

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT
Poplar Bluff, Missouri

December 31, 2021

ANNUAL FINANCIAL REPORT

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

Certified Public Accountants

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT

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

Certified Public Accountants

DEBRA BEUSSINK EUDY, CPA
JERRY W. ROE, CPA
JEFFREY C. STRODER, CPA

EVERETT E. HEY, CPA
(1955 - 2014)

16 South Silver Springs Road
Cape Girardeau, Missouri 63703
Telephone (573) 334-7971
Facsimile (573) 334-8875

SCOTT J. ROE, CPA
DAVID E. PRASANPHANICH, CPA
SASHA N. WILLIAMS, CPA

RHEANNA L. GREER, CPA

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective 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, 2021, 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 for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri's internal control. Accordingly, no such opinion is expressed. We will also 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri's ability to continue as a going concern for a reasonable period of time.

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.

Supplementary 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 and combining financial statements are 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information and combining financial statements are 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 March 5, 2022, 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
March 5, 2022

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, 2021, 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 March 5, 2022.

Report on 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 a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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

March 5, 2022

SUPPLEMENTARY INFORMATION

Poplar Bluff Municipal Library District
Management's Discussion and Analysis
2021
(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, 2021. 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 storytime and take-home crafting kits.
- 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-America 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 Missouri citizens and those beyond Missouri borders. This sharing realizes savings to taxpayers in cost avoidance and pooling library purchasing power.

- On April 5, 2021, both the Library Board of Trustees and Poplar Bluff City Council voted to transfer deed of the library building located at 318 North Main Street to the City of Poplar Bluff Municipal Library District at an agreed upon one-time payment of \$200,000 plus closing costs. Closing occurred at Heritage Title on May 17, 2021. At closing, the library paid the one-time \$200,000 payment and \$1,007 in closing costs by cashier's check made payable to Heritage Title. Transfer of deed was recorded with the Butler County Recorder of Deeds' office on May 17, 2021. Holding deed to the historic library location at 318 North Main Street provides the Library a financial security and stability to begin planning future expansion and growth of library services and locations.
- Following receipt of deed for the 318 North Main Street property, the library's attorney of record, Scott Robbins, with the firm Kennedy, Kennedy, Robbins, and Yarbrow, LC, filed a motion to dismiss the Library's lawsuit against the City of Poplar Bluff (Case No. 18BT-CV02329). Dismissal was filed with the 36th Judicial Circuit Court at the Butler County Courthouse on May 17, 2021.
- On February 2, 2021, the Dr. Gus T. Ridgel Branch located at 3398 Kanell Blvd reopened after the remodel project that began in November 2020. The project completed on time and within budget. C.E. Norton Construction and Plumbing completed construction at a total cost of \$97,028 with \$51,670.70 paid in 2021 and \$45,357.30 paid in 2020. Other remodel expenses included costs to install security cameras, security systems, furniture, outdoor book return, RFID keycard doors, and technology. Total spent in 2021 for the Ridgel remodel for non-construction expenses totaled \$39,892.48. The building was dedicated in a public ceremony on Sunday, August 15, 2021, at 3:30 p.m. Eighty people attended the dedication ceremony which was complete with formal remarks, a ribbon cutting, heavy hors d'oeuvres, a photo exhibition, and tour of the new library facility.
- 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 2021 included a revision to the existing Leave Policy, adoption of the updated ALA Code of Ethics, revision of the Circulation Policy, update of the General Finance policy, and adoption of a domestic violence leave policy in compliance with Missouri State Law 285.625 to 285.670 RSMo. In addition, the Board of Trustees approved revisions of its By-Laws. The By-Laws were reviewed by Library legal counsel.
- Building maintenance and security continue to be a high priority. The exterior double doors at both the Main Street and parking lot entrances of the 318 North Main Street location were replaced in May 2021 after the locking mechanism on the original doors failed on multiple occasions. Total costs for replacement was \$3,916.60.
- In September 2021, the Library paid \$1,408 to install RFID locks at the 3398 Kanell Blvd branch library. These RFID locks allow the library to offer authorized users extended access to the branch's lobby from 6 a.m. to 10 p.m. daily. Extended hours offer patrons the ability to retrieve library materials on hold from the Ridgel Library Hold Pickup Lockers.
- In June 2021, the library issued a Request for Proposal (RFP) for architectural and engineering services. Proposals were asked to cover the following projects at the 318 North Main Street campus: replacement of roof, replacement/balancing of the HVAC system with an addition of an energy management system, and evaluation of eaves and cupola for painting and repair. In addition, proposals were to cover the development of a five-year Master Plan for the entire library district. Responses to the RFP were received from Bond Architects, Paragon Architects, and Dille & Pollard. On August 2, 2021, the Library Board

of Trustees ranked the architectural firms and received RFPs as follows: 1. Bond Architects 2. Paragon Architecture 3. Dille & Pollard Architecture. On August 2, 2021, the Library Board of Trustees authorized Sue Crites Szostak, Director, to enter into negotiations for services with Bond Architects. In November 2021, the library entered into a contract with Bond Architects for architectural and engineering services for the roof and HVAC replacement at the 318 North Main Street building. Contracted amount for Bond Architects services is \$58,920 for the base mechanical system; and \$71,670 for the high efficiency system plus the cost for reimbursable expenses. As of December 31, 2021, no work was performed nor costs expended.

- Property and liability insurance costs increased in 2021. The library paid \$43,576 for insurance coverage on both library locations in December 2021 for the FY2022 coverage year. On June 7, 2021, the Board of Trustees voted to purchase additional coverage in the library's insurance policy to cover epidemiological events. This adds an additional \$1,000./yr. to the library's insurance premium and provides an additional \$500,000 in coverage with a \$5,000 deductible.
- The library paid \$144,909.67 to the City of Poplar Bluff for the library's portion of the Eight Points Tax Increment Financing (TIF) for the period January 1, 2021 through December 31, 2021. This is \$36,659.54 more than was paid in 2020. This increase can be attributed to the 10.64% increase in sales tax revenues, as well as, the payment of the Dec 2020 TIF obligation in March 2021. The City of Poplar Bluff did not invoice the library for December 2020 prior to the end of the 2020 fiscal year. This invoice was requested; however, due to personnel changes at the City, the library was not invoiced until March 2021. The TIF obligation continues through 2036 or completion of City bond payments.
- Fiscal Year 2021 ended with an unassigned cash balance of \$187,842.58 with total bank balances of \$1,495,030.31. Moneys from unassigned were used to pay for the deed transfer on the library building at 318 North Main Street and to make capital improvements at the Ridgel Branch. The library's General Revenue bank balance at year's end was \$559,796.75. This was up from \$378,598.19 in 2020. This increase is attributable to a 10.64% increase in sales tax revenues and 10.41% decrease in total expenditures compared to 2020. The total bank balances provide enough funds to operate for more than one year at the library's current spending levels and meet the Finance Policy reserve amount of 75 percent of the previous year's budget.
- Total interest earned on all accounts in 2021 is \$3,162.57. This is \$7,224.38 less interest than 2020 and \$15,637.84 less than 2019 indicating interest rates have not recovered to pre-COVID levels.

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 2020 and 2021. 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 assets 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>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 21,722	15,752
Operating grants and contributions	86,330	43,294
Capital grants and contributions	-	-
General revenues:		
Sales and use taxes	1,521,871	1,375,567
Interest	3,163	10,387
Total revenues	<u>1,633,086</u>	<u>1,445,000</u>
Expenses:		
General government	1,164,616	1,138,471
Interest	-	7,419
Total expenses	<u>1,164,616</u>	<u>1,145,890</u>
Change in net position	468,470	299,110
Net position, beginning	1,945,950	1,646,840
Net position, ending	<u>\$ 2,414,420</u>	<u>1,945,950</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 2021.

	Governmental Activities	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 1,500,624	1,312,748
Capital assets	914,353	639,319
Total assets	<u>2,414,977</u>	<u>1,952,067</u>
Other liabilities	557	6,117
Total liabilities	<u>557</u>	<u>6,117</u>
Net position:		
Net investment in capital assets	914,353	639,319
Unrestricted	1,500,624	1,306,631
Total net position	<u>\$ 2,414,977</u>	<u>1,945,950</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 93.6 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 for 2021 represents 46.1* percent of total expenditures including capital expenditures (2020 for Poplar Bluff was 43.8 percent), while the average for Missouri public libraries of similar size for 2020 was 60 percent (latest data available). If capital expenditures is removed from total expenditures, the amount spent for personnel for 2021 is 58** percent, 2 percent less than the state average. Personnel expenditures were \$40,159.15 less than 2020. This decrease in personnel costs is explained by high staff turnover and a three month vacancy in a key professional position. Labor hours decreased by 266 hours or 0.91 percent or an average of almost 5 hours per week.

*These figures do not include 247.5 hours of contract labor for custodial work at a cost of \$3,624.00.

**For comparative purposes to previous years, the figures for capital expenditures were removed.

Public computer and wi-fi usage increased by 45.7 percent in 2021 with the library serving 21,452 pc and wi-fi sessions to visitors. Internet bandwidth was increased at the Main Branch from 100MB to 250MB to accommodate remote work and online learning demand. Wi-fi is available from the parking lot of both library campuses from 6 a.m. to 10 p.m. seven days per week. Overall circulation of materials increased 10% over 2020; however, remains down 32.2 percent compared to 2019. These numbers mirror national and international trends as libraries continue to navigate safety health protocols during the ongoing global pandemic with mask mandates, social distancing guidelines, and closings due to COVID outbreaks.

Capital Asset Activity

Expenditures for 2021 were \$311,303.71. This included transfer costs for the 318 North Main Street library and renovation at the 3398 Kanell Blvd library.

Budget Highlights

In 2020, the library adopted its general budget for FY 2021 at the December Board meeting. This budget was presented to the Board of Trustees in November 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 2021 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 2021. Based upon moneys expended for the deed transfer for the 318 North Main Street location and Ridgel renovations, the ten percent holdback was not released in

December. The library ended the year with an unassigned cash balance of \$187,842.58 and with total bank balances of \$1,495,030.31. The library's reserve balance was \$920,903.48. This reserve balance is 80.8% of the prior year's operating expenditures. The reserve balance exceeds the required 75% of prior year's operating expenditures as outlined in the library's General Finance Policy.

Economic Factors and Next Year's Budget

The Library considered many factors when setting the fiscal year 2021 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 10.64 percent in 2021. 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 2021 budget was built based upon a conservative 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, pay for deed transfer of the historic 1936 library building on Main Street, start a renovation project at the Ridgel branch, and provide local dollar matches for grants without dipping into savings. In October, the budget was adjusted to reflect actuals in both revenues and expenses. This left an assigned fund balance for the year of \$187,842.58. The library plans to employ an outside consulting firm to assist in developing a strategic plan sometime in late 2022/early 2023. Part of the library's strategic plan will include the need for additional revenue streams and protection of its reserves.

Interest income decreased by 69.6 percent over 2020. Interest rates for library bank accounts in 2021 were 0.25 percent.

Passport revenue totaled \$6,285.98 in 2021, an increase of 38.6 percent. This is still 34 percent lower than passport revenue collected in 2019, indicative of the impact COVID19 still has on international travel. 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 U.S. Department of State. This ensures the services are available all hours the library is open. Each passport application generates \$35 in fees covering postage and labor. The rate is set by the Department of State.

The library's continued relationship with Missouri Evergreen's 56 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 21,834 items borrowed or lent in 2021 compared to 18,519 in 2020. This is an 18 percent increase over 2020 and is only 4% lower than pre-COVID interlibrary loan activity. Items borrowed by Poplar Bluff patrons allowed for a purchasing cost avoidance in excess of \$327,510. Missouri Evergreen's growth allows the library to use the courier service for lending which is a cost savings. Of the four days of courier service received, three days are provided by the Missouri State Library through LSTA funding. The library ranked 12th among 146 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.

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, Margaret Fletcher, Board Treasurer, or Mitch Davis, 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, 2021

<u>ASSETS</u>	<u>General</u>	<u>Adjustments</u>	<u>Statement</u>
<u>CURRENT ASSETS:</u>	<u>Fund</u>		<u>of Net Position</u>
Cash and Cash Equivalents	\$ 1,500,624	\$ -	\$ 1,500,624
Total Current Assets	<u>\$ 1,500,624</u>	<u>\$ -</u>	<u>\$ 1,500,624</u>
<u>CAPITAL ASSETS:</u>			
Land and Construction in Progress	\$ -	\$ 175,000	\$ 175,000
Buildings, Equipment, and Vehicles, Net	-	618,827	618,827
Furniture, Fixtures, and Equipment, Net	-	120,526	120,526
Total Capital Assets, Net	<u>\$ -</u>	<u>\$ 914,353</u>	<u>\$ 914,353</u>
TOTAL ASSETS	<u>\$ 1,500,624</u>	<u>\$ 914,353</u>	<u>\$ 2,414,977</u>
 <u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Accrued Payroll Withholdings	\$ 557	\$ -	\$ 557
Total Current Liabilities	<u>\$ 557</u>	<u>\$ -</u>	<u>\$ 557</u>
TOTAL LIABILITIES	<u>\$ 557</u>	<u>\$ -</u>	<u>\$ 557</u>
 <u>FUND BALANCE / NET POSITION</u>			
Fund Balance:			
Assigned	\$ 6,041	\$ (6,041)	\$ -
Unassigned	1,494,026	(1,494,026)	-
TOTAL FUND BALANCE	<u>\$ 1,500,067</u>	<u>\$ (1,500,067)</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,500,624</u>		
Net Position:			
Net Investment in Capital Assets		\$ 914,353	\$ 914,353
Unrestricted		<u>1,500,067</u>	<u>1,500,067</u>
TOTAL NET POSITION		<u>\$ 2,414,420</u>	<u>\$ 2,414,420</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 December 31, 2021

	General Fund	Adjustments	Statement of Activities
<u>EXPENDITURES:</u>			
Personnel	\$ 663,168	\$ -	\$ 663,168
Operating Expenses	353,610	-	353,610
Library Materials	84,060	-	84,060
Capital Outlay	338,812	(311,304)	27,508
Depreciation	-	36,270	36,270
TOTAL EXPENDITURES	<u>\$ 1,439,650</u>	<u>\$ (275,034)</u>	<u>\$ 1,164,616</u>
<u>PROGRAM REVENUES:</u>			
Charges for Services:			
Patron Services	\$ 15,436	\$ -	\$ 15,436
Passport Revenue	6,286	-	6,286
Total Charges for Services	<u>\$ 21,722</u>	<u>\$ -</u>	<u>\$ 21,722</u>
Operating Grants and Contributions:			
Grant Income	\$ 45,767	\$ -	\$ 45,767
Gifts and Contributions	40,563	-	40,563
Total Operating Grants and Contributions	<u>\$ 86,330</u>	<u>\$ -</u>	<u>\$ 86,330</u>
NET PROGRAM EXPENSES			<u>\$ (1,056,564)</u>
<u>GENERAL REVENUES:</u>			
Quarter-Cent Sales Tax	\$ 1,521,871	\$ -	\$ 1,521,871
Interest Income	3,163	-	3,163
TOTAL GENERAL REVENUES	<u>\$ 1,525,034</u>	<u>\$ -</u>	<u>\$ 1,525,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 193,436</u>	<u>\$ (193,436)</u>	<u>\$ -</u>
CHANGE IN NET POSITION	\$ -	\$ 468,470	\$ 468,470
FUND BALANCE / NET POSITION, January 1, 2021	<u>1,306,631</u>	<u>639,319</u>	<u>1,945,950</u>
FUND BALANCE / NET POSITION, December 31, 2021	<u>\$ 1,500,067</u>	<u>\$ 914,353</u>	<u>\$ 2,414,420</u>

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

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 and its component unit, the Poplar Bluff Library Foundation. Component units are legally separate entities that are included in the Library's reporting entity because of the significance of their operating or financial relationship with the Library.

The Poplar Bluff Municipal Library Foundation is a nonprofit organization classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3). The Foundation is committed to providing services beyond the confines of the library walls and provide new opportunities for library services in Poplar Bluff. A separate financial report of the Poplar Bluff Municipal Library Foundation is included as supplementary information in this report. Requests for additional information should be directed to the Director, Poplar Bluff Municipal Library Foundation, 318 North Main Street, Poplar Bluff, Missouri 63901.

B. Component Units:

The Library's financial statements include the accounts of all the Library operations, and the operations of the Poplar Bluff Municipal Library Foundation, a separate nonprofit organization whose purpose is committed to providing services beyond the confines of the library walls and provide new opportunities for library services in Poplar Bluff. As noted above, the criteria for including organizations within the Library's reporting entity is oversight responsibility. The Library's financial statements include the operations of the Foundation for presentation with the intercompany transactions being eliminated. Separate financial statements for the Poplar Bluff Municipal Library Foundation may be obtained from the combining schedules presented with this report.

C. 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.

D. 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.

E. 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 2021, the Library paid to the City of Poplar Bluff \$144,910 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 \$1,510,449 and a carrying value of \$1,500,624 at December 31, 2021. 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, 2021 was as follows:

	Balance January 1, 2021	Addition	Deductions	Balance December 31, 2021
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Construction in Progress	\$ 220,357	\$ 53,154	\$ 98,511	\$ 175,000
Total Capital Assets Not Being Depreciated	<u>\$ 220,357</u>	<u>\$ 53,154</u>	<u>\$ 98,511</u>	<u>\$ 175,000</u>
Capital Assets Being Depreciated:				
Building and Improvements	\$ 356,944	\$ 299,519	\$ -	\$ 656,463
Furniture, Fixtures, and Equipment	108,331	57,142	-	165,473
Total Capital Assets Being Depreciated	<u>\$ 465,275</u>	<u>\$ 356,661</u>	<u>\$ -</u>	<u>\$ 821,936</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ (18,579)	\$ (19,057)	\$ -	\$ (37,636)
Furniture, Fixtures, and Equipment	(27,734)	(17,213)	-	(44,947)
Total Accumulated Depreciation	<u>\$ (46,313)</u>	<u>\$ (36,270)</u>	<u>\$ -</u>	<u>\$ (82,583)</u>
Total Net Capital Assets Being Depreciated	<u>\$ 418,962</u>	<u>\$ 320,391</u>	<u>\$ -</u>	<u>\$ 739,353</u>
Total Net Capital Assets	<u>\$ 639,319</u>	<u>\$ 373,545</u>	<u>\$ 98,511</u>	<u>\$ 914,353</u>

5. 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.

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>2021 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, 2021, the following employees were covered by the benefit terms:

Inactive employees	1
Inactive employees intitled to but not yet receiving benefits	2
Active employees	<u>10</u>
	<u>13</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 7.0% of annual covered payroll. The Library contributed \$29,171 for the year ending December 31, 2021.

6. 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, Henry County Library, James Memorial Public Library, Ralls County Library District, Reynolds County Library District, and Rolla 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.

7. RISK MANAGEMENT

The Library 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 Library handles these risks of loss through the purchase of commercial insurance policies. There was no significant reduction in insurance coverage during the year.

8. RELATED PARTY TRANSACTIONS

The Library has no transactions with related parties.

9. 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.

On November 18, 2021, the District entered into an agreement for roof and HVAC replacement at a cost of \$71,670. The Library had made no payments on this contract at December 31, 2021. The project is expected to be completed in 2022.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 5, 2022, 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, 2021

	<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	\$ 1,200,000	\$ 1,300,000	\$ 1,521,871	\$ 221,871
Patron Services	120,000	12,000	15,436	3,436
Passport Revenue	5,000	5,000	6,286	1,286
Interest Income	10,000	2,750	3,163	413
Grants	-	-	45,767	45,767
Gifts and Contributions	-	-	40,563	40,563
TOTAL REVENUES	<u>\$ 1,335,000</u>	<u>\$ 1,319,750</u>	<u>\$ 1,633,086</u>	<u>\$ 313,336</u>
<u>EXPENDITURES:</u>				
Salaries & Wages	\$ 739,102	\$ 739,102	\$ 663,168	\$ 75,934
Library Materials	88,500	88,500	74,497	14,003
Support Services	27,500	27,500	21,451	6,049
Patron Access	-	-	9,563	(9,563)
Main Branch Library	100,500	100,500	76,549	23,951
Technology	38,000	38,000	27,680	10,320
Marketing & Programming	7,000	7,000	6,733	267
Professional Services	21,000	21,000	14,757	6,243
Travel/Training	8,000	8,000	3,994	4,006
General Administrative	187,000	211,650	202,421	9,229
Capital Improvements	85,000	300,000	298,932	1,068
Gift Expenses	-	-	14,534	(14,534)
Grant Expenses	-	-	25,346	(25,346)
Miscellaneous	-	-	25	(25)
TOTAL EXPENDITURES	<u>\$ 1,301,602</u>	<u>\$ 1,541,252</u>	<u>\$ 1,439,650</u>	<u>\$ 101,602</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 33,398</u>	<u>\$ (221,502)</u>	<u>\$ 193,436</u>	<u>\$ 414,938</u>
FUND BALANCE, January 1, 2021			<u>\$ 1,306,631</u>	
FUND BALANCE, December 31, 2021			<u>\$ 1,500,067</u>	

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT
Poplar Bluff, Missouri

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2021

1. BUDGETARY INFORMATION:

The Library Director and the Budget and Personnel Committee prepare the budget in November and submit an annual budget to the Board of Trustees in December. The Board adopts the budget for the year beginning January 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 December 7, 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.

POPLAR BLUFF MUNICIPAL
LIBRARY DISTRICT
Poplar Bluff, Missouri

COMBINING BALANCE SHEET - GENERAL FUND

December 31, 2021

ASSETS

<u>CURRENT ASSETS:</u>	Poplar Bluff Library	Library Foundation	Eliminations	Combined
Cash	\$ 1,494,583	\$ 6,041	\$ -	\$ 1,500,624
Total Current Assets	<u>\$ 1,494,583</u>	<u>\$ 6,041</u>	<u>\$ -</u>	<u>\$ 1,500,624</u>
TOTAL ASSETS	<u>\$ 1,494,583</u>	<u>\$ 6,041</u>	<u>\$ -</u>	<u>\$ 1,500,624</u>

LIABILITIES

<u>CURRENT LIABILITIES:</u>				
Accrued Payroll and Benefits	\$ 557	\$ -	\$ -	\$ 557
Total Current Liabilities	<u>\$ 557</u>	<u>-</u>	<u>-</u>	<u>557</u>
TOTAL LIABILITIES	<u>\$ 557</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557</u>

FUND BALANCE / NET POSITION

Fund Balance:				
Nonspendable	\$ -		\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	6,041	-	6,041
Unassigned	<u>1,494,026</u>	<u>-</u>	<u>-</u>	<u>1,494,026</u>
TOTAL FUND BALANCE	<u>\$ 1,494,026</u>	<u>\$ 6,041</u>	<u>\$ -</u>	<u>\$ 1,500,067</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,494,583</u>	<u>\$ 6,041</u>	<u>\$ -</u>	<u>\$ 1,500,624</u>

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL
LIBRARY DISTRICT
Poplar Bluff, Missouri

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - GENERAL FUND

For the Year Ended December 31, 2021

	Poplar Bluff Library	Library Foundation	Eliminations	Statement of Activities
<u>REVENUES:</u>				
Quarter-Cent Sales Tax	\$ 1,521,871	\$ -	\$ -	\$ 1,521,871
Patron Services	15,436	-	-	15,436
Passport Revenue	6,286	-	-	6,286
Interest Income	3,163	-	-	3,163
Grants	45,767	-	-	45,767
Gifts and Contributions	33,448	7,115	-	40,563
TOTAL REVENUES	<u>\$ 1,625,971</u>	<u>\$ 7,115</u>	<u>\$ -</u>	<u>\$ 1,633,086</u>
<u>EXPENDITURES:</u>				
Salaries & Wages	\$ 663,168	\$ -	\$ -	\$ 663,168
Library Materials	74,497	-	-	74,497
Support Services	21,451	-	-	21,451
Patron Access	9,563	-	-	9,563
Main Branch Library	76,549	-	-	76,549
Technology	27,680	-	-	27,680
Marketing & Programming	6,733	-	-	6,733
Professional Services	13,708	1,049	-	14,757
Travel/Training	3,994	-	-	3,994
General Administrative	202,421	-	-	202,421
Capital Improvements	298,932	-	-	298,932
Gift Expenses	14,534	-	-	14,534
Grant Expenses	25,346	-	-	25,346
Miscellaneous	-	25	-	25
TOTAL EXPENDITURES	<u>\$ 1,438,576</u>	<u>\$ 1,074</u>	<u>\$ -</u>	<u>\$ 1,439,650</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 187,395</u>	<u>\$ 6,041</u>	<u>\$ -</u>	<u>\$ 193,436</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Loss on Disposal of Assets	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FINANCING SOURCES (USES):	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ 187,395</u>	<u>\$ 6,041</u>	<u>\$ (187,395)</u>	<u>\$ -</u>
FUND BALANCE, January 1, 2021	<u>\$ 1,306,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,306,631</u>
FUND BALANCE, December 31, 2021	<u>\$ 1,494,026</u>	<u>\$ 6,041</u>	<u>\$ -</u>	<u>\$ 1,500,067</u>

See Accompanying Notes to Basic Financial Statements.