

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT  
Poplar Bluff, Missouri

December 31, 2020

ANNUAL FINANCIAL REPORT

**BEUSSINK, HEY, ROE & STRODER, L.L.C.**

*Certified Public Accountants*

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Poplar Bluff Municipal Library District of the City of Poplar Bluff  
Poplar Bluff, Missouri

### Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities and the general fund of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used

and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and the general fund of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri, as of December 31, 2020, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### Other Matters

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri's basic financial statements. The budgetary comparison information is presented for purposes of additional analysis and is 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Management's Discussion and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2021, on our consideration of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri'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 Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri'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 Poplar Bluff Municipal Library District of the City of Poplar Bluff's internal control over financial reporting and compliance.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

*Beussink, Hey, Roe & Stroder, L.L.C.*

Cape Girardeau, Missouri  
May 28, 2021

# BEUSSINK, HEY, ROE & STRODER, L.L.C.

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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

To the Board of Trustees  
Poplar Bluff Municipal Library District of the City of Poplar Bluff  
Poplar Bluff, Missouri

We have audited, in accordance with 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, the financial statements of the governmental activities and the general fund of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri's basic financial statements, and have issued our report thereon dated May 28, 2021.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri'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 Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri'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 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 may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri'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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BEUSSINK, HEY, ROE & STRODER, L.L.C.

*Beussink, Hey, Roe & Stroder, L.L.C.*

Cape Girardeau, Missouri

May 28, 2021

SUPPLEMENTARY INFORMATION



Poplar Bluff Municipal Library District  
Management's Discussion and Analysis  
2020  
(Unaudited)

The Poplar Bluff Municipal Library District's management offers readers of the financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended December 31, 2020. Please read this Management Discussion and Analysis (MD&A) in conjunction with the Library's Financial Statements, which follow.

**Financial Highlights**

- The Library, a political subdivision governed by the Library Board of Trustees, began operations January 1, 2013, independent of the City of Poplar Bluff and is responsible for all financial operations related to the library including liability and property insurance, building and grounds maintenance, payroll, health benefits, worker's compensation, bonding, banking, accounts receivable and accounts payable.
- The Library is funded solely by a ¼ cent sales tax in the city limits of Poplar Bluff approved by the voters on June 5, 2012.
- The Library's property tax rate was set to zero and no property tax has been collected beginning with the 2012 fiscal year.
- The Library receives donations throughout the year. These and other sources of revenue include grants, memorials and honorariums, sales of used book donations, monetary support for programming, passport fees, state aid, and arts and entertainment moneys received from the state of Missouri. Library book sales and donations paid for many children's and adult programming events including materials for story time, crafting take-home, podcasts, online story times, and other contactless programming.
- The mission statement was adopted September 2016 by the Board of Trustees.

Poplar Bluff Municipal Library District with its community partners provides and promotes equal access to reading, information, cultural and intellectual resources.

The mission is used to determine promotion of community events, programming development and execution, hiring, and budgeting. Using it as a tool has been effective as reflected in the library's statistical reporting.

- The Board of Trustees adopted a Vision Statement on June 3, 2019:

**Promoting Libraries to Make Our Communities Stronger**

This vision reflects the library's support of Missouri libraries by involving staff in professional organizations, its use of the Mid-American Library Alliance courier services, and resource sharing through OCLC and membership in the Missouri Evergreen Consortium. In turn, support of these library initiatives provides services to all of Missouri citizens and those beyond Missouri borders. This sharing realizes savings to taxpayers in cost avoidance and pooling library purchasing power.

- Library programming planned for 2020 was revised as a result of library closure on March 19 due to the COVID-19 pandemic. Many local, state, and federal government offices closed. Services were revised, curtailed, or stopped during this closure. Poplar Bluff Municipal Library closed its in-person services, sent staff home with technology equipment

and software to allow them to work from home. With Board of Trustees agreement, full-time Staff were paid their regular salaries and part-time were paid their regularly scheduled hours. Staff used this time to plan, train, develop, and deliver services using social media, web pages, databases, and telephones. Staff answered library telephones from home.

- The director and facilities coordinator continued to report to the Main Street location daily where they monitored facilities and grounds. The director met remotely with Emergency Management Services.
  - The Facilities Coordinator ordered Personal Protective Equipment (PPE) and installed plexiglass barriers as needed. Working with Ozark Foothills Regional Planning Commission and the Butler County Commission, the library applied for CARES Act moneys to reimburse the library for PPE. The library received 100 percent reimbursement in the amount of \$7,735.62 for expenditure occurring from March 2020 to May 2020 related directly to COVID-19.
  - The director continued her administrative and management duties and signed checks, as necessary. Many of the library's payments that could be managed by credit card or direct deposit were converted at this time. This practice continues saving staff time and resources. Invoices and payments are documented using P.O.'s and electronic and paper invoices. P.O.s and invoices were reviewed electronically by the director and assistant director. Vendors set up electronic invoicing to a general group account, Accounts Payable. This account was monitored by the Business Services Associate, Assistant Director, Facilities Coordinator, and Director. This procedure continues.
  - The Assistant Director ran payroll every two weeks.
  - Each staff member who entered the building during this time wore masks, practiced social distancing, and followed sanitation protocols as necessary.
  - The aquarium was decommissioned. It was no longer feasible to maintain the health of the animals keeping the tank clean and providing a proper environment.
- All staff met and communicated by telephone, Zoom, email, and Google Meets at least once per week.
- Staff work progress was documented through Google Response forms.
- Upon closing March 19, library patrons' items and expiring library cards were renewed for days (months) into the future. Staff answered patron questions by telephone, through email, and by posts to Facebook. The library was committed to providing services without punishing patrons for overdue materials. Patrons' library cards were renewed automatically.
- We reinvented our programming. Prior to closing on March 19, staff were poised and ready to move forward for our patrons. Months before in preparation of more digitization of services, the library began purchasing and gathering tools such as Zoom and recording technology. We learned, developed, and delivered virtual programming through social media and our web page. From the day our doors closed to reopening on July 6, library staff worked continually. We have experimented and tried new services such as podcasting, "Dewey Talk About It." Make and Take crafts that can be provided in the library or curbside, Drive-in Story time, Dial a Story, Sensory Garden programming, Little Free Libraries, Page's Park Path, Virtual Book Club, virtual story times, and live FaceBook® feeds. All of these programs for which our staff trained, have expanded our opportunities into the days when we might continue in-person programming.
- May 4, staff reported to work at Main Street. Staff prepared the library for possible opening by marking floors for social distancing, removing cloth upholstered furniture where

possible and moving these items to storage, and rearranging staff workspace in anticipation of opening. The outdoor book return reopened with items quarantined 3-5 working days to protect patrons and staff. On May 19, the library began curbside/telephone service with staff recommending and finding materials for patrons. Patrons were not penalized for overdues. Access to eBooks and eMagazines continued and usage continued to grow. In addition, library users were offered the option of eCard services. This has been an option for school children for five years. Now, any patron in our service area may get or convert their library card into an eCard. eCard services and curbside services have continued, and we are committed to these far into the future. We have found these services essential to meet a patron's needs.

- Staff work areas were spaced out to accommodate social distancing. Library theater, Wolpers Board Room and staff offices were rearranged.
- The property at 3398 Kanell was opened to the public on June 29 with staff. The public could use public computers increasing the library's potential for services with social distancing. Patrons could return library items, also.
- Upon opening July 6, we protected our staff and patrons with a cleaning regimen, PPE, masks, plexiglass shields, hand sanitizer, social distancing and masks as recommended by the CDC. Furniture was moved or moved out of public areas. In addition to CDC guidelines, REALM (REopening Archives, Libraries, and Museums) Project testing results were followed in regard to quarantining library materials and furniture decontamination. Contactless services such as curbside service continued and other services such as the print release station, increased WiFi service with added hours and locker system was added. Library card and debit/credit card self-service scanning was implemented at kiosks and the service desks. No staff member contracted the virus, allowing the library to remain open. Protocols were put into place for staff to self-monitor COVID exposure and possible need for quarantine.
- The Board of Trustees required the wearing of masks for the patrons and staff until such date that the pandemic threat for Butler County would be reduced to a point that no cases in Butler County would be reported for two consecutive weeks.
- Library management continued to expend efforts in the development and honing of policies and procedures for the improvement of services to patrons and library personnel and improving the library's financial position. Policies revised, added, and approved by the Board of Trustees in 2020 included Attendance Policy, revised Code of Conduct, Epidemic and Public Emergency, and adoption of the Conflict of Interest policy as required by the Missouri Ethics Commission. In addition the Board of Trustees adopted a resolution to consider joining the Missouri Consolidated Health Care Plan (MCHCP) for the 2021 fiscal year. The latter was to provide cost effective options for health care insurance for full-time employees. Due to the reliability of MCHCP, this change provides stability in health care services for employees.
- Building maintenance and security continues to be a high priority. A fence was added on the north side of the parking lot with the deteriorating retaining wall on the northeast corner demolished and replaced. Adding the fence reduced the library's liability in regard to bicycles and motorized conveyances crossing the parking lot against traffic and the low visibility by drivers for these parking lot users. Additionally, the library's property was further demarcated for library parking. Cameras were added at the Ridgel Branch with a RING connection until a camera system was installed.
- Due to falling interest rates, the Board of Trustees voted to use the moneys in CDs to pay out the 3398 Kanell property purchased with a bond at 3.7 percent interest. CDs were held

originally at 2.5 percent. With the pandemic, interest rates on savings accounts fell to .5 percent increasing our net interest to -3.2 from -1.7 percent. As a result, the bonds were cashed in with moneys added from savings. This expenditure left the library with less in the unassigned cash balance.

- In October, the library went out for bid for a remodel project. CE Norton Construction and plumbing was the only bid on the project with a base \$74,600. The Board of Trustees approved this bid with three added alternates bringing the total bid to \$102,624. Construction started November 11, 2020 with expected completion January 15, 2021. Documents were submitted to the Missouri Department of Labor disclosing the construction project subject to prevailing wage with associated costs.
- At the November 2, 2020 Board of Trustees meeting, the Board approved by unanimous vote to name the 3398 Kanell Boulevard property to be used as a branch library to the Dr. Gus T. Ridgel Branch Library.
- The library paid \$108,250.13 to the City of Poplar Bluff for the library's portion of the Eight Points Tax Increment Financing (TIF) for the period January 1, 2020 through November 30, 2020. This is \$12,570.85 less than was paid in 2019. This obligation continues through 2036 or completion of City bond payments. The City of Poplar Bluff did not invoice the library for December 2020 prior to the end of the fiscal year. This invoice was requested. Due to personnel changes at the City, the library was not invoiced.
- Fiscal Year 2020 ended with an unassigned cash balance of \$(160,313.59) with total bank balances of \$1,312,728.37. Library administration with Board approval at the December 2020 board meeting approved this budget. Moneys from unassigned were used to pay off the library bond for the 3398 Kanell Boulevard property and to make capital improvements at the Ridgel Branch. The library's General Revenue bank balance at year's end was \$378,598.19. This was down from \$647,121.70 in 2019. General revenue moneys were less due to moving funds from general revenue into the Reserve Fund account increasing interest received. In addition, CDs were cashed in to pay off the bond for Ridgel. Total amount received from CD's was \$303,429.89 on July 1, 2020.
- Total interest earned on all accounts in 2019 is \$10,386.95. This is \$8,413.46 less interest than 2019. In March 2020, Southern Bank and First Missouri informed library management that interest rates would drop. As a result, the Board of Trustees agreed to pay off the bond when the CD's matured July 1. In August, with the Board president's approval, moneys were moved from general revenue (\$400,000) into the Reserves account (savings) where the balance would accrue more interest than was received in the General Revenue account. The total bank balances provide enough funds to operate for more than one year at the library's current spending levels and meets the Finance Policy reserve amount of 90 percent of the previous year's budget.

## **Overview of the Financial Statements**

This annual report includes this management's discussion and analysis report, the independent auditor's report, and the basic financial statements of the Library. The financial statements include notes explaining in more detail information in the financial statements.

## **Required Financial Statements**

The Library's financial statements are summarized for the years 2019 and 2020. Currently, the Library is unique in Missouri and is the only library funded solely by sales tax. Other Missouri libraries collect sales tax but continue to collect property tax as well. Historical data goes back to

2013. This analysis includes a summarized fund-type information based upon a current financial resource basis, government wide, and the fund financial statements. The government-wide financial statements provide both limited long-term and short-term information about the Library's overall financial status. The fund financial statements focus on the current operational activity of the Library, reporting the Library's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of future comparisons, and enhance the Library's accountability.

### Government-Wide Statements

The government-wide statements report information about the Library as a whole. The Statement of Net Position presents information on the Library's assets and liabilities. The Statement of Activities report shows the Library's net position change during the most recent fiscal year. These statements include all assets and liabilities using the modified cash basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net position of the Library and the changes in them—a means of measuring the Library's financial position. Over time, increases or decreases in the Library's net position are one indicator of whether the Library is doing better or worse financially. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, changes in the taxing district, geography of the city limits, and new or changed government legislation.

In the Statement of Net Position and the Statement of Activities, we look at the Library's overall activity.

Governmental activities – most of the Library's basic services are reported here, including sales tax.

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Charges for services	\$ 15,752	28,750
Operating grants and contributions	43,294	40,407
Capital grants and contributions	-	-
General revenues:		
Sales and use taxes	1,375,567	1,284,470
Interest	10,387	18,800
Total revenues	<u>1,445,000</u>	<u>1,372,427</u>
Expenses:		
General government	1,138,471	1,078,138
Interest	7,419	1,184
Total expenses	<u>1,145,890</u>	<u>1,079,322</u>
Change in net position	299,110	293,105
Net position, beginning	1,646,840	1,303,736
Prior period adjustment	-	49,999
Net position, ending	<u>\$ 1,945,950</u>	<u>1,646,840</u>

## Fund Financial Statements

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the Library's funds. The fund financial statements provide more information about the Library's funds and current year details of operations and the Library as a whole.

The Library's fund statement encompasses the activity of the general fund. The general revenue fund is the primary and only operating fund of the Library. It accounts for financial resources used for general types of operations. This statement offers a short-term view of the current year.

## Financial Analysis of the Library as a Whole

Below is an analysis of the comparative statement of net position for the year 2020 and 2019.

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 1,312,748	1,471,228
Capital assets	639,319	561,036
Total assets	<u>1,952,067</u>	<u>2,032,264</u>
Long-term debt outstanding	-	368,221
Other liabilities	6,117	17,203
Total liabilities	<u>6,117</u>	<u>385,424</u>
Net position:		
Net investment in capital assets	639,319	179,895
Unrestricted	1,306,631	1,466,945
Total net position	<u>\$ 1,945,950</u>	<u>1,646,840</u>

The Library's main source of revenue is a ¼ cent sales tax collected within the city limits of Poplar Bluff, Missouri. This accounts for 95.2 percent of the Library's total revenue. Other income sources included grants, gifts, donations, donated and withdrawn book sales, passport revenue, state aid, interest, fines, and fees.

The personnel expense 2020 represents 41.9\* percent of total expenditures including capital expenditures (2019 for Poplar Bluff was 59.2 percent), while the average for Missouri public libraries for 2019 was 58 percent (latest data available). If debt service principal and interest is removed from total expenditures, the amount spent for personnel for 2020 is 54.6 percent.\*\* Personnel expenditures as a percentage of budget decreased by 4.6 percent compared to 2019 and 3.4 percent less than the state average. This reduction in personnel costs is explained by attrition and the change of part-time staff to full-time. Poplar Bluff Municipal Library minimum starting hourly wage is \$9.92 per hour which is \$.47 per hour more than the Missouri minimum wage. This has allowed the library to maintain a slight competitive edge in the labor market when hiring.

\*These figures do not include 778.67 hours of contract labor for custodial work at a cost of \$9,344.00.

\*\*For comparative purposes to previous years, the figures for debt service were removed.

January 1, 2020, four staff were moved from part-time status to full-time status. These staff received full benefits packages with the change in status. These new full-time staff did not receive an hourly pay increase nor were their positions reclassified. Due to a lack of full benefits for part-time employees, the library was vulnerable to lose four fully-trained employees who had been working at the library for an average of three years. Losing any or all of these employees would result in increased training costs and reduced skill sets, placing an added burden on other staff. After management budget review, it was to the library's advantage to move these staff to full-time status and not fill other open part-time positions.

Labor hours increased by 413 hours or 1.4 percent or an average of almost 8 hours per week. Labor costs were reduced as described above. Library staff were paid during the COVID shutdown but continued to work from home. If staff were quarantined due to COVID exposure, staff were paid and asked to work as well.

Other areas of growth include ebook, eaudiobooks, etc. There were 41,924 checkouts of these materials. Overall circulation decreased due to closures and reduced numbers of patrons through the doors down by about 50,000 over 2019. Anecdotally, patrons have told us that they do not want to come into the building due to COVID concerns and want to continue curbside only or not visit the library in person. These numbers mirror national and international trends. Some libraries had not yet opened by December 31, 2020.

### **Capital Asset Activity**

Expenditures for 2020 were \$114,715.00. This included renovation at Ridgel.

### **Budget Highlights**

In 2019, the library adopted its general budget for FY 2020 at the December Board meeting. This budget was presented to the Board of Trustees the previous October to provide ample time for their discussion with library management. The budget is developed by the library's full-time staff for presentation to the Board. The Director meets individually and collectively with staff—Assistant Director, Children's and Youth Services Librarian, Technical Services Manager, Adult Services Manager, IT Coordinator, Facilities Coordinator, and Business Services Associate. Each staff member presents their budget. The budget is developed into a balanced budget meeting the library's mission statement and incorporating the staff's individual and library goals. Included in the budget is a ten percent reserve not including carryovers from the previous fiscal year. The budget is approved by the Board in a roll call vote.

The current year budget is amended twice (if needed): March and October. This gives library management an opportunity to track spending and to modify the budget as necessary to cover any unusual expenses such as extraordinary repairs, equipment replacement and/or personnel costs as well as monitor the revenue stream in relation to budget expenditures. Additionally, the revisions reflect staff goal amendments and spending priorities due to changing social environments and patrons' demands.

Financial Reports are presented at each board meeting. A Fiscal 2020 budget comparison for the current month and year to date is presented to the Board of Trustees at the monthly Board meeting. This report includes percentage spent of each budget line showing benchmarks in relation to library goals and percent of year passed. The director reviews a monthly cash flow and a weekly budget

vs. actuals reports. This allows her to monitor sales tax revenue receipts and cash flow with demands on cash balances spending. The director and the Board of Trustees in the monthly board meeting discuss and analyze the year-to-date spending and revenue flow. These are not shown on the financial statements section of this report.

The Library has operated on a zero balance budget. At the end of the fiscal year each budget category reverts back to the new balance for the new fiscal year. The library staff works diligently to keep the overall budget in line with the projected budget. The library operates with a ten percent hold back until December 2020. Based upon revenue, donations, PPE purchases, and Ridgel renovations, the ten percent holdback was not released in December. The library spent \$160,314 more than revenue received. This did not cause the library's reserve balance to dip below the reserves needed as required in the library's financial policy.

### **Debt Administration**

With savings and revenue collected, the library paid off its bond for the Ridgel property July 2020. The amount paid was \$388,560 including interest of \$7,419.

### **Economic Factors and Next Year's Budget**

The Library considered many factors when setting the fiscal year 2020 budget. One of the factors is the local economy and anticipated tax revenue from the municipality of Poplar Bluff sales tax district. The sales tax is the Library's main source of revenue. The Library's operating expense increases and future capital expansion plans depend upon both growth in tax revenue and reserve fund growth. Sales tax revenue was up by 6.6 percent in 2020. This is the highest increase since the library began collecting sales tax revenue. In the past, the sales tax revenue increase year to year averaged around 2.1 percent since 2013 and the 2020 budget was built based upon a 2 percent tax revenue growth.

At the beginning of the pandemic, there was concern that sales tax revenue would drop. This was not the case. As a result, revenues allowed the library to grow its digital offerings, start a renovation project at the Ridgel branch, and provide local dollar matches for grants without dipping too far into savings. In October, the budget was adjusted to compensate for the original growth projection. In addition, the library used a part of its reserves (savings) to pay off the Ridgel branch bond. This left a negative fund balance for the year. A part of the library's strategic plan will include the need for additional revenue streams and protection of its reserves.

Interest income decreased by 45 percent over 2019. Interest rates went down to less than .05 percent 2020.

Passport revenue was reduced by 52.3 percent. The library was closed to patron traffic from March 21 to July 6, 2020. In addition, the State Department was not issuing passports except for emergency needs. As a result, library staff were not able to process the expected volume of passport applications in 2020. The United States Department of State has partnered with public libraries for providing additional passport services for eligible applicants. All staff except business and facility services personnel must be trained to process applications after six months of employment. Staff are trained and are certified through testing by the Department of State. This ensures the services are available all hours the library is open. Each passport application generates \$35.00 in



fees covering postage and labor. The rate is set by the Department of State. Total revenue generated was \$4,536.99 as compared to nearly \$10,000 in 2019.

The library's continued relationship with Missouri Evergreen's 52 member libraries and traditional interlibrary loan through OCLC provides cost savings and avoidance with library resource sharing and cooperative purchasing of products. This sharing maximizes library dollars for Poplar Bluff Municipal Library and its partners across Missouri providing value to Missouri citizens. Interlibrary Loan numbered 18,519 items borrowed or lent in 2020 compared to 22,651 in 2019. This is an 18 percent decrease. If number of days open compared to 2019 are factored in, the library did 86 interlibrary loans per day as compared to 68 interlibrary loans per day in 2019. Daily average interlibrary loans increased by 21 percent during 2020. Patron volume decreased while demand for resources increased. Items borrowed by Poplar Bluff patrons allowed for a purchasing cost avoidance in excess of \$277,785. Missouri Evergreen's growth allows the library to use the courier service for lending which is a cost savings. Of the three days of courier service received, two days are provided by the Missouri State Library through LSTA funding. The library ranks continuously in the top 15 among 102 Missouri libraries in resource borrowing exceeding usage by library systems twice its size. Currently, with its membership in Missouri Evergreen and ecollection, Poplar Bluff's library patrons have access to the largest library collection in Missouri. St. Louis, St. Louis County, or Kansas City do not have larger collections than Missouri Evergreen. As a result, staff assistance is vital for helping our patron's make the most of these valuable resources and efficient use of the collections with properly trained staff to manage Interlibrary Loan and Courier services.

The library continues to use volunteers for projects providing greater patron access to all staff. The volunteer program is not intended to replace paid staff but to grow current staff skill sets within the organization and to meet the increased demand for library services managing library growth in a fiscally responsible manner. Due to COVID-19, the library did not utilize volunteer hours in 2020.

Efforts to maintain and increase efficiency where possible will continue to be a high priority. As stewards of taxpayer dollars, staff are committed to protecting the investment in our staff and facilities for the betterment of our community. The use of technology without sacrificing personal service continues to have a high priority.

### **Contacting the Library Management**

The financial report is designed to provide the citizens of the City of Poplar Bluff with a general overview of the Library's finances and to demonstrate the Library's accountability of the money it receives. If you have questions about this report or need additional financial information, do not hesitate to contact the Director, Sue Crites Szostak, Mitch Davis, Board Treasurer, or John Stanard, Board President. The address is 318 North Main Street, Poplar Bluff, MO 63901.

BASIC FINANCIAL STATEMENTS

POPLAR BLUFF MUNICIPAL  
LIBRARY DISTRICT  
Poplar Bluff, Missouri

GOVERNMENTAL FUND BALANCE SHEET  
AND STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2020

<u>ASSETS</u>	General	Adjustments	Statement
CURRENT ASSETS:	Fund		of Net Position
Cash and Cash Equivalents	\$ 1,312,748	\$ -	\$ 1,312,748
Total Current Assets	<u>\$ 1,312,748</u>	<u>\$ -</u>	<u>\$ 1,312,748</u>
<u>CAPITAL ASSETS:</u>			
Land and Construction in Progress	\$ -	\$ 220,357	\$ 220,357
Buildings, Equipment, and Vehicles, Net	-	465,275	465,275
Accumulated Depreciation	-	(46,313)	(46,313)
Total Capital Assets, Net	<u>\$ -</u>	<u>\$ 639,319</u>	<u>\$ 639,319</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,312,748</u>	<u>\$ 639,319</u>	<u>\$ 1,952,067</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Accrued Payroll Withholdings	\$ 6,117	\$ -	\$ 6,117
Total Current Liabilities	<u>\$ 6,117</u>	<u>\$ -</u>	<u>\$ 6,117</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 6,117</u>	<u>\$ -</u>	<u>\$ 6,117</u>
<u>FUND BALANCE / NET POSITION</u>			
Fund Balance:			
Assigned	\$ 918,605	\$ (918,605)	\$ -
Unassigned	388,026	(388,026)	-
<b>TOTAL FUND BALANCE</b>	<u>\$ 1,306,631</u>	<u>\$ (1,306,631)</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,312,748</u>		
Net Position:			
Net Investment in Capital Assets		\$ 639,319	\$ 639,319
Unrestricted		-	1,306,631
<b>TOTAL NET POSITION</b>		<u>\$ 639,319</u>	<u>\$ 1,945,950</u>

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL  
LIBRARY DISTRICT  
Poplar Bluff, Missouri

GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended June 30, 2020

	General Fund	Adjustments	Statement of Activities
<u>EXPENDITURES:</u>			
Personnel	\$ 703,327	\$ -	\$ 703,327
Operating Expenses	299,899	-	299,899
Library Materials	72,080	-	72,080
Capital Outlay	141,448	(98,631)	42,817
Debt Service:			
Principal - COP	381,141	(381,141)	-
Interest - COP	7,419	-	7,419
Depreciation	-	20,348	20,348
TOTAL EXPENDITURES	<u>\$ 1,605,314</u>	<u>\$ (459,424)</u>	<u>\$ 1,145,890</u>
<u>PROGRAM REVENUES:</u>			
Charges for Services:			
Patron Services	\$ 11,215	\$ -	\$ 11,215
Passport Revenue	4,537	-	4,537
Total Charges for Services	<u>\$ 15,752</u>	<u>\$ -</u>	<u>\$ 15,752</u>
Operating Grants and Contributions:			
Grant Income	\$ 29,790	\$ -	\$ 29,790
Gifts and Contributions	13,504	-	13,504
Total Operating Grants and Contributions	<u>\$ 43,294</u>	<u>\$ -</u>	<u>\$ 43,294</u>
NET PROGRAM EXPENSES			<u>\$ (1,086,844)</u>
<u>GENERAL REVENUES:</u>			
Quarter-Cent Sales Tax	\$ 1,375,567	\$ -	\$ 1,375,567
Interest Income	10,387	-	10,387
TOTAL GENERAL REVENUES	<u>\$ 1,385,954</u>	<u>\$ -</u>	<u>\$ 1,385,954</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (160,314)</u>	<u>\$ 160,314</u>	<u>\$ -</u>
CHANGE IN NET POSITION	\$ -	\$ 299,110	\$ 299,110
FUND BALANCE / NET POSITION, January 1, 2020	<u>1,466,945</u>	<u>179,895</u>	<u>1,646,840</u>
FUND BALANCE / NET POSITION, December 31, 2020	<u>\$ 1,306,631</u>	<u>\$ 639,319</u>	<u>\$ 1,945,950</u>

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Poplar Bluff Municipal Library District (Library) was incorporated in 1916 under the provisions of the State of Missouri and is operated under a board of trustees and librarian form of management. It is a political subdivision as defined by Missouri Statute RSMo 182.480. The Council of the City of Poplar Bluff (City) appoints the governing members of the Library's board, but the City's accountability does not extend beyond this. The City of Poplar Bluff does not include the Library as a component unit with the City's financial reporting.

As discussed further in Note 1, these financial statements are presented on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Generally accepted accounting principles (GAAP) include all relevant Government Accounting Standards Board (GASB) pronouncements.

A. The Reporting Entity:

The reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the primary government is financially accountable or closely related. The Library has determined that no outside agency meets the criteria and therefore, no other agency has been included as a component unit in the Library's financial statements.

B. Basis of Presentation:

**Government-Wide Financial Statements**

The Statement of Net Position – Modified Cash Basis and Statement of Activities – Modified Cash Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements include the financial activities of the primary government. The effect of interfund activity has been eliminated for these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Net Position – Modified Cash Basis presents the financial condition of the governmental activities of the Library at year-end. The Statement of Activities – Modified Cash Basis presents a comparison between direct expenses and patron services for each function of the Library's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as patron services include charges paid by patrons for fees, or goods and services offered by the Library. Grants and contributions are restricted to meeting the operational or capital requirements of a particular program. Gifts are received from donors including the sale of donated books for the purposes of memorials and general use of the

library for materials, programming, and capital expenditures. Revenues not classified as patron services, grants and contributions, or gifts are presented as general revenues and include all sales taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Library.

### **Fund Financial Statements**

The fund financial statements provide information about the Library's funds. A balance sheet and statement of revenues, expenditures, and changes in fund balance are presented. The emphasis of fund financial statements is on major governmental funds each displayed in a separate column. The Library considers its only fund to be major.

The accounts of the Library are organized on the basis of legally established funds, each of which is considered to be a separate accounting entity. The operation of each fund is accounted for by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues, and expenditures. Library resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds are those through which all functions of the Library are financed. The Library's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. Governmental Funds focus on the sources, uses and balances of current financial resources. The Library uses the following governmental fund type, which is a major fund.

General Fund - The General Fund is the primary operating fund of the Library and accounts for all financial resources, except those required to be accounted for in another fund. This includes gifts and patron services.

#### C. Measurement Focus and Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Library's policy is to prepare its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues, expenditures/expenses when they result from cash transactions except that the purchase of investments and capital assets are recorded as assets and payroll withholdings and long-term debt are reported as liabilities.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable), certain revenues (such as revenue for billed or provided services but not yet collected), certain liabilities (such as accounts payable) and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

If the Library utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Assets, Liabilities, and Equity:

**Cash and Cash Equivalents**

For the purpose of financial reporting, “cash and cash equivalents” include all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

**Investments**

The Library is governed by the deposit and investment limitations of state law. State law authorizes the following types of investments: United States Treasury and Agency Securities, Repurchase Agreements, Collateralized Certificates of Deposit, Banker’s Acceptances and Commercial Paper.

**Capital Assets**

Capital assets in service are stated at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Capital assets are reported in the government-wide financial statements. Capital assets are defined with an individual cost of \$1,500 or more and an estimated useful life in excess of one year.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-15 Years
Furniture, fixtures, and equipment	3-20 Years

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

## **Long-Term Debt**

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

## **Equity Classification**

**Fund Financial Statements** - The Library uses the following classifications of fund balance to describe the relative strength of spending constraints placed on the purposes for which resources can be used:

1. Non-spendable fund balance - amounts that are not in a spendable form (such as prepaids) or are required to be maintained intact;
2. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bond holders, and higher levels of government), through constitutional provisions, or by enabling legislation;
3. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
4. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
5. Unassigned fund balance - amounts that are available for any purpose; positive amounts reported only in the general fund.

## **Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Library or through external restrictions imposed by creditors, grantors, laws, regulations, or other governments. All other net positions are reported as unrestricted.



## **Use of Restricted Resources**

When an expenditure or expense is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the Library to generally consider restricted amounts have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the Library that committed amounts would be reduced first, followed by assigned amounts, then unassigned amounts.

### 2. **SALES TAXES**

Sales tax as set forth in RSMo 182.802 is collected by the Missouri Department of Revenue and is deposited directly into the Library's General Revenue Account on the seventh day of each month or the first working day either proceeding or following the seventh day. The sales tax is ¼ cent and collected from businesses within the Poplar Bluff city limits except for the community development district of Eight Points. The Library receives ¼ cent sales tax from the Eight Points Development District and then is billed by the City of Poplar Bluff for ½ of sales tax collected by the Missouri Department of Revenue on behalf of the Library. This amount is paid to the City of Poplar Bluff quarterly for the City's repayment of loans for infrastructure and development in the District. For the fiscal year ended 2020, the Library paid to the City of Poplar Bluff \$108,250 for the TIF. Currently, the scheduled completion of repayment is August 5, 2035.

### 3. **CASH AND INVESTMENTS**

The Library has adopted a formal investment policy.

#### **Custodial Credit Risk**

Deposits in financial institutions, reported as components of cash and cash equivalents and certificates of deposit, had a bank balance of \$1,316,268 and a carrying value of \$1,312,748 at December 31, 2020. These deposits were fully insured by depository insurance or secured with collateral held by the Library's agents in its name.

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	<u>Balance</u> <u>January 1, 2020</u>	<u>Addition</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31, 2020</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Construction in Progress	\$ 220,357	\$ -	\$ -	\$ 220,357
Total Capital Assets Not Being Depreciated	<u>\$ 220,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,357</u>
Capital Assets Being Depreciated:				
Building and Improvements	\$ 345,920	\$ 11,024	\$ -	\$ 356,944
Furniture, Fixtures, and Equipment	<u>66,081</u>	<u>42,250</u>	<u>-</u>	<u>108,331</u>
Total Capital Assets Being Depreciated	<u>\$ 412,001</u>	<u>\$ 53,274</u>	<u>\$ -</u>	<u>\$ 465,275</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ (6,293)	\$ (12,286)	\$ -	\$ (18,579)
Furniture, Fixtures, and Equipment	<u>(19,672)</u>	<u>(8,062)</u>	<u>-</u>	<u>(27,734)</u>
Total Accumulated Depreciation	<u>\$ (25,965)</u>	<u>\$ (20,348)</u>	<u>\$ -</u>	<u>\$ (46,313)</u>
Total Net Capital Assets Being Depreciated	<u>\$ 386,036</u>	<u>\$ 32,926</u>	<u>\$ -</u>	<u>\$ 418,962</u>
Total Net Capital Assets	<u>\$ 606,393</u>	<u>\$ 32,926</u>	<u>\$ -</u>	<u>\$ 639,319</u>

#### 5. LONG-TERM DEBT

Long-term debt outstanding at December 31, 2020 consisted of the following:

	<u>Balance at</u> <u>12/31/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>12/31/2020</u>	<u>Current</u> <u>Portion</u>
Library Bonds	\$ 381,141	\$ -	\$ 381,141	\$ -	\$ -

#### **Bonds Payable**

On November 26, 2019, the Library approved the issuance of a Library Bond in the amount of \$384,000. The bond bears interest at 3.70% and 3.78%. Principal and interest payments are due in monthly installments until December 2039. Proceeds from the bond were used for the purchase of land and a building for the Library's branch location. This was paid off during the year ended December 31, 2020.

#### 6. OPERATING LEASES

The Library occupies a building erected in 1936 with a 1997 addition funded by a city-wide tax referendum, and a significant 2008 renovation funded by a one-million-dollar donation to the Library. Since 1936, the deed to the building and property is recorded under the name of the City of Poplar Bluff. Since January 1, 2013, the Library facility is owned

by the City of Poplar Bluff. Since January 1, 2013, the Library is responsible for and pays for all property and liability insurance and maintains the building, grounds, and parking lot, and its systems from sales tax revenue. Since 2013, the Library has expended \$1,097,002 in building repairs, maintenance, and insurance. The Library has also expended \$1,039,212 in Historical Operations and TIF Payments to the City of Poplar Bluff. These figures excluded maintenance personnel costs.

## 7. EMPLOYEE'S RETIREMENT PLAN

### A. Summary of Significant Accounting Principals

#### **Pensions**

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refund of employee contributions) are recognized when due and paid in accordance with the benefit terms.

### B. General Information about the Pension Plan

#### **Plan Description**

The Poplar Bluff Municipal Library District's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The Poplar Bluff Municipal Library District participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](http://www.molagers.org).

#### **Benefits Provided**

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	<u>2020 Valuation</u>
Benefit Multiplier:	1.50% for Life
Final Average Salary:	5 Years
Member Contribution:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

**Employees Covered By Benefit Terms**

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees	1
Inactive employees intitled to but not yet receiving benefits	1
Active employees	8
	<hr style="width: 100%;"/>
	<u>10</u>

**Contributions**

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4.0% of their gross pay to the pension plan. Employer contribution rates are 7.1% of annual covered payroll. The Library contributed \$29,895 for the year ending December 31, 2020.

**8. MISSOURI EVERGREEN LIBRARY CONSORTIUM**

The Library is a member of the Missouri Evergreen Library Consortium. It is an association of municipal library districts, county libraries, and regional libraries. The purpose of the Consortium is to develop and maintain a shared integrated library system for library public catalog, cataloging, and resource sharing. The members in 2020 were:

Poplar Bluff Municipal Library, Albany Carnegie, Public Library, Bollinger County Public Library, Cameron Public Library, Carrollton Public Library, Carthage Public Library, Caruthersville Public Library, Cass County Library, Crawford County Library, De Soto County Public Library, Doniphan-Ripley County Library, Douglas County Library, Dulany Memorial Library, Festus Public Library, Grundy County Jewett Norris Library, Howard County Public Library, Jefferson County Library, Lebanon-Laclede County Library, Little-Dixie Regional Libraries, Livingston County Library, Marion County Public Library, Marshall Public Library, Mountain View Public Library, North Kansas City Public Library, Polk County Public Library, Pulaski County Public Library, Riverside Regional Library, Ste Genevieve County Public Library, Salem Public Library, Scenic Regional Library, Schuyler County Library District, Sikeston Public Library, Stone County Library, Texas County Library, Trails Regional Library, Washington Public Library, Webb City Public Library, Webster County Library, Willow Spring Public Library, Wright County Library, Camden County Library District, Ray County Library, Seymour Community Library, Heartland Regional Library, Barry-Lawrence Regional Library, Montgomery City Public Library, Oregon County Library, Keller Public Library, Putnam County Library, Brookfield Public Library, Neosho-Newton County Library, and Bowling Green Public Library.

Missouri Evergreen was hosted by MOBIUS until August 31, 2019. After that date it is hosted by Equinox. Missouri Evergreen Consortium bid out hosting services, as required, every three years by the Missouri State Library. AMIGOS via bid provides financial services to Missouri Evergreen. Website hosting is managed by MORENet for free. The Library pays a yearly licensing fee for the Missouri Evergreen ILS. In 2019, the Library purchased a shared subscription to MARCIVE, Syndetics, and Novelist for enhanced library catalog content and shared authority control services for all Missouri Evergreen libraries.

The Library can withdraw from the Consortium at any time and would pay a one-time fee to extract the Library's data (resource and patron). All hardware for the use of this system on the Library's site is owned and operated by the Library.

9. RISK MANAGEMENT

The City is exposed to risks of loss through claims on property owned, damage to property owned, official and employee liability, workers' compensation claims, and risk of loss of employee or individual injury. The City handles these risks of loss through the purchase of commercial insurance policies. There was no significant reduction in insurance coverage during the year.

10. RELATED PARTY TRANSACTIONS

The Library has no transactions with related parties.

11. COMMITMENTS AND CONTINGENCIES

Full time employees earn personal leave which are considered expenditures in the year paid. Accumulated leave is not payable upon termination or retirement. Full time employees may not accumulate more than sixty days of leave.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 28, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

POPLAR BLUFF MUNICIPAL  
LIBRARY DISTRICT  
Poplar Bluff, Missouri

BUDGETARY COMPARISON - GENERAL FUND

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Quarter-Cent Sales Tax	\$ 1,155,000	\$ 1,335,000	\$ 1,375,567	\$ 40,567
Patron Services	16,000	10,300	11,215	915
Passport Revenue	8,000	4,300	4,537	237
Interest Income	15,000	10,000	10,387	387
Grants	-	-	29,790	29,790
Gifts and Contributions	-	-	13,504	13,504
<b>TOTAL REVENUES</b>	<u>\$ 1,194,000</u>	<u>\$ 1,359,600</u>	<u>\$ 1,445,000</u>	<u>\$ 85,400</u>
<u>EXPENDITURES:</u>				
Salaries & Wages	\$ 705,000	\$ 705,000	\$ 703,327	\$ 1,673
Library Materials	84,500	63,800	57,237	6,563
Support Services	36,500	23,000	19,617	3,383
Patron Access	15,000	15,000	14,843	157
Main Branch Library	80,000	80,000	78,563	1,437
Technology	20,000	20,000	19,365	635
Marketing & Programming	7,000	4,500	4,152	348
Professional Services	16,000	18,300	18,195	105
Travel/Training	8,000	4,000	3,691	309
General Administrative	196,300	180,000	156,316	23,684
Bond Principal	-	380,931	381,141	(210)
Interest Paid	-	7,629	7,419	210
Capital Improvements	150,000	150,000	88,045	61,955
Gift Expenses	-	-	15,771	(15,771)
Grant Expenses	-	-	37,632	(37,632)
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,318,300</u>	<u>\$ 1,652,160</u>	<u>\$ 1,605,314</u>	<u>\$ 46,846</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (124,300)</u>	<u>\$ (292,560)</u>	<u>\$ (160,314)</u>	<u>\$ 132,246</u>
FUND BALANCE, January 1, 2020			<u>\$ 1,466,945</u>	
FUND BALANCE, December 31, 2020			<u>\$ 1,306,631</u>	

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT  
Poplar Bluff, Missouri

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2020

1. BUDGETARY INFORMATION:

The Library Director and the Budget and Personnel Committee prepare the budget in April and submit an annual budget to the Board of Trustees in May. The Board adopts the budget for the year beginning July 1 and may amend it during the year. Any increase in appropriations during the fiscal year must be approved by the District. The original budget was approved on June 27, 2020. Any remaining unencumbered appropriations lapse at the fiscal year end.

2. BASIS OF ACCOUNTING:

The budget is prepared on the cash basis of accounting, which differs from the basis used to prepare the financial statements. Revenues and expenditures are reported when they result from cash transactions. An adjustment is shown to reconcile fund balances to the modified cash basis of accounting as reported in the Basic Financial Statements.