

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

June 30, 2024

ANNUAL FINANCIAL REPORT

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

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
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 each major 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, 2024, 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 each major fund of the Municipal Library District of the City of Cape Girardeau, Missouri, as of June 30, 2024, 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 6 through 9 and 23 through 24 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 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
December 12, 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
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 each major fund of the Municipal Library District of the City of Cape Girardeau, Missouri, as of and for the year ended June 30, 2024, 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 December 12, 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
December 12, 2024

REQUIRED SUPPLEMENTARY INFORMATION

Municipal Library District
Of Cape Girardeau

Management's Discussion and Analysis
(Unaudited)

June 30, 2024

As management of the Municipal Library District of Cape Girardeau, this narrative overview and analysis is provided of the District and Friends Foundation's financial activities for the fiscal year ending June 30, 2024. 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 governmental funds were greater than expenditures by \$461,641 during the year ended June 30, 2024. Contributing factors included conservative budgeting and higher than predicted receipts for all revenue lines. In addition, \$91,251 of that excess was transferred to our restricted Capital Improvement Fund for future building needs.

The District made two debt service payments totaling \$650,000 in principal and \$46,176 in interest on our Series 2015 COPs. \$2,115,000 is now the balance remaining for the District debt for the Lease Purchase Agreement. The District collected \$95,657 more in tax revenues in 2023-2024 compared to the previous year. Grant monies came from Federal and State governmental agencies in the amount of \$38,247, as well as the Library Foundation in the amount of \$19,211.

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, 2024:

<u>Governmental Fund</u>	<u>Fund Balance</u>	<u>Increase</u>	<u>Fund Balance</u>
	<u>June 30, 2023</u>	<u>(Decrease)</u>	<u>June 30, 2024</u>
General	\$ 2,626,697	\$ 348,806	\$ 2,975,503
Restricted	\$ 362,461	\$ 112,835	\$ 475,296

Net Position

Assets	<u>6/30/24</u>	<u>6/30/23</u>
Current & other assets	\$ 3,877,464	\$ 3,345,910
Capital assets, net	<u>5,300,882</u>	<u>5,486,064</u>
Total Assets	<u>\$ 9,178,346</u>	<u>\$ 8,831,974</u>
Deferred Outflows		
Deferred amount on refunding	\$ -	\$ -
Current Liabilities including COP's and Accrued Interest payable	\$ 1,115,495	\$ 1,018,296
Long Term Liabilities	<u>\$ 1,435,000</u>	<u>\$ 2,115,000</u>
Total Liabilities	<u>\$ 2,550,495</u>	<u>\$ 3,133,296</u>
Net Position		
Net Investment in Capital Assets	\$ 3,177,052	\$ 2,709,520
Restricted	475,296	362,461
Unrestricted	<u>2,975,503</u>	<u>2,626,697</u>
Total Net Position	<u>\$ 6,627,851</u>	<u>\$ 5,698,678</u>

Changes in Net Position
(Includes Foundation Monies)

Revenues	<u>6/30/24</u>	<u>6/30/23</u>
Taxes	\$ 2,172,161	\$ 2,076,504
State Support	25,790	25,566
Interest Income	189,415	129,910
Grants	57,458	38,175
Passport Processing Income	99,400	83,647
Fines, Forfeits, Fees & Misc.	32,289	40,079
Fundraising and Contributions	<u>27,393</u>	<u>33,007</u>
 Total Revenues	 <u>\$ 2,603,906</u>	 <u>\$ 2,426,888</u>
 Expenses	 <u>6/30/24</u>	 <u>6/30/23</u>
Salaries	\$ 723,733	\$ 696,801
Payroll Taxes	53,655	52,140
Employee Benefits	133,177	123,614
Professional Services	7,000	6,535
Books & Periodicals	114,338	131,313
Utilities	45,230	43,127
Capital Outlay	-0-	19,391
Library Grant Supplies	57,583	60,649
Repairs & Maintenance	101,071	87,697
Mileage and travel	8,206	8,282
Insurance	15,893	15,061
Printing	4,311	1,589
Electronic Media	40,025	39,632
Rent	900	900
Supplies	39,929	42,327
Passport Expense	5,830	5,103
County Collection Fee	39,875	38,190
Membership & Conferences	6,089	3,495
Miscellaneous	11,923	7,854
Fundraising Expense	1,502	4,501
Depreciation	198,613	206,119
Grants Made	21,211	-0-
Investment Fees	1,177	-0-
Interest – COP	<u>43,462</u>	<u>53,942</u>
 Total Expenditures	 <u>\$ 1,674,733</u>	 <u>\$ 1,648,262</u>

Budgetary Highlights

The District General and Friends Foundation's Funds expended \$2,142,265 which was \$461,641 less than the total revenue of \$2,603,906. Of the \$461,641 excess, \$91,251 was transferred to our restricted Capital Improvement fund for future building needs.

The \$38,247 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 Foundation grant money, in the amount of \$19,211 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, 2024, the library owes \$2,115,000 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 \$650,000 and Interest payments of \$46,176 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 completed a Strategic Visioning and Financial Forecasting process this past fiscal year. This planning process determined strategic initiatives and cost estimations for continued operations in the coming years to guide the Library Board about future tax revenue needs.

Debt service payments of \$715,320.50 will come due in 2024/25.

Requests for Information

This financial report is designed to provide a general overview of the District and the Friends Foundation's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests 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, 2024

<u>ASSETS</u>	Governmental Funds	Adjustments	Statement of Net Position
<u>CURRENT ASSETS:</u>			
Cash	\$ 2,849,566	\$ -	\$ 2,849,566
Investments	161,730	-	161,730
Restricted:			
Cash	474,491	-	474,491
Investments	805	-	805
Taxes Receivable, Less Allowance for Doubtful Accounts of \$16,689	386,509	-	386,509
Miscellaneous Receivable	205	-	205
Prepaid Expenses	4,158	-	4,158
Total Current Assets	<u>\$ 3,877,464</u>	<u>\$ -</u>	<u>\$ 3,877,464</u>
<u>CAPITAL ASSETS:</u>			
Land and Construction in Progress	\$ -	\$ 54,111	\$ 54,111
Buildings, Equipment, and Vehicles, Net	-	5,246,771	5,246,771
Total Capital Assets, Net	<u>\$ -</u>	<u>\$ 5,300,882</u>	<u>\$ 5,300,882</u>
TOTAL ASSETS	<u>\$ 3,877,464</u>	<u>\$ 5,300,882</u>	<u>\$ 9,178,346</u>
 <u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Accounts Payable	\$ 28,810	\$ -	\$ 28,810
Accrued Payroll and Benefits	21,387	-	21,387
Deferred Tax Revenue	376,468	-	376,468
Certificates of Participation Payable	-	680,000	680,000
Accrued Interest Payable	-	8,830	8,830
Total Current Liabilities	<u>\$ 426,665</u>	<u>\$ 688,830</u>	<u>\$ 1,115,495</u>
<u>LONG-TERM LIABILITIES:</u>			
Long-Term Debt, Net of Current Portion: Certificates of Participation Payable	<u>\$ -</u>	<u>\$ 1,435,000</u>	<u>\$ 1,435,000</u>
TOTAL LIABILITIES	<u>\$ 426,665</u>	<u>\$ 2,123,830</u>	<u>\$ 2,550,495</u>
 <u>FUND BALANCE / NET POSITION</u>			
Fund Balance:			
Nonspendable	\$ 4,158	\$ (4,158)	\$ -
Committed	475,296	(475,296)	-
Assigned	186,780	(186,780)	-
Unassigned	2,784,565	(2,784,565)	-
TOTAL FUND BALANCE	<u>\$ 3,450,799</u>	<u>\$ (3,450,799)</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,877,464</u>		
Net Position:			
Net Investment in Capital Assets		\$ 3,177,052	\$ 3,177,052
Restricted		475,296	475,296
Unrestricted		<u>2,975,503</u>	<u>2,975,503</u>
TOTAL NET POSITION		<u>\$ 3,177,052</u>	<u>\$ 6,627,851</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, 2024

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<u>EXPENDITURES:</u>			
Salaries	\$ 723,733	\$ -	\$ 723,733
Payroll Taxes	53,655	-	53,655
Employee Benefits	133,177	-	133,177
Professional Services	7,000	-	7,000
Books and Periodicals	114,338	-	114,338
Utilities	45,230	-	45,230
Capital Outlay	13,431	(13,431)	-
Library Grant Supplies	57,583	-	57,583
Repairs and Maintenance	101,071	-	101,071
Mileage and Travel	8,206	-	8,206
Insurance	15,893	-	15,893
Printing	4,311	-	4,311
Electronic Media	40,025	-	40,025
Rent	900	-	900
Supplies	39,929	-	39,929
Passport Expense	5,830	-	5,830
County Collection Fee	39,875	-	39,875
Memberships and Conferences	6,089	-	6,089
Miscellaneous	11,923	-	11,923
Fundraising Expense	1,502	-	1,502
Depreciation	-	198,613	198,613
Grants Made	21,211	-	21,211
Investment Fees	1,177	-	1,177
Debt Service:			
Principal - COP	650,000	(650,000)	-
Interest - COP	46,176	(2,714)	43,462
TOTAL EXPENDITURES	<u>\$ 2,142,265</u>	<u>\$ (467,532)</u>	<u>\$ 1,674,733</u>
<u>REVENUES:</u>			
Taxes	\$ 2,172,161	\$ -	\$ 2,172,161
State Support	25,790	-	25,790
Interest Income	189,415	-	189,415
Grants	57,458	-	57,458
Passport Processing Income	99,400	-	99,400
Fines and Forfeits, Fees, and Miscellaneous	32,289	-	32,289
Fundraising and Contributions	27,393	-	27,393
TOTAL REVENUES	<u>\$ 2,603,906</u>	<u>\$ -</u>	<u>\$ 2,603,906</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 461,641</u>	<u>\$ (461,641)</u>	<u>\$ -</u>
CHANGE IN NET POSITION	<u>\$ 461,641</u>	<u>\$ 929,173</u>	<u>\$ 929,173</u>
FUND BALANCE / NET POSITION, July 1, 2023	<u>\$ 2,989,158</u>	<u>\$ 2,709,520</u>	<u>\$ 5,698,678</u>
FUND BALANCE / NET POSITION, June 30, 2024	<u>\$ 3,450,799</u>	<u>\$ 3,177,052</u>	<u>\$ 6,627,851</u>

See Accompanying Notes to Basic Financial Statements.

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

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2024

<u>ASSETS</u>	Cape Girardeau Library	Friends of the Library	Total Governmental Funds
<u>CURRENT ASSETS:</u>			
Cash	\$ 2,819,121	\$ 30,445	\$ 2,849,566
Investments	5,395	156,335	161,730
Restricted:			
Cash	474,491	-	474,491
Investments	805	-	805
Taxes Receivable, Less Allowance for Doubtful Accounts of \$11,353	386,509	-	386,509
Miscellaneous Receivable	205	-	205
Prepaid Assets	4,158	-	4,158
Total Current Assets	<u>\$ 3,690,684</u>	<u>\$ 186,780</u>	<u>\$ 3,877,464</u>
TOTAL ASSETS	<u>\$ 3,690,684</u>	<u>\$ 186,780</u>	<u>\$ 3,877,464</u>
 <u>LIABILITIES</u>			
<u>CURRENT LIABILITIES:</u>			
Accounts Payable	\$ 28,810	\$ -	\$ 28,810
Accrued Payroll and Benefits	21,387	-	21,387
Deferred Tax Revenue	376,468	-	376,468
Total Current Liabilities	<u>\$ 426,665</u>	<u>\$ -</u>	<u>\$ 426,665</u>
TOTAL LIABILITIES	<u>\$ 426,665</u>	<u>\$ -</u>	<u>\$ 426,665</u>
 <u>FUND BALANCE / NET POSITION</u>			
Fund Balance:			
Nonspendable	\$ 4,158	\$ -	\$ 4,158
Committed	475,296	-	475,296
Assigned	-	186,780	186,780
Unassigned	2,784,565	-	2,784,565
TOTAL FUND BALANCE	<u>\$ 3,264,019</u>	<u>\$ 186,780</u>	<u>\$ 3,450,799</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,690,684</u>	<u>\$ 186,780</u>	<u>\$ 3,877,464</u>

See Accompanying Notes to Basic Financial Statements.

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

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

For the Year Ended June 30, 2024

	<u>Cape Girardeau Library</u>	<u>Friends of the Library</u>	<u>Total Governmental Funds</u>
REVENUES:			
Taxes	\$ 2,172,161	\$ -	\$ 2,172,161
State Support	25,790	-	25,790
Investment Income	180,171	9,244	189,415
Grants	57,458	-	57,458
Passport Processing Income	99,400	-	99,400
Fines and Forfeits, Fees, and Miscellaneous	31,628	661	32,289
Fundraising and Contributions	-	27,393	27,393
TOTAL REVENUES	<u>\$ 2,566,608</u>	<u>\$ 37,298</u>	<u>\$ 2,603,906</u>
EXPENDITURES:			
Salaries	\$ 723,733	\$ -	\$ 723,733
Payroll Taxes	53,655	-	53,655
Employee Benefits	133,177	-	133,177
Professional Services	4,750	2,250	7,000
Books and Periodicals	114,338	-	114,338
Utilities	45,230	-	45,230
Capital Outlay	13,431	-	13,431
Library Grant Supplies	57,583	-	57,583
Repairs and Maintenance	101,071	-	101,071
Mileage and Travel	8,206	-	8,206
Insurance	14,338	1,555	15,893
Printing	3,966	345	4,311
Electronic Media	40,025	-	40,025
Rent	900	-	900
Supplies	39,918	11	39,929
Passport Expense	5,830	-	5,830
County Collection Fee	39,875	-	39,875
Memberships and Conferences	6,089	-	6,089
Miscellaneous	10,466	1,457	11,923
Fundraising Expense	-	1,502	1,502
Grants Made	-	21,211	21,211
Investment Fees	-	1,177	1,177
Debt Service:			
Principal	650,000	-	650,000
Interest	46,176	-	46,176
TOTAL EXPENDITURES	<u>\$ 2,112,757</u>	<u>\$ 29,508</u>	<u>\$ 2,142,265</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 453,851</u>	<u>\$ 7,790</u>	<u>\$ 461,641</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 453,851</u>	<u>\$ 7,790</u>	<u>\$ 461,641</u>
FUND BALANCE, July 1, 2023	<u>\$ 2,810,168</u>	<u>\$ 178,990</u>	<u>\$ 2,989,158</u>
FUND BALANCE, June 30, 2024	<u>\$ 3,264,019</u>	<u>\$ 186,780</u>	<u>\$ 3,450,799</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, 2024

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 a special revenue fund 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.

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.

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:

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

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 Library 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. Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in fund balance.

K. Subsequent Events

In preparing these financial statements, the Library has evaluated events and transactions for potential recognition or disclosure through December 12, 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 \$3,323,375 and bank balance of \$3,323,357 at June 30, 2024, 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. 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.

4. CAPITAL ASSETS:

A summary of the capital assets for the year ended June 30, 2024 is as follows:

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2024</u>
Land	\$ 47,500	\$ -0-	\$ -0-	\$ 47,500
Construction in Progress	-0-	6,611	-0-	6,611
Parking Lot	344,270	-0-	-0-	344,270
Buildings	8,085,761	-0-	-0-	8,085,761
Furniture, Fixtures, and Equipment	1,513,974	6,820	-0-	1,520,794
Software	<u>85,150</u>	<u>-0-</u>	<u>(85,150)</u>	<u>-0-</u>
	<u>\$10,076,655</u>	<u>\$ 13,431</u>	<u>\$ (85,150)</u>	<u>\$10,004,936</u>
Less Accumulated Depreciation:				
Parking Lot	\$ (230,014)	\$ (16,719)	\$ -0-	\$ (246,733)
Buildings	(2,817,524)	(161,743)	-0-	(2,979,267)
Furniture, Fixtures, and Equipment	(1,457,903)	(20,151)	-0-	(1,478,054)
Software	<u>(85,150)</u>	<u>-0-</u>	<u>85,150</u>	<u>-0-</u>
Total Accumulated Depreciation	<u>\$(4,590,591)</u>	<u>\$(198,613)</u>	<u>\$85,150</u>	<u>\$(4,704,054)</u>
Capital Assets, Net	<u>\$ 5,486,064</u>	<u>\$(185,182)</u>	<u>\$ -0-</u>	<u>\$ 5,300,882</u>

5. LONG-TERM DEBT:

	<u>Lease</u> <u>Purchase</u> <u>Agreement - 2022</u>
Balance June 30, 2023	\$ 2,765,000
Additions	-
Principal Payments	<u>(650,000)</u>
Balance June 30, 2024	<u>\$ 2,115,000</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>
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>\$2,115,000</u>	<u>\$ 71,059</u>	<u>\$ 2,186,059</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 \$33,534,422.

6. 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, 2024, there were no significant adjustments in premiums based on actual experience.

7. 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, 2024, the liability is a contingency in the maximum amount of \$25,991.

8. FUND BALANCES:

The following fund balance constraints are as follows:

<u>Nonspendable</u>	
Prepaid Expenses	\$ 4,158
Total Nonspendable	<u>\$ 4,158</u>
 <u>Committed</u>	
Capital Projects	\$ 475,296
Total Committed	<u>\$ 475,296</u>
 <u>Assigned</u>	
Friends of the Library Foundation	\$ 186,780
Total Assigned	<u>\$ 186,780</u>

9. 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, 2024 totaled \$28,771.

10. INVESTMENTS:

The Foundation holds its investments in a diversified investment pool and balanced investment pool which consists of various mutual fund companies. These investments are held and managed by Community Foundation of the Ozarks, Inc. Investments are stated at fair value and consist of the following at June 30:

	<u>2024</u>
Mutual Funds	<u>\$156,335</u>

Administrative fees charged on investments were \$1,177 as of June 30, 2024. These fees have been reported with investment income as a net value in the statements of activity.

11. FAIR VALUE MEASUREMENTS:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is classified into a hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices for identical or similar assets in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Library uses net asset value (NAV) to determine fair value of those underlying investments that (a) do not have a readily determinable fair value and (b) either have attributes of an investment company or prepare the financial statements consistent with the measurement principles of an investment company. The Library has \$1,492 that are reported at NAV at June 30, 2024. For these investments, the Library has concluded that the NAV reported by the underlying fund is a practical expedient to estimating fair value. The amounts reported at NAV at June 30, 2024 are redeemable with the fund at NAV under the original terms of the agreements of the underlying funds.

Following is a description of the valuation methodologies used for instruments measured at fair value and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuations’ hierarchy.

Available-for-sale securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange trade equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include investments in hedge funds. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy and include other less liquid securities.

The following table presents assets that are measured at fair value on a recurring basis at June 30:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Investments	<u>\$ 156,334</u>	<u>\$ 154,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,492</u>

12. 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 2024 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, Morgan County Library, West Plains Public Library, Adair County Library, Sarcoxie Public Library, Brentwood Public Library, Ferguson Municipal Public Library, Kirkwood Public Library, Maplewood Public Library, Richmond Heights Memorial Library, Rock Hill Public Library, University City Public Library, Valley Park Community Library, and Webster Groves Public Library.

Missouri Evergreen was hosted by MOBIUS until August 31, 2019. After that date it is hosted by Equinox. Missouri Evergreen Consortium bid out hosting services, as required, every three years by the Missouri State Library. AMIGOS via bid provides financial services to Missouri Evergreen. Website hosting is managed by MORENet for free. The Library pays a yearly licensing fee for the Missouri Evergreen ILS.

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.

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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<u>REVENUES:</u>				
Taxes	\$ 1,932,843	\$ 1,941,869	\$ 2,172,161	\$ 230,292
State Support	20,000	25,790	25,790	-
Interest Income	40,000	41,108	180,171	139,063
Grants	44,211	57,458	57,458	-
Passport Processing Income	80,000	99,400	99,400	-
Fines and Forfeits, Fees, and Miscellaneous	30,000	30,000	31,628	1,628
TOTAL REVENUES	\$ 2,147,054	\$ 2,195,625	\$ 2,566,608	\$ 370,983
<u>EXPENDITURES:</u>				
Salaries	\$ 724,947	\$ 724,947	\$ 723,733	\$ 1,214
Payroll Taxes	54,295	54,295	53,655	640
Employee Benefits	124,388	128,495	133,177	(4,682)
Professional Services	4,600	4,600	4,750	(150)
Books and Periodicals	110,880	110,880	114,338	(3,458)
Utilities	39,640	39,640	45,230	(5,590)
Capital Outlay	91,251	91,250	13,431	77,819
Library Grant Supplies	44,211	59,018	57,583	1,435
Repairs and Maintenance	88,504	103,128	101,071	2,057
Mileage and Travel	7,650	7,650	8,206	(556)
Insurance	16,720	16,720	14,338	2,382
Printing	1,800	1,800	3,966	(2,166)
Electronic Media	47,126	62,160	40,025	22,135
Rent	900	900	900	-
Supplies	30,000	30,000	39,918	(9,918)
Passport Expense	4,200	4,200	5,830	(1,630)
County Collection Fee	38,000	38,000	39,875	(1,875)
Memberships and Conferences	5,100	5,100	6,089	(989)
Miscellaneous	16,666	16,666	10,466	6,200
Debt Service				
Principal - COP	650,000	650,000	650,000	-
Interest - COP	46,176	46,176	46,176	-
TOTAL EXPENDITURES	\$ 2,147,054	\$ 2,195,625	\$ 2,112,757	\$ 82,868
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	\$ -	\$ 453,851	\$ 453,851
FUND BALANCE, July 1, 2023			<u>2,810,168</u>	
FUND BALANCE, June 30, 2024			<u>\$ 3,264,019</u>	

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, 2024

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 29, 2023 and amended on July 28, 2024. 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.