

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT  
Poplar Bluff, Missouri

December 31, 2023

ANNUAL FINANCIAL REPORT

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

*Certified Public Accountants*



# 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, the general fund, and the Library Foundation Fund of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri, as of and for the year ended December 31, 2023, 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, 2023, 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 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 generally accepted auditing standards 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 generally accepted auditing standards 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.
- 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024, on our consideration of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Poplar Bluff Municipal Library District of the City of Poplar Bluff’s internal control over financial reporting and compliance.

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

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

Cape Girardeau, Missouri  
May 28, 2024

# 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, 2023, and the related notes to the financial statements, which collectively comprise the Poplar Bluff Municipal Library District of the City of Poplar Bluff, Missouri's basic financial statements, and have issued our report thereon dated May 28, 2024.

#### 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  
May 28, 2024

## 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, 2023

<u>ASSETS</u>	Govenmental Funds	Adjustments	Statement of Net Position
<u>CURRENT ASSETS:</u>			
Cash and Cash Equivalents	\$ 1,593,723	\$ -	\$ 1,593,723
Total Current Assets	<u>\$ 1,593,723</u>	<u>\$ -</u>	<u>\$ 1,593,723</u>
<u>CAPITAL ASSETS:</u>			
Land and Construction in Progress	\$ -	\$ 462,019	\$ 462,019
Artwork	-	19,667	19,667
Buildings and Improvements, Net	-	881,894	881,894
Furniture, Fixtures, and Equipment, Net	-	148,636	148,636
Total Capital Assets, Net	<u>\$ -</u>	<u>\$ 1,512,216</u>	<u>\$ 1,512,216</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,593,723</u>	<u>\$ 1,512,216</u>	<u>\$ 3,105,939</u>
 <u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Accrued Payroll Withholdings	\$ 304	\$ -	\$ 304
Total Current Liabilities	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ 304</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 304</u>	<u>\$ -</u>	<u>\$ 304</u>
 <u>FUND BALANCE / NET POSITION</u>			
Fund Balance:			
Assigned	\$ 13,728	\$ (13,728)	\$ -
Unassigned	1,579,691	(1,579,691)	-
<b>TOTAL FUND BALANCE</b>	<u>\$ 1,593,419</u>	<u>\$ (1,593,419)</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,593,723</u>		
Net Position:			
Net Investment in Capital Assets		\$ 1,512,216	\$ 1,512,216
Unrestricted		-	1,593,419
<b>TOTAL NET POSITION</b>		<u>\$ 1,512,216</u>	<u>\$ 3,105,635</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, 2023

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<u>EXPENDITURES:</u>			
Personnel	\$ 773,121	\$ -	\$ 773,121
Operating Expenses	448,090	-	448,090
Library Materials	108,492	-	108,492
Capital Outlay	322,626	(278,278)	44,348
Depreciation	-	57,998	57,998
TOTAL EXPENDITURES	<u>\$ 1,652,329</u>	<u>\$ (220,280)</u>	<u>\$ 1,432,049</u>
<u>PROGRAM REVENUES:</u>			
Charges for Services:			
Patron Services	\$ 18,355	\$ -	\$ 18,355
Passport Revenue	8,046	-	8,046
Total Charges for Services	<u>\$ 26,401</u>	<u>\$ -</u>	<u>\$ 26,401</u>
Operating Grants and Contributions:			
Grant Income	\$ 29,703	\$ -	\$ 29,703
Gifts and Contributions	27,383	-	27,383
Total Operating Grants and Contributions	<u>\$ 57,086</u>	<u>\$ -</u>	<u>\$ 57,086</u>
NET PROGRAM EXPENSES			<u>\$ (1,348,562)</u>
<u>GENERAL REVENUES:</u>			
Quarter-Cent Sales Tax	\$ 1,605,303	\$ -	\$ 1,605,303
Interest Income	62,377	-	62,377
Miscellaneous	2,480	-	2,480
TOTAL GENERAL REVENUES	<u>\$ 1,670,160</u>	<u>\$ -</u>	<u>\$ 1,670,160</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 101,318</u>	<u>\$ (101,318)</u>	<u>\$ -</u>
CHANGE IN NET POSITION	\$ -	\$ 321,598	\$ 321,598
FUND BALANCE / NET POSITION, January 1, 2023	1,492,101	1,281,936	2,774,037
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>10,000</u>	<u>10,000</u>
FUND BALANCE / NET POSITION, December 31, 2023	<u>\$ 1,593,419</u>	<u>\$ 1,512,216</u>	<u>\$ 3,105,635</u>

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL  
LIBRARY DISTRICT  
Poplar Bluff, Missouri

BALANCE SHEET  
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

December 31, 2023

ASSETS

	General Fund	Library Foundation Fund	Total Governmental Funds
<u>CURRENT ASSETS:</u>			
Cash	\$ 1,579,995	\$ 13,728	\$ 1,593,723
Total Current Assets	<u>\$ 1,579,995</u>	<u>\$ 13,728</u>	<u>\$ 1,593,723</u>
 TOTAL ASSETS	 <u>\$ 1,579,995</u>	 <u>\$ 13,728</u>	 <u>\$ 1,593,723</u>

LIABILITIES

<u>CURRENT LIABILITIES:</u>			
Accrued Payroll and Benefits	\$ 304	\$ -	\$ 304
Total Current Liabilities	<u>\$ 304</u>	<u>-</u>	<u>304</u>
 TOTAL LIABILITIES	 <u>\$ 304</u>	 <u>\$ -</u>	 <u>\$ 304</u>

FUND BALANCE / NET POSITION

Fund Balance:			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Assigned	-	13,728	13,728
Unassigned	<u>1,579,691</u>	<u>-</u>	<u>1,579,691</u>
TOTAL FUND BALANCE	<u>\$ 1,579,691</u>	<u>\$ 13,728</u>	<u>\$ 1,593,419</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,579,995</u>	 <u>\$ 13,728</u>	 <u>\$ 1,593,723</u>

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL  
LIBRARY DISTRICT  
Poplar Bluff, Missouri

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

For the Year Ended December 31, 2023

	General Fund	Library Foundation Fund	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Quarter-Cent Sales Tax	\$ 1,605,303	\$ -	\$ 1,605,303
Patron Services	18,355	-	18,355
Passport Revenue	8,046	-	8,046
Interest Income	62,377	-	62,377
Grants	29,703	-	29,703
Gifts and Contributions	18,369	9,014	27,383
Miscellaneous	-	2,480	2,480
<b>TOTAL REVENUES</b>	<u>\$ 1,742,153</u>	<u>\$ 11,494</u>	<u>\$ 1,753,647</u>
<b>EXPENDITURES:</b>			
Salaries & Wages	\$ 773,121	\$ -	\$ 773,121
Library Materials	98,033	-	98,033
Support Services	23,065	-	23,065
Patron Access	10,459	-	10,459
Main Branch Library	93,070	-	93,070
Technology	59,236	-	59,236
Marketing & Programming	13,078	-	13,078
Professional Services	20,374	-	20,374
Travel/Training	9,264	-	9,264
General Administrative	224,011	-	224,011
Capital Improvements	265,292	-	265,292
Gift Expenses	12,140	-	12,140
Grant Expenses	45,194	-	45,194
Miscellaneous	-	5,992	5,992
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,646,337</u>	<u>\$ 5,992</u>	<u>\$ 1,652,329</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ 95,816</u>	<u>\$ 5,502</u>	<u>\$ 101,318</u>
<b>FUND BALANCE, January 1, 2023</b>	<u>\$ 1,483,875</u>	<u>\$ 8,226</u>	<u>\$ 1,492,101</u>
<b>FUND BALANCE, December 31, 2023</b>	<u>\$ 1,579,691</u>	<u>\$ 13,728</u>	<u>\$ 1,593,419</u>

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2023

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.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Library uses the following special revenue fund type, which is non major.

Library Foundation Fund – The Library Foundation Fund is used to account for operations of the Foundation. This includes donations.

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
Works of Art	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 2023, the Library paid to the City of Poplar Bluff \$152,931 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 \$1,595,788 and a carrying value of \$1,593,723 at December 31, 2023. 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, 2023 was as follows:

	Balance January 1, 2023	Addition	Deductions	Balance December 31, 2023
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land and Construction in Progress	\$ 268,206	\$ 213,813	\$ (20,000)	\$ 462,019
Total Capital Assets Not Being Depreciated	<u>\$ 268,206</u>	<u>\$ 213,813</u>	<u>\$ (20,000)</u>	<u>\$ 462,019</u>
Capital Assets Being Depreciated:				
Building and Improvements	\$ 938,042	\$ 39,191	\$ -	\$ 977,233
Furniture, Fixtures, and Equipment	213,926	25,274	-	239,200
Artworks	-	20,000	-	20,000
Total Capital Assets Being Depreciated	<u>\$ 1,151,968</u>	<u>\$ 84,465</u>	<u>\$ -</u>	<u>\$ 1,236,433</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ (62,652)	\$ (32,687)	\$ -	\$ (95,339)
Furniture, Fixtures, and Equipment	(65,586)	(24,978)	-	(90,564)
Artworks	-	(333)	-	(333)
Total Accumulated Depreciation	<u>\$ (128,238)</u>	<u>\$ (57,998)</u>	<u>\$ -</u>	<u>\$ (186,236)</u>
Total Net Capital Assets Being Depreciated	<u>\$ 1,023,730</u>	<u>\$ 26,467</u>	<u>\$ -</u>	<u>\$ 1,050,197</u>
Total Net Capital Assets	<u>\$ 1,291,936</u>	<u>\$ 240,280</u>	<u>\$ (20,000)</u>	<u>\$ 1,512,216</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](http://www.molagers.org).

**Benefits Provided**

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

	<u>2023 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, 2023, the following employees were covered by the benefit terms:

Retirees and beneficiaries	2
Inactive, nonretired members	1
Active employees	<u>11</u>
	<u>14</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 5.7% of annual covered payroll. The Library contributed \$29,668 for the year ending December 31, 2023.

### 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, Barton County Library, Mississippi County Library, St. Joseph Public Library, Cape Girardeau Public Library, Nevada Public Library, and Morgan 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 August 15, 2023, the Library entered into an agreement for the modernization of the Library's elevator at a cost of \$169,072. As of December 31, 2023, the Library has spent \$84,536 on the project, which is expected to be completed in 2024.

On July 10, 2023, the Library entered into an agreement to replace the entire HVAC system at a cost of \$124,500. As of December 31, 2023, the Library has spent \$64,530 on the project. The project is expected to be completed in 2024.

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 28, 2024, the date the financial statements were available to be issued.

11. PRIOR PERIOD ADJUSTMENT

A prior period adjustment in the Governmental Activities of \$10,000 was recorded to capitalize artwork that was expensed during the year ended December 31, 2022.

SUPPLEMENTARY INFORMATION

POPLAR BLUFF MUNICIPAL  
LIBRARY DISTRICT  
Poplar Bluff, Missouri

BUDGETARY COMPARISON - GENERAL FUND

For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>REVENUES:</u>				
Quarter-Cent Sales Tax	\$ 1,400,000	\$ 1,550,000	\$ 1,605,303	\$ 55,303
Patron Services	15,000	16,000	18,355	2,355
Passport Revenue	5,000	7,000	8,046	1,046
Interest Income	7,000	50,000	62,377	12,377
Grants	-	-	29,703	29,703
Gifts and Contributions	-	-	18,369	18,369
<b>TOTAL REVENUES</b>	<u>\$ 1,427,000</u>	<u>\$ 1,623,000</u>	<u>\$ 1,742,153</u>	<u>\$ 119,153</u>
<u>EXPENDITURES:</u>				
Salaries & Wages	\$ 790,000	\$ 808,500	\$ 773,121	\$ 35,379
Library Materials	105,525	106,825	98,033	8,792
Support Services	30,500	29,500	23,065	6,435
Patron Access	-	-	10,459	(10,459)
Main Branch Library	101,500	101,500	93,070	8,430
Technology	71,000	73,400	59,236	14,164
Marketing & Programming	16,200	16,200	13,078	3,122
Professional Services	92,500	23,500	20,374	3,126
Travel/Training	8,500	11,250	9,264	1,986
General Administrative	200,000	231,100	224,011	7,089
Capital Improvements	450,000	285,000	265,292	19,708
Gift Expenses	-	-	12,140	(12,140)
Grant Expenses	-	-	45,194	(45,194)
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,865,725</u>	<u>\$ 1,686,775</u>	<u>\$ 1,646,337</u>	<u>\$ 40,438</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (438,725)</u>	<u>\$ (63,775)</u>	<u>\$ 95,816</u>	<u>\$ 159,591</u>
FUND BALANCE, January 1, 2023			<u>\$ 1,483,875</u>	
FUND BALANCE, December 31, 2023			<u>\$ 1,579,691</u>	

See Accompanying Notes to Basic Financial Statements.

POPLAR BLUFF MUNICIPAL LIBRARY DISTRICT  
Poplar Bluff, Missouri

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2023

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 5, 2023. The budget was amended on November 6, 2023. 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.