

MUNICIPAL LIBRARY DISTRICT  
OF THE CITY OF CAPE GIRARDEAU  
Cape Girardeau, Missouri

June 30, 2023

ANNUAL FINANCIAL REPORT

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

*Certified Public Accountants*

MUNICIPAL LIBRARY DISTRICT  
OF THE CITY OF CAPE GIRARDEAU

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

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Municipal Library District of the City of Cape Girardeau  
Cape Girardeau, Missouri

### Report on Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Municipal Library District of the City of Cape Girardeau, Missouri, a component unit of the City of Cape Girardeau, Missouri as of and for the year ended June 30, 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 financial position of the governmental activities and the general fund of the Municipal Library District of the City of Cape Girardeau, Missouri, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Municipal Library District of the City of Cape Girardeau, Missouri, a component unit of the City of Cape Girardeau, 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.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipal Library District of the City of Cape Girardeau, Missouri, a component unit of the City of Cape Girardeau, 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 auditor's 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 Municipal Library District of the City of Cape Girardeau, Missouri, a component unit of the City of Cape Girardeau, 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipal Library District of

the City of Cape Girardeau, Missouri, a component unit of the City of Cape Girardeau, 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.

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7 through 10 and 21 through 22 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipal Library District of the City of Cape Girardeau, Missouri's basic financial statements. The accompanying 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 combining financial statements are 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 January 2, 2024, on our consideration of the Municipal Library District of the City of Cape Girardeau, Missouri's 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 Municipal Library District of the City of Cape Girardeau, 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 Municipal Library District of the City of Cape Girardeau'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  
January 2, 2024

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

## *Certified Public Accountants*

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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  
Municipal Library District of the City of Cape Girardeau  
Cape Girardeau, 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 Municipal Library District of the City of Cape Girardeau, Missouri, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Municipal Library District of the City of Cape Girardeau, Missouri's basic financial statements, and have issued our report thereon dated January 2, 2024.

#### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipal Library District of the City of Cape Girardeau, 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 Municipal Library District of the City of Cape Girardeau, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipal Library District of the City of Cape Girardeau, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipal Library District of the City of Cape Girardeau, 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  
January 2, 2024



REQUIRED SUPPLEMENTARY INFORMATION

Municipal Library District  
Of Cape Girardeau

Management's Discussion and Analysis  
(Unaudited)

June 30, 2023

As management of the Municipal Library District of Cape Girardeau, this narrative overview and analysis is provided of the District's financial activities for the fiscal year ending June 30, 2023. We recommend readers consider this information in conjunction with the financial statements as a whole.

Financial Highlights

Activity of the General Fund focuses on current activity and includes such things as asset acquisition and debt retirement as expenditures when they are paid. The Statement of Activities focuses on the longer term. Payments for fixed assets are capitalized and depreciated over time. Debt retirements are presented as reductions of a liability rather than as expenditures.

Revenues of the general fund were greater than expenditures by \$347,319 during the year ended June 30, 2023. Contributing factors included conservative budgeting and higher than predicted receipts for all revenue lines.

The District made two debt service payments totaling \$620,000 in principal and \$56,530 in interest on our Series 2015 COPs. \$2,765,000 is now the balance remaining for the District debt for the Lease Purchase Agreement. The District collected \$154,250 more in tax revenues in 2022-2023 compared to the previous year. Grant monies came from Federal and State governmental agencies in the amount of \$38,175, as well as the Library Foundation in the amount of \$32,222.

Required Financial Statements

Fund and government-wide financial statements follow.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The statement of net position presents information on all the District's assets and liabilities. The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year.

Fund financial statements tell how library services were paid for as well as what remains for future spending.

Notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the basic financial statements.

Fund Balance Comparison

The following is a summary of changes in fund balance for the year ended June 30, 2023:

<u>Governmental Fund</u>	<u>Fund Balance</u> <u>June 30, 2022</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Fund Balance</u> <u>June 30, 2023</u>
General	\$ 2,641,839	\$ 347,319	\$ 2,989,158

Net Position

Assets	<u>6/30/23</u>	<u>6/30/22</u>
Current & other assets	\$ 3,345,910	\$ 3,010,443
Capital assets, net	<u>5,486,064</u>	<u>5,677,344</u>
Total Assets	<u>\$ 8,831,974</u>	<u>\$ 8,687,787</u>
Deferred Outflows		
Deferred amount on refunding	\$ -	\$ -
Current Liabilities including COP's and Accrued Interest payable	\$ 1,018,296	\$ 1,002,736
Long Term Liabilities	<u>\$ 2,115,000</u>	<u>\$ 2,765,000</u>
Total Liabilities	<u>\$ 3,133,296</u>	<u>\$ 3,767,736</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 2,709,520	\$ 2,278,212
Restricted	362,461	320,640
Unrestricted	<u>2,626,697</u>	<u>2,321,199</u>
Total Net Assets	<u>\$ 5,698,678</u>	<u>\$ 4,920,057</u>

## Changes in Net Position

Revenues	<u>6/30/23</u>	<u>6/30/22</u>
Taxes	\$ 2,076,504	\$ 1,922,254
State Support	25,566	17,775
Interest Income	129,910	26,988
Grants	38,175	36,143
Passport Processing Income	83,647	58,064
Fines, Forfeits, Fees & Misc.	40,079	37,811
Fundraising and Contributions	<u>33,007</u>	<u>37,839</u>
 Total Revenues	 <u>\$ 2,426,888</u>	 <u>\$ 2,136,874</u>
 Expenses	 <u>6/30/23</u>	 <u>6/30/22</u>
Salaries	\$ 696,801	\$ 651,329
Payroll Taxes	52,140	48,861
Employee Benefits	123,614	115,652
Professional Services	6,535	6,535
Books & Periodicals	131,313	116,826
Utilities	43,127	42,856
Capital Outlay	19,391	4,049
Library Grant Supplies	60,649	19,634
Repairs & Maintenance	87,697	112,251
Mileage and travel	8,282	1,902
Insurance	15,061	13,728
Printing	1,589	2,240
Electronic Media	39,632	37,567
Rent	900	955
Supplies	42,327	41,484
Passport Expense	5,103	4,352
County Collection Fee	38,190	35,974
Membership & Conferences	3,495	6,259
Miscellaneous	7,854	23,296
Fundraising Expense	4,501	736
Loss on Disposal of Capital Assets	-0-	-0-
Depreciation and Amortization	206,119	351,518
Interest – COP	<u>53,942</u>	<u>125,319</u>
 Total Expenditures	 <u>\$ 1,648,262</u>	 <u>\$ 1,763,323</u>

### Budgetary Highlights

The District's General Fund expended \$2,079,569 which was \$347,319 less than the total revenue of \$2,426,888.

The \$38,175 in Grant Income is Federal Grant money administered by the Missouri State Library. The Federal grant monies were expended for technology equipment, marketing materials, guest presenters, books and other literacy items, summer reading clubs and additional staff. The Friends grant money, in the amount of \$32,222 was used to purchase miscellaneous books and electronic resources, library furnishings, program presenters, and other miscellaneous programming costs.

### Capital Assets and Debt Administration

As of June 30, 2023, the library owes \$2,765,000 in principal payments for a Lease Purchase Agreement that had an original Series 2007 issuance of \$9,665,000. The Library made one principal payment of \$620,000 and Interest payments of \$56,530 during this fiscal year. The final payment on the Lease Purchase Agreement will not be made until April 1, 2027.

### Description of Current or Expected Conditions

The Library Board will complete a Strategic Planning process in the next fiscal year. That planning process will determine cost estimations and projections for continued operations in the coming years. This process will be crucial as the temporary tax rate to pay off the outstanding debt will sunset in 2027, and the Library Board will decide on a potential tax referendum.

Debt service payments of \$696,175 will come due in 2023/24.

### Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Director, Cape Girardeau Public Library, 711 North Clark, Cape Girardeau, MO 63701.

BASIC FINANCIAL STATEMENTS

MUNICIPAL LIBRARY DISTRICT  
OF THE CITY OF CAPE GIRARDEAU  
Cape Girardeau, Missouri

GOVERNMENTAL FUND BALANCE SHEET  
AND STATEMENT OF NET POSITION

June 30, 2023

<u>ASSETS</u>	General		Statement
	Fund	Adjustments	of Net Assets
<u>CURRENT ASSETS:</u>			
Cash	\$ 2,509,264	\$ -	\$ 2,509,264
Investments	122,130	-	122,130
Restricted:			
Cash	362,150	-	362,150
Investments	311	-	311
Taxes Receivable, Less Allowance for Doubtful Accounts of \$16,689	323,332	-	323,332
Miscellaneous Receivable	135	-	135
Prepaid Expenses	28,588	-	28,588
Total Current Assets	<u>\$ 3,345,910</u>	<u>\$ -</u>	<u>\$ 3,345,910</u>
<u>CAPITAL ASSETS:</u>			
Land	\$ -	\$ 47,500	\$ 47,500
Buildings, Equipment, and Vehicles, Net	-	5,438,564	5,438,564
Total Capital Assets, Net	<u>\$ -</u>	<u>\$ 5,486,064</u>	<u>\$ 5,486,064</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,345,910</u>	<u>\$ 5,486,064</u>	<u>\$ 8,831,974</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Accounts Payable	\$ 27,117	\$ -	\$ 27,117
Accrued Payroll and Benefits	14,749	-	14,749
Deferred Tax Revenue	314,886	-	314,886
Certificates of Participation Payable	-	650,000	650,000
Accrued Interest Payable	-	11,544	11,544
Total Current Liabilities	<u>\$ 356,752</u>	<u>\$ 661,544</u>	<u>\$ 1,018,296</u>
<u>LONG-TERM LIABILITIES:</u>			
Long-Term Debt, Net of Current Portion: Certificates of Participation Payable	<u>\$ -</u>	<u>\$ 2,115,000</u>	<u>\$ 2,115,000</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 356,752</u>	<u>\$ 2,776,544</u>	<u>\$ 3,133,296</u>
<u>FUND BALANCE / NET POSITION</u>			
Fund Balance:			
Nonspendable	\$ 28,588	\$ (28,588)	\$ -
Committed	362,461	(362,461)	-
Assigned	178,990	(178,990)	-
Unassigned	2,419,119	(2,419,119)	-
<b>TOTAL FUND BALANCE</b>	<u>\$ 2,989,158</u>	<u>\$ (2,989,158)</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 3,345,910</u>		
Net Position:			
Net Investment in Capital Assets		\$ 2,709,520	\$ 2,709,520
Restricted		362,461	362,461
Unrestricted		2,626,697	2,626,697
<b>TOTAL NET POSITION</b>		<u>\$ 2,709,520</u>	<u>\$ 5,698,678</u>

See Accompanying Notes to Basic Financial Statements.

MUNICIPAL LIBRARY DISTRICT  
OF THE CITY OF CAPE GIRARDEAU  
Cape Girardeau, Missouri

GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<u>EXPENDITURES:</u>			
Salaries	\$ 696,801	\$ -	\$ 696,801
Payroll Taxes	52,140	-	52,140
Employee Benefits	123,614	-	123,614
Professional Services	6,535	-	6,535
Books and Periodicals	131,313	-	131,313
Utilities	43,127	-	43,127
Capital Outlay	34,229	(14,838)	19,391
Library Grant Supplies	60,649	-	60,649
Repairs and Maintenance	87,697	-	87,697
Mileage and Travel	8,282	-	8,282
Insurance	15,061	-	15,061
Printing	1,589	-	1,589
Electronic Media	39,632	-	39,632
Rent	900	-	900
Supplies	42,327	-	42,327
Passport Expense	5,103	-	5,103
County Collection Fee	38,190	-	38,190
Memberships and Conferences	3,495	-	3,495
Miscellaneous	7,854	-	7,854
Fundraising Expense	4,501	-	4,501
Depreciation	-	206,119	206,119
Debt Service:			
Principal - COP	620,000	(620,000)	-
Interest - COP	56,530	(2,588)	53,942
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,079,569</u>	<u>\$ (431,307)</u>	<u>\$ 1,648,262</u>
<u>REVENUES:</u>			
Taxes	\$ 2,076,504	\$ -	\$ 2,076,504
State Support	25,566	-	25,566
Interest Income	129,910	-	129,910
Grants	38,175	-	38,175
Passport Processing Income	83,647	-	83,647
Fines and Forfeits, Fees, and Miscellaneous	40,079	-	40,079
Fundraising and Contributions	33,007	-	33,007
<b>TOTAL REVENUES</b>	<u>\$ 2,426,888</u>	<u>\$ -</u>	<u>\$ 2,426,888</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 347,319</u>	<u>\$ (347,319)</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 347,319</u>	<u>\$ (347,319)</u>	<u>\$ -</u>
CHANGE IN NET POSITION	\$ -	\$ 778,626	\$ 778,626
FUND BALANCE / NET POSITION, July 1, 2022	<u>\$ 2,641,839</u>	<u>\$ 2,278,213</u>	<u>\$ 4,920,052</u>
FUND BALANCE / NET POSITION, June 30, 2023	<u>\$ 2,989,158</u>	<u>\$ 2,709,520</u>	<u>\$ 5,698,678</u>

See Accompanying Notes to Basic Financial Statements.



MUNICIPAL LIBRARY DISTRICT  
OF THE CITY OF CAPE GIRARDEAU  
Cape Girardeau, Missouri

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Municipal Library District of the City of Cape Girardeau (The Library) was established to provide library services to the citizens of the District within Cape Girardeau, Missouri.

A. Principles Used to Determine Scope of the Reporting Entity

These financial statements present the Library (the primary government) and its component unit, the Friends of the Cape Girardeau Public 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 Friends of the Cape Girardeau Public 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 developing planned giving, community fundraising, and Friends membership in order to enhance the Library's ability to fulfill its mission. A separate financial report of the Friends of the Cape Girardeau Public Library Foundation is included as supplementary information in this report. Requests for additional information should be directed to the Director, Friends of the Cape Girardeau Public Library Foundation, 711 North Clark Street, Cape Girardeau, Missouri 63701.

The Library also considers itself a component unit of the City of Cape Girardeau, Missouri using the same guidelines discussed above.

B. Component Units:

The Library's financial statements include the accounts of all the Library operations, and the operations of the Friends of the Cape Girardeau Public Library, a separate nonprofit organization whose purpose is committed to developing planned giving, community fundraising, and Friends membership in order to enhance the Library's ability to fulfill its mission. 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 Friends of the Cape Girardeau Public Library Foundation may be obtained from the combining schedules presented with this report.

C. Basis of Statements – Combined Governmental-Wide and Fund Financial Statements

The Library's basic financial statements include combined government-wide and fund financial statements. The Library is considered a special-purpose government engaged in a single governmental program, which allows them to report combined financial statements.

The government-wide financial statements report additional information to the fund financial statements. A reconciliation is presented between the two types of financial statements that shows which items are reported on one statement and not the other. The Library's net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position.

The financial transactions of the Library are reported in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund balance, revenues, and expenditures. The following fund type is used by the Library:

The General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be reported for in another fund. No other funds are used at this time.

The combined Government-Wide and Fund financial statements are combined with an adjustment column to reconcile individual line items of fund financial data to government-wide data.

D. Basis of Accounting

Basis of accounting refers to when revenues received, and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The Library maintains its accounting records on the modified accrual basis of accounting. Accordingly, revenues are recognized and recorded when available and measurable (60 days). In the same manner, expenditures are recognized and recorded when incurred.

E. Cash and Cash Equivalents

The Library considers all highly liquid investments with an original maturity of 90 days or less when purchased to be cash equivalents.

F. Fair Value of Financial Instruments

The Library's financial instruments are cash and cash equivalents, accounts receivable, accounts payable, and certificates of participation. The recorded values of cash and cash equivalents, accounts receivable, and accounts payable approximate their fair values based on their short-term nature. The recorded value of long-term debt approximates its fair value, as interest approximates market rates.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Capital Assets

For financial reporting purposes, the Library capitalizes the cost of all capital assets that exceed \$2,000. Depreciation on assets is provided on the straight-line method over the following estimated useful lives.

Buildings	20-50 years
Improvements	20 years
Equipment and Fixtures	5-10 years

I. Equity Classification

Government-Wide Statements – Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
2. Restricted net position – Consists of resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

It is the Library’s policy to first use restricted net position prior to use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Financial Statements – The City utilizes clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the 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, bondholders, 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 are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Trustees through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

J. Subsequent Events

In preparing these financial statements, the Library has evaluated events and transactions for potential recognition or disclosure through January 2, 2024, the date the financial statements were available to be issued.

2. CASH DEPOSITS:

The Library has not adopted formal investment policies for library monies. However, the Library has determined through experience that money market accounts and certificates of deposit are appropriate types of accounts or instruments for its needs.

Deposits in financial institutions, reported as components of cash and cash equivalents, had a book balance of \$2,871,414 and bank balance of \$2,870,463 at June 30, 2023, that was fully insured by depository insurance or secured with collateral held by the District in the District's name.

In addition to the bank deposits, the Library had \$700 in petty cash.

### 3. INVESTMENTS

At June 30, 2023, the District's investments totaled \$122,441. Certificates of deposit and investments in mutual funds are classified as investments on the financial statements at fair market value as listed below. Carrying amounts approximate fair values.

	Fair Value	<u>Investment Maturities (in Years)</u>		
		<u>1-5 Years</u>	<u>6 – 10 Years</u>	<u>Over 10 Years</u>
Certificate of Deposit	\$ 111,312	\$ 111,312	\$ -0-	\$ -0-
Annuity	<u>11,129</u>	<u>11,129</u>	<u>-0-</u>	<u>-0-</u>
Total Investments	<u>\$ 122,441</u>	<u>\$ 122,441</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The District had \$111,312 in certificates of deposits with financial institutions that were fully insured by federal depository insurance.

The District is governed by the deposit and investment limitations of state law. The District does not have a formally adopted deposit and investment policy that limit the District's allowable deposits or investments.

#### Interest Rate Risk:

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District has not formally adopted a policy to limit its exposure to fair value losses arising from rising interest rates.

#### Credit Risk:

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation and the District will not be able to recover the value of the investment or collateral securities possessed by another party. This is measured by an assignment of a rating by a nationally recognized rating organization.

### 4. PROPERTY TAXES:

The Library is supported by a tax approved by taxpayers and collected by the county. The tax is levied each year in November on the assessed valuation as of January of the same year. Most tax income is received in January of the following year.

### 5. CAPITAL ASSETS:

A summary of the capital assets for the year ended June 30, 2023 is as follows:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>June 30, 2023</u>
Land	\$ 47,500	\$ -0-	\$ -0-	\$ 47,500
Parking Lot	344,270	-0-	-0-	344,270
Buildings	8,076,360	9,401	-0-	8,085,761
Furniture, Fixtures, and Equipment	1,522,802	5,438	(14,266)	1,513,974
Software	<u>85,150</u>	<u>-0-</u>	<u>-0-</u>	<u>85,150</u>
	<u>\$10,076,082</u>	<u>\$ 14,839</u>	<u>\$(14,266)</u>	<u>\$10,076,655</u>

Less Accumulated Depreciation:				
Parking Lot	\$ (213,295)	\$ (16,719)	\$ -0-	\$ (230,014)
Buildings	(2,648,339)	(169,185)	-0-	(2,817,524)
Furniture, Fixtures, and Equipment	(1,451,954)	(20,215)	14,266	(1,457,903)
Software	<u>(85,150)</u>	<u>-0-</u>	<u>-0-</u>	<u>(85,150)</u>
Total Accumulated Depreciation	<u>\$ (4,398,738)</u>	<u>\$ (206,119)</u>	<u>\$ 14,266</u>	<u>\$ (4,590,591)</u>
Capital Assets, Net	<u>\$ 5,677,344</u>	<u>\$ (191,280)</u>	<u>\$ -0-</u>	<u>\$ 5,486,064</u>

6. LONG-TERM DEBT:

	<u>Lease Purchase Agreement - 2022</u>
Balance June 30, 2022	\$ 3,385,000
Additions	-
Principal Payments	<u>(620,000)</u>
Balance June 30, 2023	<u>\$ 2,765,000</u>

Five-year maturities of the above debt as of June 30 are as follows:

<u>Date Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 650,000	\$ 46,175	\$ 696,175
2025	680,000	35,321	715,321
2026	730,000	23,964	753,964
2027	<u>705,000</u>	<u>11,774</u>	<u>716,774</u>
Total	<u>\$2,765,000</u>	<u>\$ 117,234</u>	<u>\$ 2,882,234</u>

The Lease Purchase Agreement totaling \$3,385,000 dated January 3, 2022 has an interest rate of 1.67 percent. The proceeds of the Agreement were to advance refund the Library's outstanding Certificates of Participation, Series 2015. Principal payments are due on April 1, and interest payments are due on April 1 and October 1. The Agreement matures on April 1, 2027. The refinancing provided the District savings of \$159,997.

Missouri statutes limit the amount of general obligation debt that a government can issue to five percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the District is \$31,256,500.

7. RISK OF LOSS:

The Library is exposed to risk of loss through their property ownership, employee injury, and liability to employees and officials' actions. The Library purchases commercial insurance to overcome this risk. There have been no significant reductions in insurance coverage from the prior year. In addition, there have been no settlement amounts that have exceeded insurance coverage.

The Library is insured under a retrospectively-rated policy for workers' compensation coverage. The initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2023, there were no significant adjustments in premiums based on actual experience.

8. ACCRUED VACATION:

Library employees accrue vacation and sick leave. Unused time is carried over to the next month. Benefit time payable has not been accrued since the Library cannot determine the exact amount since it would depend on employee termination. Sick time is lost at termination.

It is unlikely all employees would terminate at one time. At June 30, 2023, the liability is a contingency in the maximum amount of \$20,394.

9. ADJUSTMENTS:

Amounts reported in the Statement of Net Position are different from the governmental funds balance sheet because:

Capital Assets used in governmental activities are not financial resources and therefore are not capitalized in the funds, net of accumulated depreciation	\$5,486,064
Liabilities, such as a Lease Purchase Agreement, are not due and payable in the current period and therefore, are not reported in governmental activities	\$2,765,000
Accrued Interest Payable not due within one month of year end	\$ 11,544

The governmental funds report capital outlays as expenditures. In the statement of activities, the cost of these assets is allocated over the estimated useful lives as depreciation expense. The amount by which depreciation exceeded Capital Outlays is \$191,280 (\$206,119 less \$14,839).

10. FUND BALANCES:

The following fund balance constraints are as follows:

<u>Nonspendable</u>	
Prepaid Expenses	\$ 28,588
Total Nonspendable	<u>\$ 28,588</u>
<u>Committed</u>	
Capital Projects	\$ 362,461
Total Committed	<u>\$ 362,461</u>
<u>Assigned</u>	
Friends of the Library Foundation	\$ 178,990
Total Assigned	<u>\$ 178,990</u>

11. RETIREMENT PLAN:

The Library has established a 457 retirement plan covering employees with six months of services. The plan requires the Library to match 100 percent of salary deferral contributions up to no greater than 5 percent of compensation. Library contributions charged to expense for the year ended June 30, 2023 totaled \$29,388.



REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL LIBRARY DISTRICT  
OF THE CITY OF CAPE GIRARDEAU  
Cape Girardeau, Missouri

BUDGETARY COMPARISON - GENERAL FUND

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<u>REVENUES:</u>				
Taxes	\$ 1,879,836	\$ 1,904,205	\$ 2,076,504	\$ 172,299
State Support	15,000	15,000	25,566	10,566
Interest Income	20,000	20,000	128,115	108,115
Grants	52,722	57,222	70,397	13,175
Passport Processing Income	55,000	55,000	83,647	28,647
Fines and Forfeits, Fees, and Miscellaneous	30,000	30,000	39,859	9,859
<b>TOTAL REVENUES</b>	<b>\$ 2,052,558</b>	<b>\$ 2,081,427</b>	<b>\$ 2,424,088</b>	<b>\$ 342,661</b>
<u>EXPENDITURES:</u>				
Salaries	\$ 884,744	\$ 710,098	\$ 696,801	\$ 13,297
Payroll Taxes	-	53,257	52,140	1,117
Employee Benefits	-	121,388	123,614	(2,226)
Professional Services	10,600	14,550	4,535	10,015
Books and Periodicals	94,980	119,349	131,313	(11,964)
Utilities	39,808	39,808	43,127	(3,319)
Capital Outlay	97,173	-	34,229	(34,229)
Library Grant Supplies	52,722	78,679	60,649	18,030
Repairs and Maintenance	99,860	119,145	87,697	31,448
Mileage and Travel	7,650	7,650	8,282	(632)
Insurance	12,500	12,500	13,528	(1,028)
Printing	1,100	1,100	1,100	-
Electronic Media	36,708	36,708	39,632	(2,924)
Rent	-	-	900	(900)
Supplies	27,600	27,600	41,886	(14,286)
Passport Expense	4,000	4,000	5,103	(1,103)
County Collection Fee	36,000	36,000	38,190	(2,190)
Memberships and Conferences	5,900	5,900	3,495	2,405
Miscellaneous	10,300	10,300	3,860	6,440
Debt Service				
Principal - COP	620,000	620,000	620,000	-
Interest - COP	56,530	56,530	56,530	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,098,175</b>	<b>\$ 2,074,562</b>	<b>\$ 2,066,611</b>	<b>\$ 7,951</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (45,617)</b>	<b>\$ 6,865</b>	<b>\$ 357,477</b>	<b>\$ 350,612</b>
<b>FUND BALANCE, July 1, 2022</b>			<b>2,452,691</b>	
<b>FUND BALANCE, June 30, 2023</b>			<b>\$ 2,810,168</b>	

See Accompanying Notes to Basic Financial Statements.

MUNICIPAL LIBRARY DISTRICT  
OF THE CITY OF CAPE GIRARDEAU  
Cape Girardeau, Missouri

NOTES TO BUDGETARY COMPARISON SCHEDULE

June 30, 2023

1. BUDGETARY INFORMATION:

The Library Director and the Budget and Personnel Committee prepare the budget in April and submit an annual budget to the Board of Trustees in May. The Board adopts the budget for the year beginning July 1 and may amend it during the year. Any increase in appropriations during the fiscal year must be approved by the District. The original budget was approved on June 30, 2022 and amended on August 3, 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. The budget also reflects only the activity of the Public Library and does not include the activity of the Friends of the Library Foundation. Because of this, the actual activity does not agree with the consolidated information presented in 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.

SUPPLEMENTARY INFORMATION

MUNICIPAL LIBRARY DISTRICT  
OF THE CITY OF CAPE GIRARDEAU  
Cape Girardeau, Missouri

COMBINING BALANCE SHEET - GENERAL FUND

June 30, 2023

<u>ASSETS</u>	Cape Girardeau	Friends of the		
<u>CURRENT ASSETS:</u>	<u>Library</u>	<u>Library</u>	<u>Eliminations</u>	<u>Combined</u>
Cash	\$ 2,450,301	\$ 58,963	\$ -	\$ 2,509,264
Investments	2,103	120,027	-	122,130
Restricted:				
Cash	362,150	-	-	362,150
Investments	311	-	-	311
Taxes Receivable, Less Allowance for Doubtful Accounts of \$16,689	323,332	-	-	323,332
Miscellaneous Receivable	135	-	-	135
Prepaid Assets	28,588	-	-	28,588
Total Current Assets	<u>\$ 3,166,920</u>	<u>\$ 178,990</u>	<u>\$ -</u>	<u>\$ 3,345,910</u>
TOTAL ASSETS	<u>\$ 3,166,920</u>	<u>\$ 178,990</u>	<u>\$ -</u>	<u>\$ 3,345,910</u>
 <u>LIABILITIES</u>				
<u>CURRENT LIABILITIES:</u>				
Accounts Payable	\$ 27,117	\$ -	\$ -	\$ 27,117
Accrued Payroll and Benefits	14,749	-	-	14,749
Deferred Tax Revenue	314,886	-	-	314,886
Total Current Liabilities	<u>\$ 356,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 356,752</u>
TOTAL LIABILITIES	<u>\$ 356,752</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 356,752</u>
 <u>FUND BALANCE / NET POSITION</u>				
Fund Balance:				
Nonspendable	\$ 28,588	\$ -	\$ -	\$ 28,588
Committed	362,461	-	-	362,461
Assigned	-	178,990	-	178,990
Unassigned	2,419,119	-	-	2,419,119
TOTAL FUND BALANCE	<u>\$ 2,810,168</u>	<u>\$ 178,990</u>	<u>\$ -</u>	<u>\$ 2,989,158</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,166,920</u>	<u>\$ 178,990</u>	<u>\$ -</u>	<u>\$ 3,345,910</u>

See Accompanying Notes to Basic Financial Statements.

MUNICIPAL LIBRARY DISTRICT  
OF THE CITY OF CAPE GIRARDEAU  
Cape Girardeau, Missouri

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

For the Year Ended June 30, 2023

	Cape Girardeau Library	Friends of the Library	Eliminations	Statement of Activities
<b>REVENUES:</b>				
Taxes	\$ 2,076,504	\$ -	\$ -	\$ 2,076,504
State Support	25,566	-	-	25,566
Interest Income	128,115	1,795	-	129,910
Grants	70,397	-	(32,222)	38,175
Passport Processing Income	83,647	-	-	83,647
Fines and Forfeits, Fees, and Miscellaneous	39,859	220	-	40,079
Fundraising and Contributions	-	33,007	-	33,007
<b>TOTAL REVENUES</b>	<b>\$ 2,424,088</b>	<b>\$ 35,022</b>	<b>\$ (32,222)</b>	<b>\$ 2,426,888</b>
<b>EXPENDITURES:</b>				
Salaries	\$ 696,801	\$ -	\$ -	\$ 696,801
Payroll Taxes	52,140	-	-	52,140
Employee Benefits	123,614	-	-	123,614
Professional Services	4,535	2,000	-	6,535
Books and Periodicals	131,313	-	-	131,313
Utilities	43,127	-	-	43,127
Capital Outlay	34,229	-	-	34,229
Library Grant Supplies	60,649	-	-	60,649
Repairs and Maintenance	87,697	-	-	87,697
Mileage and Travel	8,282	-	-	8,282
Insurance	13,528	1,533	-	15,061
Printing	1,100	489	-	1,589
Electronic Media	39,632	-	-	39,632
Rent	900	-	-	900
Supplies	41,886	441	-	42,327
Passport Expense	5,103	-	-	5,103
County Collection Fee	38,190	-	-	38,190
Memberships and Conferences	3,495	-	-	3,495
Miscellaneous	3,860	3,994	-	7,854
Fundraising Expense	-	4,501	-	4,501
Grants Made	-	32,222	(32,222)	-
Debt Service:				
Principal	620,000	-	-	620,000
Interest	56,530	-	-	56,530
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,066,611</b>	<b>\$ 45,180</b>	<b>\$ (32,222)</b>	<b>\$ 2,079,569</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 357,477</b>	<b>\$ (10,158)</b>	<b>\$ -</b>	<b>\$ 347,319</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ 357,477</b>	<b>\$ (10,158)</b>	<b>\$ -</b>	<b>\$ 347,319</b>
<b>FUND BALANCE / NET POSITION, July 1, 2022</b>	<b>\$ 2,452,691</b>	<b>\$ 189,148</b>	<b>\$ -</b>	<b>\$ 2,641,839</b>
<b>FUND BALANCE / NET POSITION, June 30, 2023</b>	<b>\$ 2,810,168</b>	<b>\$ 178,990</b>	<b>\$ -</b>	<b>\$ 2,989,158</b>

See Accompanying Notes to Basic Financial Statements.