

WINFIELD PUBLIC LIBRARY

Statement of Revenues, Expenditures and Changes
In Fund Balances - Governmental Funds
Year Ended December 31, 2024

| | General | Capital Projects | Trust Funds | Total |
|---|---|---|---|---|
| Revenues: | | | | |
| Property taxes | $ 577,865 | $ - | $ - | $ 577,865 |
| Intergovernmental | 3,283 | - | - | 3,283 |
| Grants and gifts | 92,946 | 3,500 | - | 96,446 |
| Charges for services | 6,088 | - | - | 6,088 |
| Fines and forfeitures | 1,280 | - | - | 1,280 |
| Use of money and property | 11,428 | 39,832 | 64 | 51,324 |
| Miscellaneous | 490 | - | - | 490 |
| Total revenues | 693,380 | 43,332 | 64 | 736,776 |
| Expenditures: | | | | |
| Current: | | | | |
| Personal services | 405,759 | - | - | 405,759 |
| Materials and services | 193,807 | - | - | 193,807 |
| Gifts and memorials | 10,426 | - | - | 10,426 |
| Grants | 78,604 | - | - | 78,604 |
| Capital improvements | 25,643 | 37,197 | - | 62,840 |
| Total expenditures | 714,239 | 37,197 | - | 751,436 |
| Excess (deficiency) of revenues over (under) expenditures | (20,859) | 6,135 | 64 | (14,660) |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 5,849 | 16,791 | - | 22,640 |
| Transfers out | (16,791) | - | (5,849) | (22,640) |
| Total other financing sources (uses) | (10,942) | 16,791 | (5,849) | - |
| Net change in fund balances | (31,801) | 22,926 | (5,785) | (14,660) |
| Fund balances, beginning year | 342,017 | 448,824 | 5,785 | 796,626 |
| Fund balances, end of year | $ 310,216 | $ 471,750 | $ - | $ 781,966 |

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

WINFIELD 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 | | $ (14,660) |
| Amounts reported for governmental activities in the statement of net position 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 as depreciation expense. In the current period, these amounts are: | | |
| Capital outlays | $ 8,420 | |
| Depreciation | (52,669) | |
| Excess capital outlays over depreciation | | (44,249) |
| In the statement of activities, the gain or loss from the disposition of capital assets is reported, whereas in the governmental funds, only cash proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold. | | - |
| Pension contributions is an expenditure in the governmental funds but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred outflows and inflows for pensions are only recorded in the statement of activities. | | 5,056 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds. | | |
| Net Other Postemployment Benefits Other Than Pensions | | |
| Deferred inflows and outflows related to OPEB | | (2,924) |
| Wages and benefits payable | | 2,367 |
| Compensated absences payable | | (8,941) |
| Change in Net Position of Governmental Activities | | $ (63,351) |

# THE WINFIELD PUBLIC LIBRARY
# WINFIELD, KS

## NOTES TO THE FINANCIAL STATEMENT

## For the Year Ended December 31, 2024

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Winfield Public Library is a municipality of the State of Kansas, with a seven member Board of Directors appointed by the City of Winfield, Kansas. The Library is a component unit of the City of Winfield, Kansas under GASB 14.

**Basis of Presentation**

The financial statements of the Library have been prepared in conformity with accounting principals generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Library's accounting policies are described here-in.

The Library's basic financial statements include both government-wide, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The government-wide financial statements include the statement of net position, and the statement of activities. These statements report financial information for the Library as a whole.

The statement of net position presents the financial condition of the Library at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as governmental revenues.

**Fund Financial Statements**

The fund financial statements provide information about the Library's funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus and Basis of Accounting**

The government-wide statements are reported 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. Special assessments are recognized as revenue when levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers all revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Library reports the following fund types:

General Fund – to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Fund – to account for the proceeds of specific revenues that are restricted by law or administrative action to specified purposes other than debt service or major capital projects.

Capital Project Funds – to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust Funds).

Trust and Agency Funds - to account for assets held by the Library in a trustee capacity or as an agent for others. It includes the Children's Trust Fund.

**Cash, Cash Equivalents, and Investments**

The Library's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Kansas statutes authorize the Library to invest in temporary notes, no-fund warrants of the Library, time deposits, United States Treasury bills or notes, bonds of municipalities of the State of Kansas, repurchase agreements, and the Kansas Municipal Investment Pool. The Library's cash and investments are described in Note 3.

**Receivables**

The Library follows the policy of recognizing revenue on services when the services are rendered reduced by the applicable contractual adjustments, discounts and allowances. The Library recognizes revenues for unbilled services. Accounts Receivables represent uncollected appointments due from the City of Winfield.

**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 fair value at the date of donation.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Capital Assets (Cont.)

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 policy, in accordance with generally accepted accounting principles, is to capitalize and depreciate long-lived assets over their estimated useful lives. Capital assets are stated at cost, or estimated fair value at date of donation. The useful lives for long-lived assets are estimated based on the projected length of use in establishing practice using common industrial tables, available commercial information and management's judgment. Assets are depreciated over their estimated useful lives, primarily by the straight-line method, with the half year convention. The Library uses lives of 10-39 years for equipment and building improvements.

### 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 separated financial statement element, deferred out-flows of resources, represents a consumption of net position 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 one item that qualifies for reporting in this category. One item is the deferred outflows for pension reported in the government-wide statement of net position. See Note 6 for more information on the deferred outflows for the pension.

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 position 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 one item that qualifies for reporting in this category. This item is deferred inflows for pension. See Note 6 for more information on the deferred inflows for the pension.

### Compensated Absences

The Library accrues accumulated sick leave for full time employees. Sick leave can accumulate up to ninety days. Upon termination, payment is made for one-third (30 days) of the accumulated 90 days of unused sick leave.

### 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.

### Net Position

In the government-wide financial statements, net position is classified into three components:

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowing that are attributable to the acquisition, construction or improvement of those assets.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Net Position (Cont.)

- Restricted net position - consisting of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Library first utilizes restricted resources to finance qualifying activities.

- Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Sometimes the Library will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

### Fund Balance

Governmental fund balance classifications are 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 expended. In the governmental funds financial statements, fund balance is classified into potentially five components:

- *Nonspendable fund balances* - 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 receivables.

- *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 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 expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in order of restricted, committed, assigned, and unassigned.

### Budgetary Policy

The Library does not levy taxes, and therefore, is not required to publish a legal operating budget. However, a budget is prepared and used for the purpose of administrative control.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and deferred inflows and disclosure of contingent assets and 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. Accordingly, actual results could differ from those estimates.

### Implementation of New Standards

GASB Statement No. 101, Compensated Absences, issued June 2022, is effective for the Library beginning with its year ending December 31, 2024. There was no effect to net assets upon implementation of this Standard.

## 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### Compliance with Kansas Statutes

No statute violations were noted during 2024.

## 3. DEPOSITS AND INVESTMENTS

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

K.S.A. 12-1675 limits the Library's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions: U.S. government securities; temporary notes; no fund warrants; repurchase agreements; and the Kansas Municipal Investment choices. The rating of the Library's investments is noted above, if applicable.

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

*Custodial credit risk - deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. State statutes require the Library's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2024.

At December 31, 2024, the Library's carrying amount of deposits was $791,419 and the bank balance was $798,219. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance; $548,219 was collateralized with securities held by the pledging financial institutions' agents in the Library's name.

*Custodial credit risk - investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. All investments were legally secured at December 31, 2024.

## 4. CAPITAL ASSETS

The following is a summary of changes in the capital assets during the year:

| | Beginning Balance | Additions | Dispositions | Ending Balance |
|---|---|---|---|---|
| Depreciable capital assets: | | | | |
| Leasehold Cost | $ 1,760,903 | $ - | $ - | $ 1,760,903 |
| Computers & Equipment | 8,959 | 8,420 | - | 17,379 |
| Furniture & Fixtures | 52,763 | - | - | 52,763 |
| Books, A/V, & Automation | - | - | - | - |
| Total depreciable capital assets | 1,822,625 | 8,420 | - | 1,831,045 |
| Accumulated depreciation: | | | | |
| Leasehold Cost | 320,919 | 44,777 | - | 365,696 |
| Computers & Equipment | 4,379 | 6,622 | - | 11,001 |
| Furniture & Fixtures | 44,465 | 1,270 | - | 45,735 |
| Books, A/V, & Automation | - | - | - | - |
| Total accumulated depreciation | 369,763 | 52,669 | - | 422,432 |
| Total governmental activities capital assets (net) | $ 1,452,862 | $ (44,249) | $ - | $ 1,408,613 |

Depreciation and amortization expense was charged to the function/programs of the primary government as follows:

| | |
|---|---|
| Governmental activities: | |
| Personal services | $ 31,036 |
| Materials and services | 14,824 |
| Gifts and memorials | 797 |
| Grants | 6,012 |
| Total governmental activities depreciation and amortization expense | $ 52,669 |

## 5. LONG TERM LIABILITIES

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

| | Outstanding January 1, 2024 | Additions | Deletions | Outstanding December 31, 2024 | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 10,678 | $ 8,941 | $ - | $ 19,619 | $ - |
| Net pension liability | 231,902 | - | 5,056 | 226,846 | - |
| Total long-term liabilities | $ 242,580 | $ 8,941 | $ 5,056 | $ 246,465 | $ - |

**Compensated Absences**

The governmental funds portion of outstanding compensated absence liabilities is principally liquidated from resources of the Library's General Fund. The number in the above table is the net change for the year.

**Net Pension Liability**

The governmental funds portion of the net pension liability is principally liquidated from the Library's General Fund. Total expense, including changes in deferred inflows and outflows for all pension plans for the year ended December 31, 2024 was ($2,132).

## 6. DEFINED BENEFIT PENSION PLAN

### Plan Description

The Winfield Public Library participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law and administered by KPERS, a body corporate and an instrumentality of the State of Kansas. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available, stand-alone comprehensive annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737, or at the KPERS website at www.kpers.org.

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

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

Substantially all public employees in Kansas are covered by the pension plan. The State of Kansas and Kansas schools are required to participate, while participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the pension plan for Winfield Public Library are included in the local employee group and the Kansas Police and Firemen group.

### Benefits Provided

Benefits are established by statute and may only be changed by the Legislature. Members (except Police and Firemen) with ten or more years of credited service, may retire as early as age 55 (Police and Firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of credited service equal 85 "points" (Police and Firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes 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 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 employees. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

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.

## 6. DEFINED BENEFIT PENSION PLAN (CONT.)

### Contributions

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

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

The actuarially determined employer contribution rates and the statutory contribution rates for local government employees are 9.26% and 9.26%, respectively. 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 of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members.

### Employer Allocations

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

- State/School
- Local
- Police and Fireman
- 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 allocation percentages for each group as of June 30, 2024, are based on the ratio of the employer's contributions to total employer and nonemployer contributions of the group for the fiscal years ended June 30, 2024. The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

### 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 $226,846, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, which was rolled forward to June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years 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 0.010679% percent, which was a decrease of 0.00038% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, rolled forward from June 30, 2024, the Library recognized pension expense of $21,827, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

## 6. DEFINED BENEFIT PENSION PLAN (CONT.)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont.)**

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 |
|---|---|---|
| Library contributions subsequent to the measurement date | $ 12,954 | $ - |
| Difference between expected and actual experience | 27,594 | |
| Net difference between projected and actual earnings on pension plan investments | 1,389 | - |
| Changes of assumptions | 13,712 | - |
| Changes in proportionate share | 2,450 | 11,368 |
| Total | $ 58,099 | $ 11,368 |

The deferred outflows of resources related to pensions totaling $12,954, resulting from Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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, | Amount |
|---|---|
| 2025 | 8,276 |
| 2026 | 20,740 |
| 2027 | 4,525 |
| 2028 | 236 |
| | $ 33,777 |

The Library contributes 100% of the contributions to the pension plan, therefore, there is no revenue recognized for the support provided by nonemployer contributing entities.

**Actuarial Assumptions**

The net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation — 2.75 percent
- Salary increases, including wage increases — 3.50 to 15.50 percent, including inflation
- Long-term rate of return, compounded annually, net of investment expense, and including — 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 morality improvements are anticipated used Scale MP-2021.

There were no changes between the measurement date of December 31, 2023, rolled forward to June 30, 2024, and Winfield Public Library's reporting date of December 31, 2024.

## 6. DEFINED BENEFIT PENSION PLAN (CONT.)

### Actuarial Assumptions (Cont.)

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 29, 2024, as provided by KPER's investment consultant, are summarized in the following table.

| Asset Class | Long-term target allocation | Long-term expected real rate of return |
|---|---|---|
| US Equities | 43.00% | 8.20% |
| Core Fixed Income | 13.00% | 2.20% |
| Yield Friven | 12.00% | 5.30% |
| Infrastructure | 3.00% | 6.80% |
| Real Estate | 15.00% | 5.70% |
| Alternatives | 11.00% | 12.00% |
| Short-term investments | 3.00% | 0.30% |
| Total | 100.00% | |

### Discount Rate

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

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

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

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

In 2015, S.B. 4, reduced the previously certified State/School statutory rate from 11.27 percent to 8.65 percent for the alst half of Fiscal Year 2015. That same session, S.B. 228 recertified statutory rates to 10.91 percent for Fiscal Year 2016 and 10.81 percent for Fiscal Year 2017 in anticipation of the issuance of $1.0 billion in pension obligation bonds.

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

## 6. DEFINED BENEFIT PENSION PLAN (CONT.)

**Discount Rate (Cont.)**

Additional legislation in the 2017 Session (S. Sub for H.B. 2002) provded for a reduction of $194.0 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for Fiscal Year 2019. Like the Fiscal Year 2017 reduction, it is to be paid back over a 20-year period, beginning in Fiscal Year 2020. Therefore, both reductions will be accounted for as receivables by the System.

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

The 2019 Legislature passed S.B. 9 that provided additional contributions to the school group of $115.0 million in Fiscal Year 2019. H. Sub for S.B. 25 from the 20109 Legislative session authorized additional funding for the KPERS School Group in Fiscal Year 2020 of $51.0 million.

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

The 2022 Legislature passed S.B. 421, which authorized the state of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600.0 million was transferred to the System. In Fiscal Year 2022, $600.0 million was transferred to the System. In Fiscal Year 2023 SB 421 authorized transfers totaling $71.0 million. These transfers are included in the cash flows.

The 2023 Legislature passed HB 2196, which expanded the Deferred Retirement Opetion Plan (DROP) in KP&F to include all of that System's employers as of April 27, 2023. Under that same Bill, the Kansas Department of Wilflife and Parks (KDWP) became as affiliated KP&F employer making certain law enforcement positions in Agency eligible for KP&F future service participation as of July 1, 2023. HB 2100 was also passed, defining and establishing limits on environmental, social and governance factors when entering into contracts (including investment contracts) and when making proxy votes on behalf of the System. This latter change was not expected to materially affect the asset allocation. Neither act impacted the valuation results.

The 2024 Legislature passed HB 2711 that increased both the lump sum retiree death benefit from $4,000 to $6,000 and employer contribution rates for State/School for FY 2025 and FY 2026 and for Local employers for CY 2025 to fund this benefit improvement. The Bill also increased the employer contribution threshold for the 30% Working After Retirement (WAR) rate from $25,000 to $40,000; and the earnings limit for KP&F retirees from $25,000 to $40,000; while creating an exemption from employer contributions for nurses and direct support workers at Community Development Disability Organizations (CDDOs). Further, the Bill increased the alternative investment cap from 15% to 25% and requires the System to divest all publicly traded securities held in funds by countries of concern. None of the changes from this legislation had any impact on the valuation.

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

## 6. DEFINED BENEFIT PENSION PLAN (CONT.)

**Discount Rate (Cont.)**

**Sensitivity of Winfield Public Library's proportionate share of the net pension liability to changes in the discount rate**

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

| 1% Decrease -6.00% | Discount rate -7.00% | 1% Increase -8.00% |
|---|---|---|
| $ 328,412 | $ 226,846 | $ 141,966 |

## 7. INTERFUND TRANSFERS

Operating transfers were as follows:

| From | To | Regulatory Authority | Amount |
|---|---|---|---|
| General | Capital Projects | K.S.A. 12-1, 118 | $ 16,791 |

## 8. CHILDREN'S TRUST

The following is a summary of the activity in the trust fund during the current year:

| | Children's Trust |
|---|---|
| Revenues | |
| Gifts | $ 63 |
| Expenses | |
| Appropriations | 5,849 |
| Excess (Deficiency) of Revenues over Expenses Before Transfers | (5,786) |
| Transfers in (Out) Excess (Deficiency) of Revenues over Expenses | - |
| | (5,786) |
| Fund Balance-Beginning of year | 5,786 |
| Fund Balance-End of year | $ - |

## 8. SUBSEQUENT EVENTS

Management has evaluated the effects of the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

# REQUIRED SUPPLEMENTARY INFORMATION

WINFIELD PUBLIC LIBRARY

Schedule of Library's Proportionate Share of the Net Pension Liability
December 31, 2024

Kansas Public Employees Retirement System
Last 10 Fiscal Years*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Local | | | | | | | | | | |
| Library's proportionate percentage of the net pension liability | 0.01068% | 0.01105% | 0.01078% | 0.01170% | 0.01216% | 0.01183% | 0.01192% | 0.01181% | 0.00994% | 0.01045% |
| Library's proportionate share of the net pension liability | $ 226,846 | $ 231,902 | $ 214,351 | $ 140,359 | $ 210,726 | $ 165,267 | $ 166,168 | $ 171,077 | $ 153,806 | $ 137,213 |
| Library's covered payroll | $ 250,811 | $ 241,268 | $ 239,930 | $ 194,853 | $ 234,970 | $ 201,292 | $ 216,940 | $ 201,371 | $ 190,254 | $ 172,034 |
| Library's proportionate share of the net pension liability as a percentage of its covered payroll | 90.44% | 96.12% | 89.34% | 72.03% | 89.68% | 82.10% | 76.60% | 84.96% | 80.84% | 79.76% |
| Plan fiduciary net position as a percentage of the total pension liability | 71.71% | 70.55% | 70.66% | 76.40% | 66.30% | 69.88% | 68.88% | 67.12% | 65.10% | 64.95% |

WINFIELD PUBLIC LIBRARY

Schedule of City's Contributions
12/31/2024

Kansas Public Employees Retirement System
Last 10 Fiscal Years*

| Local | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 25,733 | $ 22,752 | $ 22,601 | $ 19,674 | $ 22,581 | $ 18,060 | $ 20,823 | $ 18,234 | $ 17,895 |
| Contributions in relation to the contractually required contribution | (25,733) | (22,752) | (22,601) | (19,674) | (22,581) | (18,060) | (20,823) | (18,234) | (17,895) |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Library's covered employee payroll | 250,811 | 241,268 | $ 239,930 | $ 194,853 | $ 234,970 | $ 201,292 | $ 216,940 | $ 201,371 | $ 190,254 |
| Contributions as a percentage of covered payroll | 10.26% | 9.43% | 9.42% | 10.10% | 9.61% | 8.97% | 9.60% | 9.05% | 9.41% |

**Defined Benefit Pension Plan**

**Changes in benefit terms:**

There are no changes in benefits.

**Changes in assumptions:**

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

Estimates of arithmetic real rates of return were updated to the most recent experience study, dated January 29, 2024.