

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT
Poplar Bluff, Missouri

December 31, 2022

ANNUAL FINANCIAL REPORT

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

Certified Public Accountants

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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

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, 2022, 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 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, 2022, 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.

Emphasis of a Matter - 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.

Responsibilities of Management 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.
- 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.

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

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 are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information and combining financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, 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 31, 2023

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, 2022, 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 31, 2023.

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 31, 2023

SUPPLEMENTARY INFORMATION

Poplar Bluff Municipal Library District
Management's Discussion and Analysis
2022
(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, 2022. 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 monies 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 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.

- In January of 2021, Director Sue Crites Szostak provided her notice of retirement effective January 23, 2023, to the Library Board of Trustees. In December of 2021, the Board of Trustees formed a Director Search Committee charged with selecting and hiring the Director's replacement. On February 11, 2022, the Board of Trustees voted unanimously to extend an offer of employment for the position of Library Director to Shannon Midyett beginning with an annual salary of \$70,000 and conditioned upon her acceptance of the job and completion of her Masters in Library and Information Science (MLIS) on or before August 10, 2023. Mrs. Midyett met the educational conditions of the employment offer by completing her MLIS degree on December 17, 2022. She assumed the role of Library Director effective January 24, 2023.
- In a Special Meeting of the Board of Trustees on April 13, 2022, the Board voted unanimously to accept the bid proposal in the amount of \$246,325 from Zoellner Construction to replace both the flat and shingle roofs on the Main Branch Library located at 318 North Main Street. Installation of the new roofing materials took place over the months of June through September of 2022. Final payment was made to Zoellner Construction for the full bid amount on October 7, 2022. The roofing project came to completion on December 22, 2022, upon receipt of the final inspection report completed by Foresights, a third-party vendor.
- On June 28, 2022, the Library entered into a contract with New Covenant Fellowship Community Ministries, Inc., to purchase a 0.73 acre parcel of land adjoining the Ridgel Branch Library located at 3398 Kanell Blvd at the appraised price of \$81,000 contingent upon annexation of said property into the city limits of Poplar Bluff and installation of exterior lighting for the private drive shared by the church and library cost of which was to be borne by the Library. In this contract, New Covenant also agreed to donate a .15 acre parcel of land abutting the southernmost property line of the Ridgel Branch Library. A payment of \$10,000 in earnest money was paid upon contract signing. At a regular meeting of the City Council on September 6, 2022, council members voted unanimously to adopt an ordinance (Ordinance No. 22-52) annexing both parcels of land into the city limits of Poplar Bluff. Remaining balance of \$72,206 was paid at closing on September 28, 2022. Installation of exterior lighting was completed on October 28, 2022, at a total cost of \$11,520.90.
- Feedback received from staff and patrons prompted the library to install exterior parking lot lighting at the Ridgel Branch in 2022 to improve safety and security measures. Costs for parts and installation, including necessary parking stops and bollards, totaled \$3,958.33. Installation was completed on March 25, 2022.
- 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 2022 included a revision to the existing Code of Conduct, Conflict of Interest, Meeting Room, and Unattended Child policies and adoption of policies and statements for Solicitation, Succession, and Nondiscrimination. The Board passed revisions to the library's Personnel Handbook in relation to absenteeism and part-time holiday pay. In addition, the Board of Trustees approved revisions of its By-Laws. The By-Laws were reviewed by Library legal counsel.
- The Children's Library received new face out picture book shelving in 2022. The new shelving increases accessibility, browsability, and discoverability of the library's picture book collection. These units were purchased at Scenic Regional Library's surplus sale at

a cost of \$750. Transport fees added an additional \$410.87 to overall project costs. The new units were installed on September 30, 2022.

- On July 15, 2022, Saint Francis Healthcare donated a piece of sculpture entitled *Gulls* by sculptor Eugene “Tom” Runnels to the Poplar Bluff Municipal Library Foundation. The art piece, composed entirely of aluminum, was originally commissioned by physicians of Kneibert Medical Clinic in the late 1970s. The sculpture is valued at \$25,000 based on an appraisal dated August 31, 2020. The sculpture is now on permanent display at the Main Library Branch. An art agreement executed in July of 2022 between the Library and Library Foundation places the art piece on permanent loan to the Library. The Library Foundation held a public reception at 2 p.m. on October 16, 2022, to honor and acknowledge the gift.
- On November 18, 2021, the library entered into an agreement with Bond Architects for architectural and engineering services to replace the HVAC system at the 318 North Main Street building. On November 7, 2022, the Board of Trustees voted unanimously to terminate this agreement based on the firm’s failure to substantially perform the agreed upon work with regard to the HVAC replacement project within the agreed upon timeframe. Scott Robbins, the library’s legal counsel, notified Bond Architects of this action in a letter dated November 15, 2022. Architect fees for work completed on the roof replacement and HVAC replacement up to the point this agreement was terminated totaled \$35,354.
- On September 21, 2022, the library entered into a contract with artist, Mattilyn G. Stacy, to commission a mural to be painted on the planter boxes in the library garden of the Main Branch. The artwork will be an original creation of the artist and ultimately result in an interactive piece that supports and enhances children’s programming. Total price of the mural, inclusive of all materials, is \$20,000. An initial payment of \$10,000 was made on October 31, 2022. Remaining balance to be paid upon completion. Work did not begin on the mural in 2022. Artist and library agreed in the terms of the contract that the mural would be complete on or by August 31, 2023.
- On December 12, 2022, the library entered into a sales agreement with Byron and Donna Alcorn for purchase of all of Lots D and E of Effie M. Ruth’s Subdivision in the City of Poplar Bluff, Butler County, Missouri, as shown by the Plat of said subdivision filed June 25, 1929, in the office of the Recorder of Deeds in and for Butler County, Missouri. Contract is contingent on demolition of existing structures and asbestos abatement aforementioned being the sole responsibility of the seller. Total purchase price is \$55,000 with \$1,000 earnest payment made at contract signing. Remaining balance to be paid at closing in early 2023.
- Property and liability insurance costs increased in 2022. The library paid \$48,469 for insurance coverage on both library locations in December 2022 for the FY2023 coverage year. Property, liability, and epidemiological coverage is provided by MOPERM with cybersecurity coverage provided by Travelers Insurance.
- The library paid \$128,142.20 to the City of Poplar Bluff for the library’s portion of the Eight Points Tax Increment Financing (TIF) for the period January 1, 2022 through December 31, 2022. This is \$16,767.47 less than was paid in 2021. This decrease can be attributed to delayed invoicing by the City of Poplar Bluff. It is anticipated that TIF payments in 2023 will include payments for TIF obligations incurred in 2022 resulting in an inflated expense for FY2023. The TIF obligation continues through 2036 or completion of City bond payments.

- Fiscal Year 2022 ended with an unassigned cash balance of (\$10,599.21) with total bank balances of \$1,489,795.74. Monies from unassigned were used to make capital improvements at the Main Branch. The library's General Revenue bank balance at year's end was \$523,976.11. This was down from \$559,796.75 in 2021. This decrease is attributable to the \$348,907.82 spent in 2022 on building improvements and land acquisition. The library's Reserve bank balance at year's end was \$936,131.09 up from \$920,903.48 in 2021 attributable to earned interest in the amount of \$15,227.61. 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 2022 is \$25,872.87. This is \$22,710.30 more interest than 2021. Currently the interest rate on the library's General Revenue account is 3.48% and 3.13% for the Reserve account.

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 2021 and 2022. 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 Assets presents information on the Library's assets and liabilities. The Statement of Activities report shows the Library's net assets 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 assets 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 Assets 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>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 24,058	\$ 21,722
Operating grants and contributions	62,640	86,330
Capital grants and contributions	-	-
General revenues:		
Sales and use taxes	1,609,419	1,521,871
Interest	25,873	3,163
Total revenues	<u>1,721,990</u>	<u>1,633,086</u>
Expenses:		
General government	1,362,373	1,164,616
Interest	-	-
Total expenses	<u>1,362,373</u>	<u>1,164,616</u>
Change in net position	359,617	468,470
Net position, beginning	<u>2,414,420</u>	<u>1,945,950</u>
Net position, ending	<u>\$ 2,774,037</u>	<u>\$ 2,414,420</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 assets for the year 2022.

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 1,498,022	\$ 1,500,624
Capital assets	1,281,936	914,353
Total assets	<u>2,779,958</u>	<u>2,414,977</u>
Other liabilities	5,921	557
Total liabilities	<u>5,921</u>	<u>557</u>

Net position:		
Net investment in capital assets	1,281,936	914,353
Unrestricted	1,492,101	1,500,624
Total net position	\$ 2,774,037	\$ 2,414,977

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 93.8 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.

Salaries and wages for 2022 totaled \$795,205.58 representing 61.5 percent of total operating expenditures and an increase of 19.91 percent over 2021. This increase is attributable to the turnover seen in the library management team and overlap of key positions during this transition. Both the retiring and incoming directors received salary increases in 2022. In addition, the incoming Assistant Director and Children’s Librarian were seated on October 1, 2022, resulting in an additional full time staff position during this three month transition period. This increase can also be attributed to rising minimum wage rates. To continue to offer competitive salaries and avoid wage compression, the library adjusts its salary and wage schedule annually to accommodate increases in Missouri’s minimum wage. Other factors contributing to the increase of 2022 overall personnel expenditures include the action of the Board of Trustees in 2021 to allow part time positions to increase from 25 hours to 30 hours per week in FY2022 making part time staff eligible for retirement benefits and employer paid dental and vision coverage. Labor hours increased by 2,789 or 9.66 percent in 2022.

Public computer and Wi-Fi usage increased by 35.8 percent in 2022 with the library serving 29,123 pc and Wi-Fi sessions to visitors. Wi-Fi is available from the parking lot of both library campuses from 6 a.m. to 10 p.m. seven days per week. The library plans to extend Wi-Fi reach by upgrading outdoor wireless access equipment in 2023. Overall circulation of materials increased 6% over 2021; however, remains 20.6 percent below 2019 levels when borrowing was at an all time high. Borrowing of children’s items increased by 12% in 2022 and accounts for 28.9% of all checkouts. Borrowing of digital items increased by 8% in 2022 and accounts for 28.01% of all checkouts. The library welcomed 59,227 visitors in 2022, or roughly 200 visitors per day.

Capital Asset Activity

Expenditures for 2022 were \$363,307.68. This included costs for the replacement of the 25-year old roof at the 318 North Main Street library, installation of exterior lighting at the 3398 Kanell Blvd library, purchase of a 0.73 acre lot adjacent to the 3398 Kanell Blvd library, initial installment for the garden mural, and required matching funds for the Winter 2022 Technology Ladder grant awarded by the Missouri State Library that provided replacement RFID self-checkout stations at the Main Branch.

Budget Highlights

In 2021, the library adopted its general budget for FY 2022 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, Collections Management Librarian, Adult

Services Librarian, 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 2022 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 monitoring of 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 operates 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 2022. Based upon the increase in sales tax revenues for 2022, the ten percent holdback was released in December. The library ended the year with an unassigned cash balance of (\$10,599.21) with total bank balances of \$1,489,795.74. The library's reserve balance was \$936,131.09. The total amount required to meet 75% of the prior year's operating expenditures as outlined in the library's General Finance Policy is \$967,407. The library's bank balances exceed this amount thus meeting this requirement.

Economic Factors and Next Year's Budget

The Library considered many factors when setting the fiscal year 2022 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 5.75 percent in 2022. This is higher than the average annual increase in sales tax revenues of roughly 2% . In the past, the sales tax revenue increase year to year averaged around 2.1 percent since 2013. The 2022 budget was built based upon a conservative 2 percent tax revenue growth.

Sales tax revenues in 2022 continued to outperform pre-COVID growth trajectories allowing the library to further invest in both physical and digital collections, replace end of life technology, provide greater professional development opportunities to staff, and undergo large scale facility maintenance projects at the Main Branch. In November, the budget was adjusted to reflect actuals in both revenues and expenses. This left an assigned fund balance for the year of (\$10,599.21). The library plans to employ an outside consulting firm to assist in developing a strategic plan

sometime in mid to late 2023. Part of the library's strategic plan will include the need for additional revenue streams and protection of its reserves as uncertainty about the strength of future sales tax revenues continue to mount amid slowing economic growth and historically high inflation rates.

Passport revenue totaled \$5,870.08 in 2022, a decrease of 6.62 percent from 2021. This is 38.3 percent lower than passport revenue collected in 2019, indicative of the far-reaching and long-term impact COVID19 still has on international travel and the overall economy. 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 59 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 loans numbered 19,063 items borrowed or lent in 2022 compared to 21,834 in 2021. This is a 13 percent decrease over 2021 with the greatest decrease, 18 percent, seen in items borrowed. However, overall library borrowing increased by 10,000 borrows or 6% in 2022. This suggests that efforts to curate collections of interest to local users have been successful and readers are locating items of interest from the local collection without the need to courier in as many items from the Missouri Evergreen shared collections. Items borrowed by Poplar Bluff patrons allowed for a purchasing cost avoidance in excess of \$270,300. 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 11th among 157 Missouri libraries in resource borrowing exceeding per capita 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, Shannon Midyett, 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 STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the Year Ended December 31, 2022

	General Fund	Adjustments	Statement of Activities
<u>EXPENDITURES:</u>			
Personnel	\$ 795,206	\$ -	\$ 795,206
Operating Expenses	409,243	-	409,243
Library Materials	92,033	-	92,033
Capital Outlay	433,474	(413,238)	20,236
Depreciation	-	45,655	45,655
TOTAL EXPENDITURES	\$ 1,729,956	\$ (367,583)	\$ 1,362,373
<u>PROGRAM REVENUES:</u>			
Charges for Services:			
Patron Services	\$ 18,188	\$ -	\$ 18,188
Passport Revenue	5,870	-	5,870
Total Charges for Services	\$ 24,058	\$ -	\$ 24,058
Operating Grants and Contributions:			
Grant Income	\$ 31,977	\$ -	\$ 31,977
Gifts and Contributions	30,663	-	30,663
Total Operating Grants and Contributions	\$ 62,640	\$ -	\$ 62,640
NET PROGRAM EXPENSES			\$ (1,275,675)
<u>GENERAL REVENUES:</u>			
Quarter-Cent Sales Tax	\$ 1,609,419	\$ -	\$ 1,609,419
Interest Income	25,873	-	25,873
TOTAL GENERAL REVENUES	\$ 1,635,292	\$ -	\$ 1,635,292
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (7,966)	\$ 7,966	\$ -
CHANGE IN NET POSITION	\$ -	\$ 359,617	\$ 359,617
FUND BALANCE / NET POSITION, January 1, 2022	1,500,067	914,353	2,414,420
FUND BALANCE / NET POSITION, December 31, 2022	\$ 1,492,101	\$ 1,281,936	\$ 2,774,037

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2022

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 2022, the Library paid to the City of Poplar Bluff \$128,142 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 \$1,508,504 and a carrying value of \$1,498,022 at December 31, 2022. 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, 2022 was as follows:

	Balance January 1, 2022	Addition	Deductions	Balance December 31, 2022
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Construction in Progress	\$ 175,000	\$ 83,206	\$ -	\$ 258,206
Total Capital Assets Not Being Depreciated	<u>\$ 175,000</u>	<u>\$ 83,206</u>	<u>\$ -</u>	<u>\$ 258,206</u>
Capital Assets Being Depreciated:				
Building and Improvements	\$ 656,463	\$ 281,579	\$ -	\$ 938,042
Furniture, Fixtures, and Equipment	165,473	48,453	-	213,926
Total Capital Assets Being Depreciated	<u>\$ 821,936</u>	<u>\$ 330,032</u>	<u>\$ -</u>	<u>\$ 1,151,968</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ (37,636)	\$ (25,016)	\$ -	\$ (62,652)
Furniture, Fixtures, and Equipment	(44,947)	(20,639)	-	(65,586)
Total Accumulated Depreciation	<u>\$ (82,583)</u>	<u>\$ (45,655)</u>	<u>\$ -</u>	<u>\$ (128,238)</u>
Total Net Capital Assets Being Depreciated	<u>\$ 739,353</u>	<u>\$ 284,377</u>	<u>\$ -</u>	<u>\$ 1,023,730</u>
Total Net Capital Assets	<u>\$ 914,353</u>	<u>\$ 367,583</u>	<u>\$ -</u>	<u>\$ 1,281,936</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>2022 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, 2022, the following employees were covered by the benefit terms:

Inactive employees	1
Inactive employees intitled to but not yet receiving benefits	1
Active employees	<u>9</u>
	<u>11</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 \$30,552 for the year ending December 31, 2022.

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, Bowling Green Public Library, Henry County Library, James Memorial Public Library, Ralls County Library District, Reynolds County Library District, Rolla Public Library, Cedar County Library, and Barton County 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 December 12, 2022, the District entered into an agreement to purchase a parcel of land at a cost of \$55,000. The Library has made a \$1,000 earnest money deposit on this contract at December 31, 2022. The sale is expected to be completed in 2023.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 31, 2023, 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, 2022

	<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	\$ 1,350,000	\$ 1,450,000	\$ 1,609,419	\$ 159,419
Patron Services	12,000	16,000	18,188	2,188
Passport Revenue	5,000	5,000	5,870	870
Interest Income	2,000	15,500	25,873	10,373
Grants	-	-	31,977	31,977
Gifts and Contributions	-	-	30,663	30,663
TOTAL REVENUES	<u>\$ 1,369,000</u>	<u>\$ 1,486,500</u>	<u>\$ 1,721,990</u>	<u>\$ 235,490</u>
<u>EXPENDITURES:</u>				
Salaries & Wages	\$ 800,500	\$ 808,500	\$ 795,206	\$ 13,294
Library Materials	91,500	90,807	80,249	10,558
Support Services	30,500	30,500	23,726	6,774
Patron Access	-	-	11,784	(11,784)
Main Branch Library	103,000	89,600	75,181	14,419
Technology	50,000	56,650	41,792	14,858
Marketing & Programming	8,500	8,900	8,800	100
Professional Services	21,500	115,750	59,425	56,325
Travel/Training	8,500	8,500	6,881	1,619
General Administrative	198,000	205,000	189,473	15,527
Capital Improvements	300,000	410,000	363,308	46,692
Gift Expenses	-	-	42,000	(42,000)
Grant Expenses	-	-	28,166	(28,166)
Miscellaneous	-	-	3,965	(3,965)
TOTAL EXPENDITURES	<u>\$ 1,612,000</u>	<u>\$ 1,824,207</u>	<u>\$ 1,729,956</u>	<u>\$ 94,251</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (243,000)</u>	<u>\$ (337,707)</u>	<u>\$ (7,966)</u>	<u>\$ 329,741</u>
FUND BALANCE, January 1, 2022			<u>\$ 1,500,067</u>	
FUND BALANCE, December 31, 2022			<u>\$ 1,492,101</u>	

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT
Poplar Bluff, Missouri

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2022

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 6, 2021. The budget was amended on November 7, 2022. 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, 2022

ASSETS

<u>CURRENT ASSETS:</u>	Poplar Bluff Library	Library Foundation	Eliminations	Combined
Cash	\$ 1,489,796	\$ 8,226	\$ -	\$ 1,498,022
Total Current Assets	<u>\$ 1,489,796</u>	<u>\$ 8,226</u>	<u>\$ -</u>	<u>\$ 1,498,022</u>
TOTAL ASSETS	<u>\$ 1,489,796</u>	<u>\$ 8,226</u>	<u>\$ -</u>	<u>\$ 1,498,022</u>

LIABILITIES

<u>CURRENT LIABILITIES:</u>				
Accrued Payroll and Benefits	\$ 5,921	\$ -	\$ -	\$ 5,921
Total Current Liabilities	<u>\$ 5,921</u>	<u>-</u>	<u>-</u>	<u>5,921</u>
TOTAL LIABILITIES	<u>\$ 5,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,921</u>

FUND BALANCE / NET POSITION

Fund Balance:				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	8,226	-	8,226
Unassigned	<u>1,483,875</u>	<u>-</u>	<u>-</u>	<u>1,483,875</u>
TOTAL FUND BALANCE	<u>\$ 1,483,875</u>	<u>\$ 8,226</u>	<u>\$ -</u>	<u>\$ 1,492,101</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,489,796</u>	<u>\$ 8,226</u>	<u>\$ -</u>	<u>\$ 1,498,022</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, 2022

	<u>Poplar Bluff Library</u>	<u>Library Foundation</u>	<u>Eliminations</u>	<u>Statement of Activities</u>
REVENUES:				
Quarter-Cent Sales Tax	\$ 1,609,419	\$ -	\$ -	\$ 1,609,419
Patron Services	18,188	-	-	18,188
Passport Revenue	5,870	-	-	5,870
Interest Income	25,873	-	-	25,873
Grants	31,977	-	-	31,977
Gifts and Contributions	24,513	6,150	-	30,663
TOTAL REVENUES	<u>\$ 1,715,840</u>	<u>\$ 6,150</u>	<u>\$ -</u>	<u>\$ 1,721,990</u>
EXPENDITURES:				
Salaries & Wages	\$ 795,206	\$ -	\$ -	\$ 795,206
Library Materials	80,249	-	-	80,249
Support Services	23,726	-	-	23,726
Patron Access	11,784	-	-	11,784
Main Branch Library	75,181	-	-	75,181
Technology	41,792	-	-	41,792
Marketing & Programming	8,800	-	-	8,800
Professional Services	59,425	-	-	59,425
Travel/Training	6,881	-	-	6,881
General Administrative	189,473	-	-	189,473
Capital Improvements	363,308	-	-	363,308
Gift Expenses	42,000	-	-	42,000
Grant Expenses	28,166	-	-	28,166
Miscellaneous	-	3,965	-	3,965
TOTAL EXPENDITURES	<u>\$ 1,725,991</u>	<u>\$ 3,965</u>	<u>\$ -</u>	<u>\$ 1,729,956</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (10,151)</u>	<u>\$ 2,185</u>	<u>\$ -</u>	<u>\$ (7,966)</u>
FUND BALANCE, January 1, 2022	<u>\$ 1,494,026</u>	<u>\$ 6,041</u>	<u>\$ -</u>	<u>\$ 1,500,067</u>
FUND BALANCE, December 31, 2022	<u>\$ 1,483,875</u>	<u>\$ 8,226</u>	<u>\$ -</u>	<u>\$ 1,492,101</u>

See Accompanying Notes to Basic Financial Statements.