

***ST. CHARLES CITY-COUNTY
LIBRARY DISTRICT***

***FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023***

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT

ST. PETERS, MISSOURI

CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS:	
Statement Of Net Position And Governmental Fund Balance Sheet	11
Statement Of Activities and Governmental Fund Statement Of Revenues, Expenditures, And Changes In Fund Balance	12
Notes To Financial Statements	13
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule - General Fund	34
Notes to Required Supplementary Information	35
Schedule Of Changes In Net Pension Liability	36
Schedule Of Employer Contributions	37
SUPPLEMENTARY INFORMATION:	
Schedule Of Expenditures - Budget And Actual - General Fund	38

INDEPENDENT AUDITORS' REPORT



To the Members of the Board of Trustees
ST. CHARLES CITY-COUNTY LIBRARY DISTRICT

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, and the major fund of St. Charles City-County Library District as of and for the year ended June 30, 2023, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the aggregate discretely presented component unit and the major fund of St. Charles City-County Library District, as of June 30, 2023, and the respective changes in financial position for the year then ended, in conformity 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Charles City-County Library District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 St. Charles City-County Library District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 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 internal controls. 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 St. Charles City-County Library District'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 St. Charles City-County Library District's ability to continue as a going concern for a reasonable period of time.

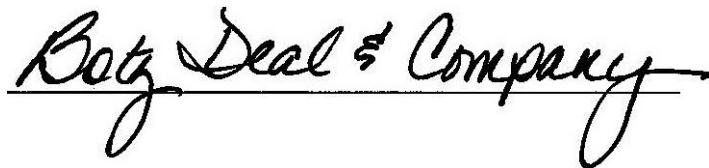
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and schedule of employer contributions on pages 4 through 10 and 34 through 37, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statement, 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 inquires 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the St. Charles City-County Library District's basic financial statements. The schedules of expenditures-budget and actual-General Fund on pages 38 through 39 for the year ended June 30, 2023, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This schedule 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. Such 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

A handwritten signature in cursive script that reads "Botz Deal & Company". The signature is written in black ink and is positioned above a horizontal line.

St. Charles, Missouri
December 15, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The St. Charles City-County Library District's (District) management discussion and analysis provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. Since this information is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

During Fiscal Year 2023:

- The District's net position increased \$3,793,234 as a result of this year's operations resulting in ending net position of \$54,765,021, an increase of 7.4%.
- The District's fund balance in the General Fund for the year increased \$2,837,318, or 11.7%, as a result of operations.
- The District's new *2023-2027 Strategic Plan* serves as a roadmap for an evolution to a Library of the future, fostering a culture of innovation. Goals focus the spotlight on reading and literacy, an everywhere library, operational sustainability and impactful technology. The District aims to be a key provider of literacy resources and education in the community. It will also improve resident access with impactful Mobile Library Vehicle and Outreach Services teams. The District will advance the Library as an engaging community hub, supporting resident success in school and careers, and emphasizing useful technology that is fast, easy and enjoyable.
- Tax revenue for the fiscal year was based on assessment of the property and subsequent valuation established by the St. Charles County Assessor. The District's tax rate is \$0.1908 per \$100 assessed valuation. Residential and commercial real estate, in addition to personal property, experienced an overall tax valuation increase of 4.9% for the fiscal year. This continued tax growth is evidence of a strong economy and sustained St. Charles County development.

FINANCIAL STATEMENT OVERVIEW

This annual financial report contains three parts, including Management's Discussion and Analysis; Basic Financial Statements; and Supplementary Information. This discussion and analysis are intended to serve as an introduction to St. Charles City-County Library District's basic financial statements.

The basic financial statements consist of three components: 1.) Statement of Net Position and Governmental Fund Balance Sheet, 2.) Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, and 3.) Notes to the basic financial statements. The report also contains other supplementary information in addition to the basic financial statements, which provide information about District financial activities on both the accrual and modified accrual basis.

Statement of Net Position and Governmental Fund Balance Sheet

This statement (on page 11 of the Basic Financial Statements) provides detailed information about the General Fund, the District's only fund, which is a governmental fund. The General Fund focuses on current financial resources, using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash.

The government-wide financial statement (i.e. the statement of net position) includes all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting. This method considers all current year revenues and expenses regardless of when cash is paid or received. It therefore presents a longer-term view of the District's finances.

Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

This statement (on page 12 of the Basic Financial Statements) presents detailed information about the General Fund (governmental fund), including all of the District's basic services, which helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's program and building needs. The statement of activities is government-wide, so earned revenues and incurred liabilities are recorded regardless of related cash flow timing.

Notes to the Financial Statements

The notes provide additional information that is necessary to fully understand the data provided in the General Fund and government-wide financial statements. The notes to the financial statements can be found on pages 13 - 33 of the Basic Financial Statements.

Supplementary Information

Additional information concerning District budget and pension data is presented beginning on page 34 of the Required Supplementary Information. Although not a required part of the basic financial statements, general Supplementary Information providing more detailed budget figures is presented beginning on page 38 that might be useful to the reader.

THE DISTRICT AS A WHOLE

One of the most important questions posed is whether the District is in a better financial position at the end of this fiscal year as compared to the prior year. The Statement of Net Position and the Statement of Activities provide information about the District as a whole and about its activities in a manner that assists in answering this question. These two statements report the District's net position and changes in it. You can view net position as one way to measure the District's financial health, or financial position.

Over time, increases or decreases in the District’s net position are one indicator of whether its financial health is improving or declining. You will also need to consider other factors such as future capital needs, changes in the District’s property tax base, financial health of District residents, the complete budget for the State of Missouri, and the overall economy in order to assess the complete health of the District.

Financial Overview

The following is a condensed financial overview for the current and prior year:

	<u>FY2023</u>	<u>FY2022</u>	<u>Dollar Change</u>
Assets:			
Current assets	\$ 28,388,876	\$ 25,299,428	\$ 3,089,448
Net pension asset	3,446,780	4,140,986	(694,206)
Net capital assets	<u>25,559,805</u>	<u>23,908,037</u>	<u>1,651,768</u>
Total Assets	<u>57,395,461</u>	<u>53,348,451</u>	<u>4,047,010</u>
Deferred Outflows	<u>836,618</u>	<u>369,275</u>	<u>467,343</u>
Liabilities:			
Current liabilities	635,392	624,442	10,950
Noncurrent liabilities	<u>2,337,500</u>	<u>940,542</u>	<u>1,396,958</u>
Total Liabilities	<u>2,972,892</u>	<u>1,564,984</u>	<u>1,407,908</u>
Deferred Inflows	<u>494,166</u>	<u>1,180,957</u>	<u>(686,791)</u>
Net Position:			
Net investment in capital assets	23,872,593	23,640,094	232,499
Restricted	-	31,492	(31,492)
Unrestricted	<u>30,892,428</u>	<u>27,300,201</u>	<u>3,592,227</u>
Total Net Position	<u>\$ 54,765,021</u>	<u>\$ 50,971,787</u>	<u>\$ 3,793,234</u>

The District’s net position increased \$3,793,234 as a result of this year’s operations, resulting in an ending net position of \$54,765,021, an increase of 7.4%. Net investment in capital assets increased \$232,499 due primarily to no major branch facility changes during the year. Unrestricted net position increased \$3,592,227 or 13.2%. While the unrestricted net position of \$30,892,428 is available for the District to spend at its discretion, approximately 7.4% of total assets and deferred outflows are pension related.

	<u>FY2023</u>	<u>FY2022</u>	<u>Dollar Change</u>
Revenues:			
Program Revenues:			
Charges for service	\$ 336,812	\$ 211,216	\$ 125,596
Operating grants and contributions	96,662	69,197	27,465
Capital grants and contributions	244,767	68,477	176,290
Total Program Revenues	<u>678,241</u>	<u>348,890</u>	<u>329,351</u>
General Revenues:			
Property taxes and other	22,259,621	21,190,421	1,069,200
State aid, grants, and A&E taxes	446,449	222,242	224,207
Investment earnings	302,972	(66,002)	368,974
Donations	2,371	2,727	(356)
Miscellaneous	97,916	53,678	44,238
Total General Revenues	<u>23,109,329</u>	<u>21,403,066</u>	<u>1,706,263</u>
Total Revenues	<u>23,787,570</u>	<u>21,751,956</u>	<u>2,035,614</u>
Expenses:			
Library services:			
Salaries and benefits	11,289,074	10,594,363	694,711
Library materials	2,307,292	2,115,655	191,637
Technology and telecommunication	149,875	615,352	(465,477)
Depreciation and amortization	3,434,755	3,338,170	96,585
Other operational expenditures	2,138,147	2,056,004	82,143
Capital outlay	675,193	130,708	544,485
Total Expenses	<u>19,994,336</u>	<u>18,850,252</u>	<u>1,144,084</u>
Change in Net Position	3,793,234	2,901,704	<u>\$ 891,530</u>
Net Position - Beginning of Year	<u>50,971,787</u>	<u>48,070,083</u>	
Net Position - End of Year	<u>\$ 54,765,021</u>	<u>\$ 50,971,787</u>	

The majority of the District’s activities are financed from property taxes, considered general revenues, collected by the St. Charles County Collector. The increase of \$1,069,200 in tax revenues from prior year is due to collection of prior year and protested taxes and intended reserve addition. Charges for services, considered program revenues, increased \$125,596 from prior year due to popular appointment-based passport services and other in branch customer offerings. Capital grants and contributions increased by \$176,290 from prior year, due to ARPA funding for holds lockers and E-Rate Category 2 funding for network equipment. In total, Missouri State Per Capita Aid, grants and A&E taxes increased \$224,207 from prior year. Investments earnings increased \$368,974 from prior year, which reflects higher interest rates throughout the year and an adjustment to market. Overall, District revenues increased \$2,035,614 or 9.4%.

The District’s Salaries and Benefits increased \$694,711 from prior year due to more consistent staffing and a 5% salary increase for all employees. Library Materials, another major program expense, increased \$191,637 or 9.1% from prior year. The materials collection, which excludes electronic resources, decreased 3.4% before depreciation for the fiscal year. This reflects regular evaluation of customer needs and adjusting branch physical material and electronic resource availability.

Technology and Telecommunications program expense decreased \$465,477 from prior year due mainly to subscription-based information technology arrangements (SBITAs). Other operational expenditures increased \$82,143 from prior year due to increased branch activity and inflation. The total cost of operations increased by \$1,144,084 or 6.1% from prior year.

CAPITAL ASSETS

At the end of the year, the District had \$25,559,805 invested in capital assets net of depreciation, including land, buildings, improvements, furniture, equipment, and automobiles. Capital asset additions, disposals, and depreciation resulted in a net increase in capital assets of \$1,651,768. The following is a prior year comparison of capital assets before taking into account depreciation:

	<u>2023</u>	<u>2022</u>
Land	2,754,996	2,333,430
Construction in progress	103,020	-
Buildings	24,461,313	24,216,564
Improvements	1,124,368	1,043,481
Furniture and equipment	7,335,092	6,660,923
Automobiles	610,194	546,835
Intangibles	88,231	1,485,466
Library materials	12,521,825	12,957,780
Right-to-use leased asset	1,428,116	-
Right-to-use subscription asset	701,780	-
Total	<u>\$ 51,128,935</u>	<u>\$ 49,244,479</u>

More detailed information about capital assets is presented in Note 6 to the financial statements.

NONCURRENT LIABILITIES/ASSET

As of June 30, 2023, the District has no outstanding debt. Noncurrent liabilities consist of accrued compensated absences in the amount of \$650,288, a decrease of \$9,899, or 1.5% from the prior year. Also included is the software license agreement for the Polaris Integrated Library System and lease liabilities for the District's rental property agreements in the amounts of \$1,142,271 and \$544,941, respectively. More detailed information about noncurrent liabilities is presented in Note 7 to the financial statements.

Also included as a noncurrent asset is a net pension asset of \$3,446,780, which was a \$4,140,986 net pension asset in the prior year. More detailed information about pension plan is presented in Note 8 to the financial statements.

BUDGET INFORMATION

Actual General Fund revenues were \$23,546,392 for the fiscal year ending June 30, 2023 compared to the budgeted amount of \$21,666,890. District revenues were over budget by \$1,879,502.

Actual General Fund expenditures were \$22,630,137 for the fiscal year ending June 30, 2023 compared to the budgeted amount of \$22,787,248. Total District expenditures were under budget \$157,111. This variance is a combination of salaries and benefits and materials being under budget by \$1,417,837 and technology, other operational expenditures and capital outlay being over budget by \$1,260,726.

ECONOMIC FACTORS AND TAX RATES

The Fiscal Year 2023 budget was prepared using a tax rate of \$0.1908 per \$100 assessed valuation, and the Fiscal Year 2024 budget was prepared using a projected tax rate of \$0.1725 per \$100 assessed valuation. The actual tax rate to be levied for 2023 is \$0.1728 per \$100 assessed valuation.

There is economic uncertainty concerning the District's reliance on property and other taxes for 93.6% of total revenues during the past year. The District has questioned the use of property tax abatements and incentives. However, the District realizes they are used to advance economic development goals.

Proposed state level legislation to reduce or eliminate personal property tax in St. Charles County continues to cause concern. There has also been proposed legislation as to real property tax reduction. A substantial decline in personal property taxes, especially combined with any real property tax decrease, will impact District operations.

All major capital expenditures are from current revenues and reserves. To-date the District has maintained its building program along with continued expansion without debt. This may change considering St. Charles County growth and District strategic initiatives. Decision-making will be impacted by personal and real property tax funding.

OPERATIONAL ENVIRONMENT

District program revenues such as passport services surpassed budgeted amounts. Overall, FY2023 actual service revenue increased 59.5% from prior year.

District recruitment continued to be challenging in FY2023, resulting in unfilled positions combined with active branches. Technology expenditures increased based on updated customer and employee needs in addition to continuous infrastructure enhancements. Cloud-based software subscription costs are also rising due to vendor internal costs, cyber risk management and overall customer demand.

In view of economic conditions, an inflation estimate was included in both FY2023 and FY2024 budgeted expenditures. Continued inflation can create additional wage and operational expense pressures. Positively, higher interest rates resulted in increased investment returns in FY2023.

Protecting the District's fiscal health is a priority. The District has increased its reserve fund balance over time which should be sufficient to sustain the District in the short term if revenues are impacted for any reason.

COMPONENT UNIT

The District's component unit, St. Charles City-County Library Foundation (Foundation), is included in the basic financial statements. Foundation is a non-profit organization established for the purpose of providing funding beyond tax dollar support to foster a stronger library in service to our community. Net assets for the Foundation's fiscal year ending June 30, 2023, increased \$92,389, or 10.8%, from prior year. The Foundation issues separate financial statements, which can be obtained from the Foundation office at the below address.

CONTACTING THE ST. CHARLES CITY-COUNTY LIBRARY DISTRICT

This financial report is designed to provide St. Charles County citizens, consumers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. If you have questions about this report or need additional financial information, contact:

Chief Financial Officer
St. Charles City-County Library District
77 Boone Hills Drive
P.O. Box 529
St. Peters, MO 63376

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET

JUNE 30, 2023

	<u>GENERAL FUND</u>	<u>ADJUSTMENTS</u>	<u>STATEMENT OF NET POSITION</u>	<u>ST. CHARLES CITY-COUNTY LIBRARY FOUNDATION</u>
ASSETS				
Cash and investments	\$ 26,944,273	\$ -	\$ 26,944,273	\$ 977,479
Taxes receivable	919,605	-	919,605	-
Accrued interest and other receivables	136,237	-	136,237	225
Prepaid expenses	382,956	-	382,956	14,149
Security and other deposits	5,805	-	5,805	-
Net pension asset	-	3,446,780	3,446,780	-
Capital assets:				
Nondepreciable capital assets	-	2,858,016	2,858,016	-
Other capital assets, net of accumulated depreciation/amortization	-	22,701,789	22,701,789	-
TOTAL ASSETS	<u>28,388,876</u>	<u>29,006,585</u>	<u>57,395,461</u>	<u>991,853</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	-	836,618	836,618	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 28,388,876</u>	<u>29,843,203</u>	<u>58,232,079</u>	<u>\$ 991,853</u>
LIABILITIES				
Accounts payable	276,610	-	276,610	34,837
Accrued payroll	358,782	-	358,782	-
Unearned revenue	-	-	-	7,000
Noncurrent liabilities:				
Due within one year	-	1,039,837	1,039,837	-
Due in more than one year	-	1,297,663	1,297,663	-
TOTAL LIABILITIES	<u>635,392</u>	<u>2,337,500</u>	<u>2,972,892</u>	<u>41,837</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	766,841	(766,841)	-	-
Pension related deferred inflows	-	494,166	494,166	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>766,841</u>	<u>(272,675)</u>	<u>494,166</u>	<u>-</u>
FUND BALANCE/NET POSITION				
Fund balances:				
Nonspendable	382,956	(382,956)	-	-
Committed for:				
Future capital projects	3,000,000	(3,000,000)	-	-
Unassigned	23,603,687	(23,603,687)	-	-
TOTAL FUND BALANCE	<u>26,986,643</u>	<u>(26,986,643)</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 28,388,876</u>	<u>\$ (24,921,818)</u>		
Net position:				
Net investment in capital assets			23,872,593	-
Unrestricted			30,892,428	950,016
TOTAL NET POSITION			<u>\$ 54,765,021</u>	<u>\$ 950,016</u>

The accompanying notes are an integral part of these financial statements.

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND	ADJUSTMENTS	STATEMENT OF ACTIVITIES	ST. CHARLES CITY-COUNTY LIBRARY FOUNDATION
EXPENDITURES/EXPENSES				
Library services:				
Salaries and benefits	\$ 11,758,901	\$ (469,827)	\$ 11,289,074	\$ -
Library materials	3,345,341	(1,038,049)	2,307,292	-
Technology and telecommunication	2,131,779	(1,981,904)	149,875	-
Depreciation and amortization	-	3,434,755	3,434,755	-
Contributions and scholarships	-	-	-	61,257
Other operational expenditures	2,640,664	(502,517)	2,138,147	186,095
Capital outlay	2,753,452	(2,078,259)	675,193	-
TOTAL EXPENDITURES/EXPENSES	22,630,137	(2,635,801)	19,994,336	247,352
PROGRAM REVENUES				
Charges for services	336,812	-	336,812	-
Operating grants and contributions	-	96,662	96,662	-
Capital grants and contributions	-	244,767	244,767	-
NET PROGRAM REVENUES	336,812	341,429	678,241	-
NET PROGRAM EXPENSE			(19,316,095)	
GENERAL REVENUES				
Property and other taxes	22,018,443	241,178	22,259,621	-
State aid and A&E taxes	787,878	(341,429)	446,449	-
Investment earnings	302,972	-	302,972	66,554
Donations	2,371	-	2,371	271,572
Miscellaneous	97,916	-	97,916	1,615
TOTAL GENERAL REVENUES	23,209,580	(100,251)	23,109,329	339,741
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	916,255			
OTHER FINANCIAL SOURCES (USES)				
Issuance of Lease Agreements	492,947	(492,947)	-	-
Issuance of SBITA Agreements	1,428,116	(1,428,116)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,921,063	(1,921,063)	-	-
NET CHANGE IN FUND BALANCE/NET POSITION	2,837,318	\$ 955,916	3,793,234	92,389
FUND BALANCE/NET POSITION - BEGINNING OF YEAR	24,149,325		50,971,787	857,627
FUND BALANCE/NET POSITION - END OF YEAR	\$ 26,986,643		\$ 54,765,021	\$ 950,016

The accompanying notes are an integral part of these financial statements.

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. **DESCRIPTION OF OPERATIONS**

The St. Charles City-County Library District (the “District”) provides library services to the residents of St. Charles County.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Financial Reporting Entity - As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component units board, and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

The accompanying financial statements present the St. Charles City-County Library District (the primary government) and its component units. The financial data of the component units are included in the District’s reporting entity because of the significance of operational financial relationships with the District.

Blended Component Unit - The St. Charles Library Building Corporation (the “Corporation”), an entity legally separate from the District, is governed by a five-member board appointed by the District’s Board of Trustees. For financial reporting purposes, the Corporation is reported as if it were a part of the District’s operations because its sole purpose is to finance certain land and building purchases which are leased to the District. During the fiscal year ended June 30, 2023, there was no activity for the Corporation.

Discretely Presented Component Unit - The St. Charles City-County Library Foundation (the “Foundation”), is a non-profit organization formed in April 2000. The Foundation is governed by a sixteen-member board, of which one is appointed by the District’s Board of Trustees. The Foundation is reported in a separate column to emphasize that it is separate from the District. The Foundation issues separate financial statements.

The Foundation was formed to support the District. The Foundation partners with private donors to support programs not covered by tax dollars. Funds are generated through special events, individual and corporate giving, as well as planned giving for the benefit of the District. The District received payments from the Foundation of \$61,257 for grants to the District and \$8,907 for reimbursements of expenses paid by the District during the year ended June 30, 2023. In addition, the District paid salaries and benefits totaling \$77,028 for staff providing services to the Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fund Accounting - The accounts of the District are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Funds

Governmental Funds are those through which most functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focuses on the determination of changes in the financial position rather than upon net income determination. Governmental Funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District uses the following governmental fund type, which is considered a major fund:

General Fund - This fund is the general operating fund (and only fund) of the District and accounts for all current financial resources.

Basis of Presentation

Government-wide Financial Statement:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions.

The statement of net position presents the financial condition of the governmental activities and the discretely presented component unit of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and clearly identifiable to a particular function. Amounts reported as program revenues include 1) charges paid by patrons for fees or goods and services offered by the District and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not restricted for use by a particular function are reported as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the District's funds. Fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balance. The fund financial statements emphasize major governmental funds, each displayed in a separate column.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus/Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Since the governmental fund financial statements and government-wide financial statements are combined, an adjustment column is provided to show the reconciliation between the two sets of financial statements. The notes to the financial statements further describe the adjustments by providing brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. The term available is defined as collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For the District, available means expected to be received within sixty days of year end.

The District recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are available.

Intergovernmental revenues, representing grants, entitlements, donations and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements have been met. Any resources received before eligibility requirements are met are reported as unearned revenues.

Charges for services in the governmental funds, which are exchange transactions and are, therefore; not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from one source, property taxes earned but not yet available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - An enforceable lien is attached to property as of January 1 if taxes are unpaid. Taxes are levied on November 1 and are payable on December 31. The County collects the property tax and remits it to the District. Revenue recognition of delinquent property taxes not collected within sixty (60) days of fiscal year end is deferred.

The assessed valuation of the tangible taxable property for the calendar year 2022 was \$11,288,526,357. The tax levy per \$100 of the assessed valuation of tangible property was \$0.1908.

Cash and investments - Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. The negotiable certificates of deposit are reported at fair value.

Leases/SBITAs

Lessee: The District is a lessee for noncancellable leases of real estate and equipment, and is also a subscriber of subscription-based information technology arrangements (SBITAs) for noncancellable software arrangements. The District recognizes a lease/SBITA liability and an intangible right-to-use lease/SBITA asset in the government-wide financial statements.

At the commencement of a lease/SBITA, the District initially measures the lease/SBITA liability at the present value of payments expected to be made during the term. Subsequently, the lease/SBITA is reduced by the principal portion of payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments. The interest rate charged in the contract is used as the discount rate. When the interest rate charged is not provided, the estimated incremental borrowing rate is used as the discount rate. The term includes the noncancellable period of the lease/SBITA. Payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase options that the District is reasonably certain to exercise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Leases/SBITAs - continued

The District monitors changes in circumstances that would require a remeasurement of its lease/SBITAs and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability. Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term debt and fund financial statements.

Capital Assets - Capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the Governmental-wide statement of net position but are not reported in the fund financial statements.

All capital assets, except library materials, are recorded at cost (or estimated acquisition cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their estimated acquisition cost as of the date received. Library materials are capitalized based on a discounted average retail price for the year. The District capitalizes library materials and all other assets for financial reporting purposes with a useful life greater than one year.

The cost of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized. The District does not possess any infrastructure.

Major outlays for capital assets and improvements are capitalized as projects are constructed and placed in service. Improvements are depreciated over the remaining useful lives of the related capital assets. Except for land and construction in progress, all reported capital assets are depreciated or amortized. Capital assets are depreciated over their estimated service lives using the straight-line method as follows:

<u>Major Group</u>	<u>Method</u>	<u>Life</u>
Buildings	Straight line	35 years
Land and building improvements	Straight line	10 years
Furniture and equipment	Straight line	3-7 years
Automobiles	Straight line	5 years
Intangibles	Straight line	5-10 years
Library materials	Straight line	5-10 years

Compensated Absences - Full-time employees earn annual leave time at 100 hours per year with increases at 3, 8 and 15 years of service. Exempt employees accrue annual leave based on the budgeted hours in a pay period. Nonexempt employees accrue annual leave based on actual hours worked in a pay period with increases at 3, 8 and 15 years of service. Annual totals vary depending on hours worked in a year. The maximum accrual for full-time employees is 240 hours. Part-time employees have a maximum accrual of either 120 hours or 60 hours, based on budgeted hours. Annual leave time earned but unused at year end has been recorded as a liability in the government-wide financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Compensated Absences - continued

Full-time employees earn 96 hours of sick leave per year. Full-time employees have a maximum accrual of 600 hours. Part-time employees in budgeted positions accrue hours based on the number of hours worked in a pay period. Part-time employees have a maximum accrual of either 300 hours or 150 hours, based on budgeted hours. Unused sick leave accumulates but does not vest, and therefore, an accrual is not made in the financial statements.

Accrued Liabilities and Long-term Obligations - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

Net Position And Fund Equity

In government-wide financial statements net position is reported in three categories: net investment in capital assets; restricted; and unrestricted. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal on related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is considered unrestricted.

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - Resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact. The District reports nonspendable fund balance for prepaid expenses and security and other deposits.

Restricted - Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. The District reports restricted fund balance for grants and contributions restricted by grantors and contributors.

Committed - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, the Board of Trustees. Formal action (resolution) must be taken by the Board of Trustees prior to the end of the fiscal year to commit funds. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned - Resources neither restricted nor committed for which a government has a stated intended use as established by the Board of Trustees or an official to which the Board of Trustees has delegated the authority to assign amounts for specific purposes. No formal policy exists for assigning fund balances. The District reports assigned fund balance for the projected use of fund balance reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Net Position And Fund Equity - continued

Unassigned - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The District would typically use restricted fund balances first, followed by committed resources and assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first.

Restricted Resources - When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budget And Budgetary Accounting

The Board of Trustees legally adopts an annual budget through passage of a motion for the General Fund, prior to the beginning of each fiscal year. The Board of Trustees follows the procedures outlined below in establishing the budgetary data reflected in the accompanying basic financial statements.

- The annual budget is broken down to three areas, expenditures, capital projects, and revenue. Revenue estimates are projected by February but not finalized until the tax rate is passed in September.
- Department heads and managers prepare their requests for budget expenditures in four sublevel areas in the operating budget and their requests for capital projects. Reviews by the entire District with the appropriate parties including the Chief Executive Officer are consolidated for presentation to the Board. The four levels and the time that they are presented to the Board of Trustees is Materials in March, Personnel in April, Technology and Telecommunications in April, and Operations in May. The presentations to the Board are to allow them input and to allow direction for the coming fiscal year. The Board passes the overall budget in June.
- Each area of the budget has line items that make up the total budget. In the Operations area of the budget, the Board will single out large ticket items for review. These line items usually are equipment, building and grounds projects, and travel expenditures.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

Budget And Budgetary Accounting - continued

- The Chief Financial Officer prepares the final presentation of the budget for the June Board meeting. The areas of the budget approved at that meeting are Personnel, Material, Operations, Technology and Telecommunications, and Capital Projects. These areas represent the total operations expenditure budget. The Chief Financial Officer gives updates to expected revenue during the entire process and provides a working capital and income statement to the Board for their consideration. It is understood at this time that if actual revenues do not obtain those levels, expenditures will be cut to assure a balanced budget before Capital Projects.
- During the entire process the Chief Executive Officer reviews each area with other managers in the various budget areas and will include the Chief Financial Officer, Chief Administrative Officer, and Director of Technology Services.
- The revenue budget is reviewed with the Board during the entire process and upon receipt of the final property assessment in September, the Chief Financial Officer presents the tax rate to be approved and passed by the Board after a public hearing. The County Registrar and the Missouri State Auditor then certify the tax rate.
- The District's budgets are prepared on the modified accrual basis. The legal level of budgetary control is at the fund level.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

3. **CASH AND INVESTMENTS**

The District is governed by the deposit and investment limitations of state law. The District's policy and state law authorized the following types of investments: United States Treasury Bills, Federal Agency Obligations, Obligations of Government Sponsored Corporations, Certificates of Deposits and Repurchase Agreements collateralized by government securities. At June 30, 2023, the District's idle funds were invested in negotiable and nonnegotiable certificates of deposit which all mature in less than one year.

3. **CASH AND INVESTMENTS** - continued

The deposits and investments held at June 30, 2023, are as follows:

<u>Type</u>	<u>FMV</u>
District:	
Demand deposits	\$ 16,258,679
Cash on hand	6,788
Negotiable certificates of deposit	10,178,806
Nonnegotiable certificates of deposit	500,000
Total Deposits	<u>\$ 26,944,273</u>
Foundation:	
Demand deposits and cash held by broker/bank	\$ 217,687
Equity exchange traded funds	470,545
Fixed income mutual funds	100,529
Fixed income exchange traded funds	<u>188,718</u>
Total Deposits and Investments	<u>\$ 977,479</u>

The discretely presented component unit is not required to adopt the provision of GASB 40, as amended by GASB 72.

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District has a custodial credit risk policy for deposits which requires these funds in excess of amounts federally insured to be collateralized and shall be granted safekeeping receipts specifying the type of collateral as allowed by law. As of June 30, 2023, none of the District's bank balances were exposed to custodial credit risk.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's investments are structured to meet cash requirements for ongoing operations, thereby, avoiding the need to sell securities on the open market prior to maturity, and investment primarily in shorter term securities. All certificates of deposit have maturity dates of less than one year.

3. **CASH AND INVESTMENTS** - continued

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, and investments in external investment pools and investments in other pooled investments). The District has no policy in place to minimize the risk of loss resulting from over concentration of investments. The District has no investments subject to investment credit risk as of June 30, 2023.

Investment Credit Risk

The District does not have policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer.

Fair Value Measurements

The District classifies its fair value measurements within the fair value hierarchy established by accounting principles generally in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities.

The negotiable certificates of deposit are valued using Level 2 inputs based on the securities' relationship to benchmark quoted prices. Nonnegotiable certificates of deposit are not subject to fair value classification.

4. **RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 26,986,643
Amount reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	25,559,805
Property taxes and other receivables not available to pay for current-period expenditures and therefore deferred in the fund.	766,841
Net Pension asset is not a current financial resource and therefore, not reported in the fund.	3,446,780
Net deferred outflows/inflows related to pension are not due and payable in the current period or are not considered current financial resources and, therefore, are not reported in the fund.	342,452
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund as follows:	
SBITA/Lease Agreements	(1,687,212)
Compensated absences payable	<u>(650,288)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 54,765,021</u>

5. **RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**

NET CHANGE IN TOTAL GOVERNMENTAL FUND BALANCE \$ 2,837,318

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported as expenditure in the governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation or amortization expense. In the current period, these amounts are:

Capital asset purchases	\$5,667,112	
Depreciation or amortization expense	<u>(3,594,436)</u>	
Total		2,072,676

In the Statement of Activities, the (loss) gain on the sale of capital assets is reported. The (loss) gain is not a use of current resources and, thus, is not reported in the funds.	(420,908)
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------

Revenues that do not provide current financial resources are not reported as revenues in the funds.	241,178
-----------------------------------------------------------------------------------------------------	---------

The issuance of lease agreements and SBITA agreements provide current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	(2,129,896)
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Payment of software license agreement	553,788
Lease expense	169,251
Pension expense	459,928
Change in compensated absences	<u>9,899</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,793,234</u>
---------------------------------------------------	---------------------

6. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2023 was as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,333,430	\$ 421,566	\$ -	\$ 2,754,996
Construction in process	-	103,020	-	103,020
Total capital assets not being depreciated	<u>2,333,430</u>	<u>524,586</u>	<u>-</u>	<u>2,858,016</u>
Capital assets, being depreciated				
Buildings	24,216,564	244,749	-	24,461,313
Improvements	1,043,481	80,887	-	1,124,368
Furniture and equipment	6,660,923	1,563,736	(889,567)	7,335,092
Automobiles	546,835	85,208	(21,849)	610,194
Intangibles	1,485,466	-	(1,397,235)	88,231
Library materials	12,957,780	1,038,049	(1,474,004)	12,521,825
Right to use leased assets	-	701,780	-	701,780
Right to use SBITA assets	-	1,428,116	-	1,428,116
Total capital assets, being depreciated	<u>46,911,049</u>	<u>5,142,525</u>	<u>(3,782,655)</u>	<u>48,270,919</u>
Less accumulated depreciation for:				
Buildings	(11,370,873)	(881,703)	-	(12,252,576)
Improvements	(382,763)	(97,759)	-	(480,522)
Furniture and equipment	(5,506,839)	(523,316)	878,804	(5,151,351)
Automobiles	(223,598)	(85,158)	21,849	(286,907)
Intangibles	(1,066,296)	(9,026)	987,091	(88,231)
Library materials	(6,786,073)	(1,552,170)	1,474,004	(6,864,239)
Right to use leased assets	-	(159,681)	-	(159,681)
Right to use SBITA assets	-	(285,623)	-	(285,623)
Total accumulated depreciation	<u>(25,336,442)</u>	<u>(3,594,436)</u>	<u>3,361,748</u>	<u>(25,569,130)</u>
Total capital assets, being depreciated, net	<u>21,574,607</u>	<u>1,548,089</u>	<u>(420,907)</u>	<u>22,701,789</u>
Total capital assets, net	\$ <u>23,908,037</u>	\$ <u>2,072,675</u>	\$ <u>(420,907)</u>	\$ <u>25,559,805</u>

7. LONG - TERM LIABILITES

The following summary of changes in long-term liabilities for the year ended June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Governmental activities:					
Software license	\$ 267,943	\$ -	\$ (267,943)	\$ -	\$ -
Lease Agreements	12,412	701,780	(169,251)	544,941	129,682
SBITA Agreements	-	1,428,116	(285,845)	1,142,271	259,867
Compensated absences	660,187	566,576	(576,475)	650,288	650,288
	<u>\$ 940,542</u>	<u>\$ 2,696,472</u>	<u>\$ (1,299,51)</u>	<u>\$ 2,337,500</u>	<u>\$ 1,039,837</u>

Software License Agreement

The District entered into a five-year software license agreement in the amount of \$1,263,906. The District is required to make annual payments in the amount of \$238,062 each year for the term of the contract. Commencing in year two and thereafter, the annual rate may increase by a maximum percentage of 3.0% or the percentage increase in the Consumer Price Index over the previous year. During the year ended June 30, 2023, the District paid \$267,941 due to the 3.0% increase. The payment completed the District's obligation under their agreement.

Lease Agreements

The District has entered into various lease agreements as lessee primarily for Library space and telephone equipment. Most leases have initial terms of up to five years, and contain one or more renewals at the District's option, generally for five-year periods. The District has generally included these renewal periods in the lease term when it is reasonably certain that the District will exercise the renewal option. The interest rate implicit in the District's lease arrangements is not readily determinable, the District utilizes its incremental borrowing rate of 3% to discount the lease payments.

The District entered into a lease agreement for building space effective August 1, 2018, through October 31, 2023. During the current fiscal year, the District amended the existing lease extending the term through October 31, 2025. The District is required to make monthly principal and interest payments of \$5,805 at commencement with scheduled rent increases annually. A remeasured lease liability was recorded in the amount of \$233,368 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$169,647.

On December 1, 2019, the District began leasing space for a library branch. The annual rental principal and interest payment is \$26,040 and the lease expires on November 30, 2029. The initial lease liability was recorded in the amount of \$208,833. As of June 30, 2023, the value of the lease liability was \$162,237.

7. **LONG - TERM LIABILITES** - continued

During the current year, the District entered into a five-year lease agreement with a one-year renewal for the telephone system. The annual rental principal and interest payment is \$46,522 and the lease expires on September 18, 2028. An initial lease liability was recorded in the amount of \$259,579 during the current fiscal year. As of June 30, 2023, the value of the lease liability was \$213,059. The assets acquired and capitalized under the right to use leases is as follows:

Right-to-Use Lease Assets Cost	\$ 701,780
Less: Accumulated Amortization	<u>159,681</u>
Net Book Value	<u>\$ 542,099</u>

The annual requirements to amortize lease agreements outstanding as of June 30, 2023, are as follows:

Fiscal Year Ending	Telephone System		Augusta Library Branch		Building Space		TOTAL	
	Prinicipal	Interest	Prinicipal	Interest	Prinicipal	Interest	Prinicipal	Interest
2024	\$ 40,130	\$ 6,392	\$ 21,173	\$ 5,484	\$ 68,379	\$ 4,169	\$ 129,682	\$ 16,045
2025	41,334	5,188	21,808	4,867	75,166	2,026	138,308	12,081
2026	42,574	3,948	22,462	4,232	26,101	163	91,137	8,343
2027	43,851	2,671	23,136	3,578	-	-	66,987	6,249
2028	45,170	1,355	23,830	2,904	-	-	69,000	4,259
2029	-	-	24,545	2,210	-	-	24,545	2,210
2030	-	-	25,282	1,495	-	-	25,282	1,495
TOTAL	<u>\$ 213,059</u>	<u>\$ 19,554</u>	<u>\$ 162,236</u>	<u>\$ 24,770</u>	<u>\$ 169,646</u>	<u>\$ 6,358</u>	<u>\$ 544,941</u>	<u>\$ 50,682</u>

For the year ended June 30, 2023, the total principal and interest incurred related to the lease agreements was \$156,839 and \$5,544, respectively.

Subscription-Based Information Technology Arrangements (SBITA)

The District has entered into a 5-year subscription-based information technology renewal arrangement (SBITA) for Library resource software. An initial SBITA liability was recorded in the amount of \$1,428,116 during the current fiscal year. As of June 30, 2023, the value of the SBITA liability was \$1,142,272. The District is required to make annual principal and interest payments which range from \$285,845 in year 1 up to \$321,408 in year 5. The interest rate implicit in the District's SBITA is not readily determinable, the District utilizes its incremental borrowing rate of 3% to discount the SBITA payments. The assets acquired and capitalized under the right to use SBITAs is as follows:

Right to Use SBITA Asset Cost	\$ 1,428,116
Less: Accumulated Amortization	<u>285,623</u>
Net Book Value	<u>\$ 1,142,493</u>

7. **LONG - TERM LIABILITES** - continued

The annual requirements to amortize SBITA agreements outstanding as of June 30, are as follows:

Fiscal Year Ending	Prinicpal	Interest
2024	\$ 259,867	\$ 34,268
2025	276,487	26,472
2026	293,870	18,178
2027	312,047	9,361
TOTAL	<u>\$ 1,142,271</u>	<u>\$ 88,279</u>

For the year ended June 30, 2023, the total principal and interest incurred related to the SBITA agreements was \$285,845 and \$-0-, respectively.

8. **PENSION PLAN**

Plan Description

The District’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The District participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

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

	<u>2023</u>
Benefit Program	1.50% for life
Final Average Salary	3 years
Member Contribution Rate	0%

Benefit terms provide for annual post retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

8. **PENSION PLAN** - continued

Employees Covered By Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	68
Inactive employees entitled to but not yet receiving benefits	22
Active employees	<u>96</u>
TOTAL	<u>186</u>

Contributions - The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 10.1% of annual covered payroll for the year ended June 30, 2023.

Net Pension Liability - The employer's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2023.

Actuarial assumptions - The total pension liability in the February 28, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2023 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 29, 2020.

8. **PENSION PLAN** - continued

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alpha	15%	3.67%
Equity	35	4.78
Fixed Income	31	1.41
Real Assets	36	3.29
Strategic Asset	8	5.25
Cash/Leverage	(25)	(0.29)

Discount rate - The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of June 30, 2022	\$ 22,705,111	\$ 26,846,097	\$ (4,140,986)
Changes for the year:			
Service cost	533,899	-	533,899
Interest	1,567,124	-	1,567,124
Differences between expected and actual experience	213,709	-	213,709
Changes in assumptions	-	-	-
Contributions - employer	-	590,888	(590,888)
Net investment income	-	930,046	(930,046)
Benefit payments including refunds of employee contributions	(1,180,073)	(1,180,073)	-
Administrative expense	-	(27,706)	27,706
Other (net transfer)	-	127,298	(127,298)
Net Changes	1,134,659	440,453	694,206
Balances as of June 30, 2023	\$ 23,839,770	\$ 27,286,550	\$ (3,446,780)

8. **PENSION PLAN** - continued

Sensitivity of the net pension liability to changes in the discount rate - The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total pension liability (TPL)	\$ 26,815,392	\$ 23,839,770	\$ 21,360,318
Plan fiduciary net position	<u>27,286,550</u>	<u>27,286,550</u>	<u>27,286,550</u>
Net pension liability (asset)	<u>\$ (471,158)</u>	<u>\$ (3,446,780)</u>	<u>\$ (5,926,232)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2023 the District recognized a negative pension expense of \$(368,827) in the government-wide financial statements. The District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 397,766	\$ (114,222)
Changes in assumptions	-	(379,944)
Net differences between projected and actual earnings on pension plan investments	<u>438,852</u>	<u>-</u>
Total	<u>\$ 836,618</u>	<u>\$ (494,166)</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (69,129)
2025	(391,241)
2026	537,840
2027	248,723
2028	<u>16,259</u>
Total	<u>\$ 342,452</u>

9. SELF - INSURANCE PLAN

The District has adopted a self-insured dental plan. This plan covers substantially all full-time employees of the District, and many employees also have family coverage.

The dental plan is fully self-insured and carries a limit on claims per year of \$1,200 per person. Claims are recognized as expenditures in the financial statements when paid. Actual dental claims paid during the fiscal year ended June 30, 2023 were \$61,940. There has not been a liability established for claims incurred but not paid as of June 30, 2023. The estimated amounts of those claims were not considered significant to the financial statements.

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts or, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The District has transferred these risks by purchasing insurance from a commercial enterprise. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

11. LEASES - LESSOR

The District leases excess space to another organization under an operating lease on a month-to-month basis. Rental income for the year-ended June 30, 2023 was \$40,270.

12. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLE

The District has adopted GASB 96 entitled Subscription-Based Information Technology Arrangements. This GASB Statement establishes a single model to account for subscription-based information technology arrangements (SBITAs) based on the foundational principle that SBITAs are financings of the right to use another party’s IT software. A SBITA is defined as a contract that conveys control of the right to use another party's IT software, alone, or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange-like transaction. Adoption of the new standard resulted in the following additions in the statement of net position:

Right to Use SBITA Asset	\$ 1,428,116
SBITA Agreements	1,428,116

13. TAX ABATEMENTS

As of June 30, 2023, the District is subject to the following tax abatement programs initiated by other governmental entities:

<u>Real Property Chapter 100 RSMo:</u>	
City of O’Fallon	\$ 16,428
City of Wentzville	297,054
City of St. Charles	30,534
City of St. Peters	<u>227,239</u>
Total	<u>571,255</u>

13. **TAX ABATEMENTS** - continued

Real Property Chapter 353 RSMo:

City of Wentzville	\$ 12,466
City of St. Peters	5,354
City of Dardenne Prairie	4,388
City of Weldon Spring	<u>1,902</u>
Total	<u>24,110</u>
Grand Total	\$ <u>595,365</u>

14. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 21,038,520	\$ 21,038,520	\$ 22,018,443	\$ 979,923
State aid, grants and A&E taxes	332,435	332,435	787,878	455,443
Investment earnings	30,010	30,010	302,972	272,962
Donations	1,080	1,080	2,371	1,291
Miscellaneous	51,870	51,870	97,916	46,046
Charges for service	212,975	212,975	336,812	123,837
	<u>21,666,890</u>	<u>21,666,890</u>	<u>23,546,392</u>	<u>1,879,502</u>
EXPENDITURES:				
Current Operations:				
Salaries and benefits	12,945,904	12,945,904	11,758,901	1,187,003
Library materials	3,576,175	3,576,175	3,345,341	230,834
Technology and telecommunications	1,348,326	1,348,326	2,131,779	(783,453)
Other operational expenditures	2,427,993	2,427,993	2,640,664	(212,671)
Capital outlay	2,488,850	2,488,850	2,753,452	(264,602)
	<u>22,787,248</u>	<u>22,787,248</u>	<u>22,630,137</u>	<u>157,111</u>
EXCESS (DEFIENCY) OF REVENUES OVER EXPENDITURES	(1,120,358)	(1,120,358)	916,255	2,036,613
OTHER FINANCIAL SOURCES (USES)				
Issuance of Lease Agreements	-	-	492,947	492,947
Issuance of SBITA Agreements	-	-	1,428,116	1,428,116
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>1,921,063</u>	<u>1,921,063</u>
NET CHANGE IN FUND BALANCE	(1,120,358)	(1,120,358)	2,837,318	\$ 3,957,676
FUND BALANCE, BEGINNING OF YEAR	<u>24,149,325</u>	<u>24,149,325</u>	<u>24,149,325</u>	
FUND BALANCE, END OF YEAR	<u>\$ 23,028,967</u>	<u>\$ 23,028,967</u>	<u>\$ 26,986,643</u>	

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO REQUIRE SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

1. BUDGETARY INFORMATION

The District prepares its budget on the modified accrual basis of accounting. The budgetary process is detailed in Note 2 of the notes to the financial statements.

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT
 REQUIRED SUPPLEMENTAL INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND INVESTMENT RETURNS AND RELATED RATIOS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>June 30, 2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability									
Service cost	\$ 533,899	\$ 546,564	\$ 546,941	\$ 505,048	\$ 476,462	\$ 447,644	\$ 421,570	\$ 389,111	\$ 378,332
Interest on the total pension liability	1,567,124	1,490,573	1,548,727	1,458,989	1,377,747	1,282,663	1,236,011	1,161,392	1,099,646
Benefit changes	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	213,709	223,541	(250,107)	298,186	244,876	441,966	(267,166)	(612,950)	12,218
Assumption changes	-	-	(831,954)	-	-	-	-	734,926	-
Benefit payments	(1,180,073)	(1,142,281)	(1,022,040)	(1,067,244)	(920,425)	(830,979)	(690,984)	(628,502)	(658,605)
Refunds	-	-	-	-	-	-	-	-	-
Net change in total pension liability	<u>1,134,659</u>	<u>1,118,397</u>	<u>(8,433)</u>	<u>1,194,979</u>	<u>1,178,660</u>	<u>1,341,294</u>	<u>699,431</u>	<u>1,043,977</u>	<u>831,591</u>
Total pension liability beginning	<u>22,705,111</u>	<u>21,586,714</u>	<u>21,595,147</u>	<u>20,400,168</u>	<u>19,221,508</u>	<u>17,880,214</u>	<u>17,180,783</u>	<u>16,136,806</u>	<u>15,305,215</u>
Total pension liability ending	<u>\$ 23,839,770</u>	<u>\$ 22,705,111</u>	<u>\$ 21,586,714</u>	<u>\$ 21,595,147</u>	<u>\$ 20,400,168</u>	<u>\$ 19,221,508</u>	<u>\$ 17,880,214</u>	<u>\$ 17,180,783</u>	<u>\$ 16,136,806</u>
Plan Fiduciary Net Position									
Contributions-employer	\$ 590,888	\$ 652,520	\$ 626,856	\$ 607,079	\$ 539,708	\$ 559,910	\$ 533,440	\$ 530,110	\$ 518,531
Contributions-employee	-	-	-	-	-	-	-	16,868	-
Pension plan net investment income	930,046	19,562	5,790,283	284,965	1,380,399	2,373,575	2,112,685	(46,751)	329,825
Benefit payments	(1,180,073)	(1,142,281)	(1,022,040)	(1,067,244)	(920,425)	(830,979)	(690,984)	(628,502)	(658,605)
Refunds	-	-	-	-	-	-	-	-	-
Pension plan administrative expense	(27,706)	(20,000)	(18,391)	(24,609)	(20,529)	(13,659)	(13,233)	(11,693)	(11,650)
Other (net transfer)	127,298	185,730	(110,241)	(34,412)	123,849	152,379	102,051	119,866	138,977
Net change in plan fiduciary net position	<u>440,453</u>	<u>(304,469)</u>	<u>5,266,467</u>	<u>(234,221)</u>	<u>1,103,002</u>	<u>2,241,226</u>	<u>2,043,959</u>	<u>(20,102)</u>	<u>317,078</u>
Plan fiduciary net position beginning	<u>26,846,097</u>	<u>27,150,566</u>	<u>21,884,099</u>	<u>22,118,320</u>	<u>21,015,318</u>	<u>18,774,092</u>	<u>16,730,133</u>	<u>16,750,235</u>	<u>16,433,157</u>
Plan fiduciary net position ending	<u>\$ 27,286,550</u>	<u>\$ 26,846,097</u>	<u>\$ 27,150,566</u>	<u>\$ 21,884,099</u>	<u>\$ 22,118,320</u>	<u>\$ 21,015,318</u>	<u>\$ 18,774,092</u>	<u>\$ 16,730,133</u>	<u>\$ 16,750,235</u>
Employer net pension liability (asset)	<u>\$ (3,446,780)</u>	<u>\$ (4,140,986)</u>	<u>\$ (5,563,852)</u>	<u>\$ (288,952)</u>	<u>\$ (1,718,152)</u>	<u>\$ (1,793,810)</u>	<u>\$ (893,878)</u>	<u>\$ 450,650</u>	<u>\$ (613,429)</u>
Plan fiduciary net position as a percentage of the									
Total pension liability	114.46 %	118.24 %	125.77 %	101.34 %	108.42 %	109.33 %	105.00 %	97.38 %	103.80 %
Covered employee payroll	\$ 5,659,083	\$ 5,739,159	\$ 5,963,525	\$ 5,700,616	\$ 5,144,247	\$ 4,957,433	\$ 4,595,378	\$ 4,394,956	\$ 4,075,046
Employer's net pension asset as a percentage									
of covered employee payroll	(60.91) %	(72.15) %	(93.30) %	(5.07) %	(33.40) %	(36.18) %	(19.45) %	10.25 %	(15.05) %

Notes to schedule:

This schedule is intended to show information for ten years. GASB 68 was implemented during the year ended June 30, 2015; therefore, prior years are not available.

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year ended June 30,</u>	<u>Actuarial Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	542,187	450,436	\$ 91,752	4,170,673	10.8 %
2015	553,119	502,063	51,056	4,254,760	11.8
2016	530,109	530,111	(2)	4,530,851	11.7
2017	533,588	533,588	-	4,764,182	11.2
2018	559,895	559,895	-	5,232,659	10.7
2019	539,708	539,708	-	5,343,648	10.1
2020	607,079	607,079	-	5,837,294	10.4
2021	628,053	628,054	(1)	6,038,977	10.4
2022	651,246	651,246	-	5,867,082	11.1
2023	590,888	590,888	-	5,850,377	10.1

Notes to Schedule of Contributions

Valuation date: 02/28/23

Notes: The roll-forward of total pension liability from February 28, 2022 to June 30, 2022 reflects expected service costs and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	Level percent of payroll, closed
Remaining amortization period	Multiple bases from 8 to 15 years
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% - 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.

Mortality The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of general groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Summary of changes from February 28, 2022 valuation: None

SUPPLEMENTARY INFORMATION

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT

**SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
SALARIES AND RELATED EXPENDITURES:				
Salaries	\$ 9,936,982	\$ 9,936,982	\$ 9,147,798	\$ 789,184
Payroll taxes	747,044	747,044	686,063	60,981
Employee benefits	1,394,377	1,394,377	1,334,150	60,227
Pension	867,501	867,501	590,890	276,611
	<u>12,945,904</u>	<u>12,945,904</u>	<u>11,758,901</u>	<u>1,187,003</u>
LIBRARY MATERIALS:				
Books:				
Adult circulating	1,224,650	1,227,650	1,115,244	112,406
Juvenile	424,500	399,500	471,753	(72,253)
Data base services	191,500	191,500	192,943	(1,443)
Periodicals	135,025	135,025	136,591	(1,566)
Reference and electronic resources	406,400	406,400	364,299	42,101
Audio media	311,300	333,300	294,000	39,300
Video media	292,000	292,000	172,245	119,755
Streaming	461,000	461,000	461,000	-
Circulating equipment	17,500	17,500	15,995	1,505
Binding	88,500	88,500	96,428	(7,928)
Consortia	23,800	23,800	24,843	(1,043)
	<u>3,576,175</u>	<u>3,576,175</u>	<u>3,345,341</u>	<u>230,834</u>
TECHNOLOGY AND TELECOMMUNICATION EXPENDITURES:				
Software	647,262	647,262	1,870,207	(1,222,945)
Consulting/professional fees	98,300	98,300	33,473	64,827
Equipment	342,504	342,504	-	342,504
Telecommunications	248,960	248,960	215,059	33,901
Cabling	11,300	11,300	13,040	(1,740)
	<u>1,348,326</u>	<u>1,348,326</u>	<u>2,131,779</u>	<u>(783,453)</u>

-continued-

ST. CHARLES CITY-COUNTY LIBRARY DISTRICT
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER OPERATIONAL EXPENDITURES:				
Supplies	\$ 299,965	\$ 299,965	\$ 350,639	\$ (50,674)
Insurance	130,000	130,000	133,787	(3,787)
Utilities	349,750	349,750	355,804	(6,054)
Programs and promotions	192,850	192,850	133,324	59,526
Vehicle operations and maintenance	54,250	54,250	50,020	4,230
Rent	119,040	119,040	117,530	1,510
Travel, training, and dues	115,940	115,940	79,003	36,937
Building maintenance	844,008	844,008	974,317	(130,309)
Miscellaneous	800	800	1,381	(581)
Publications	43,270	43,270	35,866	7,404
Advertising and other marketing	69,500	69,500	80,217	(10,717)
Equipment rental	1,640	1,640	1,574	66
Equipment service contracts	14,000	14,000	15,150	(1,150)
Equipment repair	1,500	1,500	1,529	(29)
Postage	30,000	30,000	29,389	611
Professional fees	146,280	146,280	270,661	(124,381)
Data processing	15,200	15,200	10,473	4,727
Total Other Operational Expenditures	2,427,993	2,427,993	2,640,664	(212,671)
CAPITAL OUTLAY:				
Capital projects	2,488,850	2,488,850	2,753,452	(264,602)
Total Capital Outlay	2,488,850	2,488,850	2,753,452	(264,602)
Total Expenditures	\$ 22,787,248	\$ 22,787,248	\$ 22,630,137	\$ 157,111