

**REPORT OF
DANIEL BOONE REGIONAL LIBRARY
DECEMBER 31, 2023**

DANIEL BOONE REGIONAL LIBRARY

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 11
Basic Financial Statements:	
Government-Wide:	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements:	
Modified Accrual Basis:	
Balance Sheet	14 – 15
Statement of Revenues, Expenditures, and Changes in Fund Balance	16 – 17
Non-GAAP Budgetary Basis:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	18
Notes to the Financial Statements	19 – 37
Required Supplemental Information	
LAGERS Schedule of Changes in Net Pension Liability and Related Ratios	38
LAGERS Schedule of Contributions	39

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of the Daniel Boone Regional Library

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, and the major fund of the Daniel Boone Regional Library (the System), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, and the major fund of the System, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America, and the budgetary comparison for the General Fund for the year then ended in accordance with the budgetary basis of accounting.

We did not audit the financial statements of the Daniel Boone Regional Library Foundation (the Foundation), which represent 5%, 5%, and 8%, respectively, of the assets, net position, and revenues of the System and the Foundation. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 System, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America and the budgetary basis of accounting, as appropriate, 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 System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. 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 of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 System'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 System'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 the pension plan schedules as listed in the table of contents 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 GAAS, 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.

William F. Keppers UC

Columbia, Missouri
May 6, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

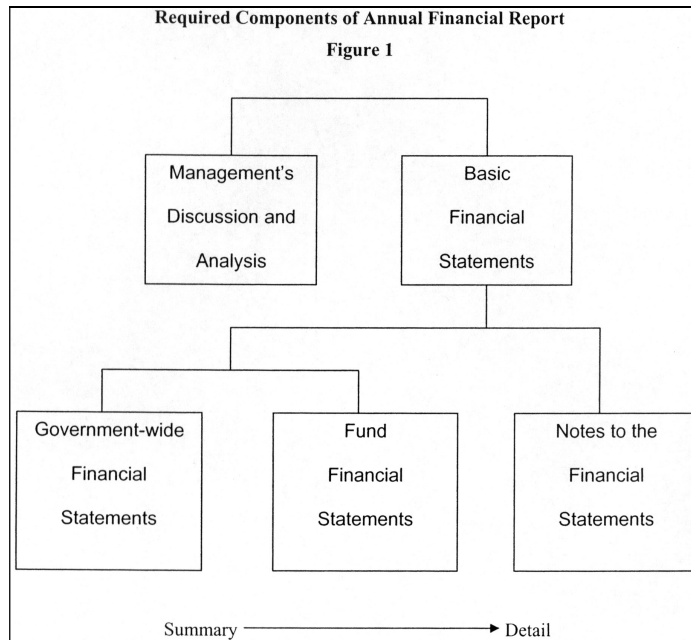
As management of the Daniel Boone Regional Library (the "System"), we offer this narrative overview and analysis of the financial activities of the Daniel Boone Regional Library for the year ended December 31, 2023. The System consists of two political subdivisions: Callaway County Library District and Columbia and Boone County Library District, which have signed a regional contract under the authority of Revised Statutes of Missouri (RSMo) 70.210. We encourage the readers to consider this Management's Discussion and Analysis (MD&A) in conjunction with the System's financial statements, which follow this MD&A.

Financial Highlights

- The System's total assets exceeded its liabilities as of December 31, 2023, by \$37,690,624 (see Exhibit 1). This represented an increase of \$2,565,485 from the net position as of December 31, 2022 (see Exhibit 2). The net position includes spendable resources as well as the investment in buildings, collections, and other capital assets (net of related debt) of \$14,304,446 and funds of \$9,000 that can only be used for grant donation spending. Included in unrestricted net position are 2023 property taxes that, although due as of December 31, 2023, were not collected and, as such, will not be expended until 2024.
- As of December 31, 2023, the System's General Fund reported a fund balance of \$26,238,444, an increase of \$3,113,246 in comparison to the prior year (see Exhibits 3 and 4). The portion of the total fund balance for the General Fund that is unassigned and available for spending at the System's discretion is \$18,732,182, which includes \$11,972,965 in property taxes receivable.
- Within the System's General Fund, total actual revenues were \$549,295 less than the 2023 final budget, while total actual expenditures were \$1,240,805 less than the 2023 final budget (see Exhibit 5).
- The System implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, as of January 1, 2023. The implementation of GASB 96 resulted in the recognition of a right-of-use asset and SBITA liability as of December 31, 2023, and a restatement of net position as of December 31, 2022 (see Note 10).
- The Foundation of the Daniel Boone Regional Library is a component unit of the System. As of December 31, 2023, the Foundation reported a fund balance of \$2,033,312, an increase of \$1,212,600 in comparison to the prior year (see Exhibits 1 and 2 and Footnote 1 "Reporting Entity"). The Foundation's separately issued financial statements can be obtained by contacting the Daniel Boone Regional Library's Executive Director.

Overview of the Financial Statements

The System's basic financial statements consist of three components: 1) *government-wide financial statements*, 2) *governmental fund financial statements* and 3) *notes to the financial statements*. Figure 1 illustrates the components of a typical annual financial report.



Basic Financial Statements

Government-wide Financial Statements

The *government-wide financial statements* (Exhibits 1 and 2) provide both short and long-term information about the System's financial status. These financial statements present a broad overview of the System's finances, similar in format to financial statements of a private-sector business.

The *Statement of Net Position* (Exhibit 1) presents financial information on all of the System's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the System is improving or deteriorating.

The *Statement of Activities* (Exhibit 2) presents information showing how the System's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows, as defined under the full accrual accounting basis. Thus, revenues and expenses are reported for some items that will only result in cash flows in future periods (i.e., uncollected taxes).

Governmental Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

The *governmental fund financial statements* focus on the activities of the System’s individual governmental funds and are divided into two parts: 1) the “modified accrual basis statements” (Exhibits 3 and 4) and the “budgetary basis statements” (Exhibits 5).

Governmental funds (Exhibits 3 and 4) focus on assets that can readily be converted into cash in the short term and liabilities that will be settled in the short term. Governmental funds in the “modified accrual basis statements” are reported using modified accrual accounting, which recognizes expenditures when the liability is incurred and revenue when measurable and available. The modified accrual accounting basis provides a short-term spending focus, which helps the reader assess the amount of financial resources immediately available to finance the System’s programs. The System maintains one individual governmental fund, its General Fund.

The System adopts an annual appropriated budget for its General Fund. The “budgetary basis statements” for the General Fund (Exhibits 5) demonstrate how the System complied with the year’s approved budget. The “budgetary basis statements” are presented using the same classifications as those used in the legal budget document.

The annual budget shown in the “budgetary basis statement” is prepared as described in Note 1. This budget is presented using the cash basis of accounting for property tax revenue, which means only the tax revenue expected to be received by year-end is budgeted, rather than also including what may be “available” soon after the year-end, as under the modified accrual accounting basis. Because the cash basis was used to budget property tax revenue, Exhibit 5 includes a reconciliation that illustrates the difference between this statement and the modified accrual basis statements shown in Exhibits 3 and 4.

Comparison of Government-wide and Governmental Fund Financial Statements

Governmental funds (Exhibits 3 and 4) are used to account for essentially the same functions reported as *governmental activities* (Exhibit 2) in the government-wide financial statements. However, unlike the government-wide financial statements (Exhibit 1 and 2), governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements (Exhibits 1 and 2), it is useful to compare the information presented for the governmental funds (Exhibits 3 and 4) with the similar information presented for government-wide activities. By doing so, readers may better understand the long-term impact of the System’s near-term financing decisions. Both the System’s Balance Sheet (Exhibit 3) and the System’s Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit 4) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities resulting from the different accounting methods used to prepare the statements.

Notes to the Financial Statements

Notes to the Financial Statements provide additional information that is essential to fully understand the financial statement data.

Government-Wide Financial Analysis

The Statement of Net Position and the Statement of Activities (Exhibits 1 and 2) present the System's financial information as a whole. Figures 2 and 3 provide summaries of these statements for 2023 and 2022.

The System's Net Position
Figure 2

	2023	2022 (as restated)
Assets:		
Current assets	\$ 27,052,361	\$ 24,056,670
Capital assets, net of depreciation	13,261,449	13,882,567
Right-of-use assets, net of amortization	1,639,523	2,317,675
Total assets	<u>41,953,333</u>	<u>40,256,912</u>
Deferred outflows of resources	<u>535,495</u>	<u>272,408</u>
Liabilities:		
Current liabilities	1,081,654	694,777
Net pension liability	2,114,581	1,774,340
Lease liability	1,054,761	1,220,084
SBITA liability	3,732	1,041,646
Compensated absences	361,868	380,279
Total liabilities	<u>4,616,596</u>	<u>5,111,126</u>
Deferred inflows of revenues	<u>181,608</u>	<u>293,055</u>
Net position:		
Net investment in capital assets	14,304,446	13,938,512
Restricted for:		
Grant and donation spending	9,000	5,000
Unrestricted	<u>23,377,178</u>	<u>21,181,627</u>
Total net position	<u>\$ 37,690,624</u>	<u>\$ 35,125,139</u>

Net Position

The System's assets exceeded its liabilities by \$37,690,624 as of December 31, 2023, an increase in the System's net position of \$2,565,485 during 2023 (see Figures 2 and 3). Of the net position, \$14,304,446 is invested in capital assets, which includes land, buildings, library materials, furniture and equipment, less related debt. The System uses capital assets to provide services to patrons; consequently, this portion of the net position is not available for future spending. The remaining portions of the System's net position are classified as either restricted or unrestricted. The restricted net position of \$9,000 is the residual equity for donation spending. The unrestricted net position of \$23,377,178 includes \$11,972,965 in property tax revenues not yet received by the System from the counties' tax collectors for 2023 and prior years for taxpayers who reside within the library districts included in the System. While this amount represents collections expected to be received to pay for next year's expenditures, the full accrual basis of accounting requires that the taxes be recognized as revenue in the year for which they are assessed.

The System's Changes in Net Position

Figure 3

	2023		2022 (as restated)	
Revenues:				
Program revenues:				
Charges for services	\$ 51,986	0.3%	\$ 36,678	0.3%
Operating grants and contributions	436,786	2.8%	334,049	2.6%
Capital grants and contributions	4,108	0.0%	120,487	0.9%
General revenues:				
Property taxes	14,106,792	90.5%	13,267,219	102.2%
Investment income	830,103	5.3%	(901,665)	-6.9%
Other	174,285	1.1%	123,911	1.0%
Total revenues	15,604,060	100.0%	12,980,679	100.0%
Expenses:				
Salaries and benefits	7,652,024	58.7%	7,242,279	56.0%
Library materials	2,145,364	16.5%	2,233,428	17.3%
General operating	1,450,113	11.1%	1,450,463	11.2%
Building operations and maintenance	1,791,074	13.7%	2,011,370	15.5%
Total expenses	13,038,575	100.0%	12,937,540	100.0%
Change in net position	2,565,485		43,139	
Net position, January 1 (as restated for 2023)	35,125,139		35,082,000	
Net position, December 31	\$ 37,690,624		\$ 35,125,139	

Changes in Net Position

The System receives 90 percent of its funding from property tax revenues. Salaries and benefits represent 59 percent of the System's total expenditures. Under the method of accounting used for the government-wide financial statements, library books and other collections are capitalized as assets and depreciated over their estimated useful lives. The "library materials" expense reported in Figure 3 represents the depreciation expense on library materials that do meet the criteria for capitalization.

Governmental Fund Financial Analysis

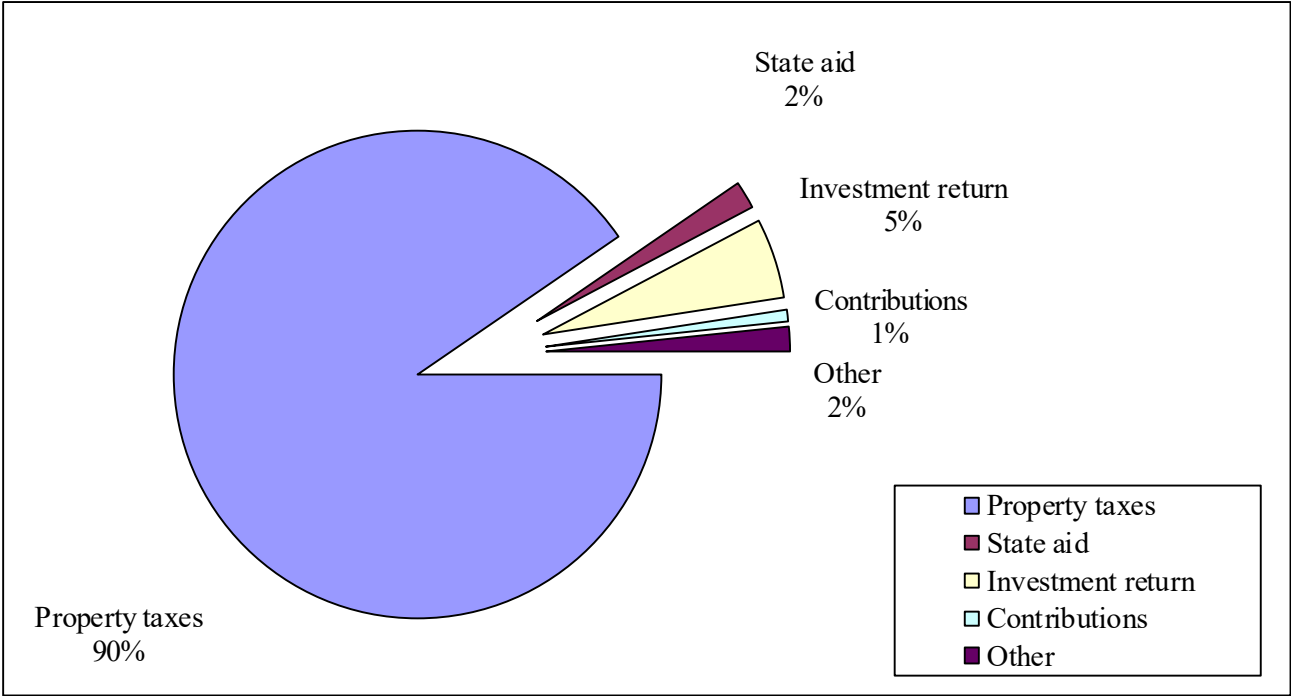
"Modified Accrual Basis Statement" Analysis (Exhibits 4 and 5)

The General Fund is the chief operating fund of the System.

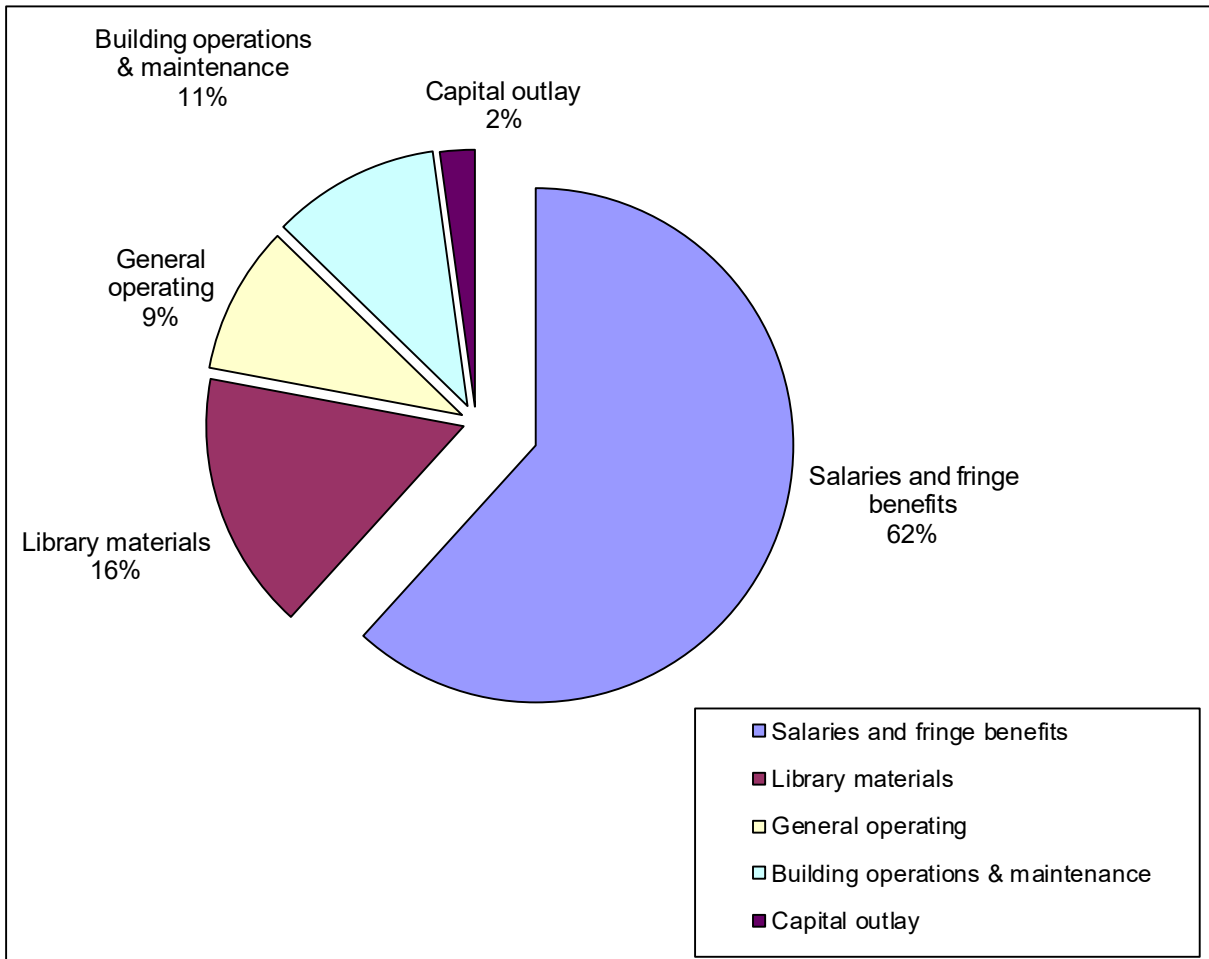
At the end of calendar year 2023, the fund balance of the General Fund was \$26,238,444, which includes \$11,972,965 in property taxes that were due but not yet received by the System (see Exhibit 3). Collections of these property taxes will be budgeted to pay for 2024 expenditures. Also, \$9,000 is restricted for grants and donations unspent at year-end, and \$3,079 and \$410,037 are not available for future spending as they represent inventory on-hand and amounts spent on prepaid expenditures, respectively. A total of \$7,084,146 has been assigned by the System's Board of Trustees to be used for future capital expenditures and the long-range strategic plan needs (see Note 9 of the Notes to the Financial Statements). The remaining unassigned fund balance of \$18,732,182 is available for future spending.

The General Fund balance increased \$3,113,246 in 2023 mainly due to savings created from staff turnover, and needing fewer general operating expenditures, maintenance, and equipment than expected. The charts in Figures 4 and 5 depict the percentages of revenue received from each of the General Fund’s major revenue sources and the percentages of expenditures incurred for each of the General Fund’s major expenditure areas.

General Fund 2023 Revenues
Figure 4



General Fund 2023 Expenditures
Figure 5



“Budgetary Basis Statement” Analysis (Exhibit 5)

The System also presents revenues and expenditures compared to the legally adopted budget for the General Fund on Exhibits 5. Sometimes circumstances require the budget to be amended. Generally, budget amendments fall into one of three categories: 1) amendments to adjust estimates used to prepare the original budget once more precise information is available; 2) amendments to recognize new funding from external sources, such as grants; or 3) increases in appropriations that become necessary to maintain services. There were no budget amendments during calendar year 2023.

Some revenues and expenditures are more susceptible to projecting with reasonable precision and some are more easily controlled than others. With that in mind, the following summarizes General Fund variations that were significant on both a percentage basis and dollar amount basis between the final budget and the actual results for the General Fund (see Exhibit 5).

Revenues:

- **Property taxes** – Actual tax collections were less than expected due to the timing of tax payments, for which less was collected in December 2023 and more was collected in January 2024.
- **Grants** – Fewer grants were applied for than what was expected as part of the budget process.

- **Investment return** – Investment return increased due to the market conditions experienced during 2023.
- **Contributions** – More DBRL Foundation and Columbia Public Library Friends funding was received than what was anticipated as part of the budget process.
- **Other** – The Library’s passport and kiosk sales increased more than expected as part of the budget process.

Expenditures:

- **Salaries and fringe benefits** – Actual expenditures were less than the budget because of staff turnover.
- **General operating** – Actual expenditures were less than the budget because fewer expenditures were needed for dues, staff training, internet fees, security, printing, and supplies.
- **Building operations and maintenance** - Fewer expenditures were needed for maintenance and utilities than as planned as part of the budget.
- **Capital outlay** – Actual expenditures were less than the budget because the purchase of additional lockers and servers were deferred and re-appropriated to calendar year 2024, respectively.

Capital Asset Discussion

The System’s investment in capital assets as of December 31, 2023, totaled \$14,900,972, net of accumulated depreciation and amortization (see Figure 6). These assets include buildings, land, furniture, equipment, library collections, right-of-use asset – leased buildings, and right-of-use SBITAs. Additional information on the System’s capital assets can be found in Note 4 of the Notes to the Financial Statements.

Major capital asset transactions during the calendar year included the following:

- Various furniture and equipment additions totaled \$235,348. Various items of furniture and equipment totaling \$199,192 were sold, discarded, or removed from the records, most of which were fully depreciated.
- “Library collection” includes \$697,442 for the cost of materials purchased during the year and a reduction of \$929,784 for the cost of materials disposed of during the year.
- The System implemented GASB Statement No. 87, *Leases*, effective January 1, 2022. This implementation resulted in a decrease of \$160,267 of the right-of-use asset – leased buildings for amortization recognized during calendar year 2023.
- The System implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective January 1, 2023. This implementation resulted in the recognition of the right-of-use asset – SBITAs in the amount of \$475,087 and \$1,685,802 as of December 31, 2023 and 2022, respectively.

Capital Assets
Figure 6

	2023	2022 (as restated)
Land	\$ 1,702,265	\$ 1,702,265
Buildings and improvements	8,088,087	8,576,187
Furniture, fixtures, and equipment	1,279,965	1,299,499
Library collection	2,191,131	2,304,616
Right-of-use asset - leased buildings	1,164,437	1,324,704
Right-of-use asset - SBITAs	475,087	1,685,802
	\$ 14,900,972	\$ 16,893,073

Economic Factors and Next Year’s Budgets

The Executive Director and staff believe the economic outlook to be uncertain for the upcoming year. The calendar year 2024 budgeted revenue is projected to increase at a rate sufficient to cover the 2024 budgeted operating expenditures. The System will use fund balance to pay down the pension liability when DBRL increases from the L3 to the L7 LAGERS plan. The System revisited its long-range strategic plan and will continue to implement the results in 2024. The Board of Trustees and staff of the System are committed to maintaining a strong financial position in order to provide excellent library services that meet the needs and reflect the desires of the taxpayers for years to come.

Requests for Information

This report is designed to provide an overview of the System’s finances. Questions concerning any of the information found in this report or requests for additional information should be directed to the Executive Director, Daniel Boone Regional Library, 100 W. Broadway, Columbia, MO 65203.

DANIEL BOONE REGIONAL LIBRARY
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government	Component Unit
ASSETS		
Current assets:		
Cash deposits	\$ 869,123	\$ 217,491
Investments	13,879,158	1,797,938
Receivables:		
Property taxes (net of allowance for uncollectible accounts \$178,141)	11,972,965	-
Interest	15,543	-
Other	2,884	17,882
Prepaid expenses	309,609	-
Inventory	3,079	-
Total current assets	<u>27,052,361</u>	<u>2,033,311</u>
Capital assets:		
Non-depreciable	1,702,265	-
Other, net of depreciation	11,559,184	-
Right-of-use assets, net of amortization	1,639,523	-
Total capital assets	<u>14,900,972</u>	<u>-</u>
Total assets	<u>41,953,333</u>	<u>2,033,311</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan - contributions	244,530	-
Pension plan - other	290,965	-
Total deferred outflows of resources	<u>535,495</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Accounts payable	169,743	1,214
Salaries payable	150,155	-
Lease liability payable within one year	86,509	-
SBITA liability payable within one year	480,395	-
Compensated absences payable within one year	194,852	-
Total current liabilities	<u>1,081,654</u>	<u>1,214</u>
Long-term liabilities:		
Net pension liability	2,114,581	-
Lease liability payable beyond one year	1,054,761	-
SBITA liability payable beyond one year	3,732	-
Compensated absences and other benefits payable beyond one year	361,868	-
Total long-term liabilities	<u>3,534,942</u>	<u>-</u>
Total liabilities	<u>4,616,596</u>	<u>1,214</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plan - other	181,608	-
The repayment of the principal on long-term debt (i.e. SBITAs)	181,608	-
NET POSITION		
Net investment in capital assets	14,304,446	-
Restricted for:		
Grant donation spending	9,000	-
Foundation spending	-	1,551,390
Unrestricted	23,377,178	480,707
Total net position	<u>\$ 37,690,624</u>	<u>\$ 2,032,097</u>

See the accompanying notes to the basic financial statements.

**DANIEL BOONE REGIONAL LIBRARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
Primary government:						
Governmental activities:						
Program services:						
Salaries and fringe benefits	\$ 7,652,024	\$ -	\$ -	\$ -	\$ 7,652,024	
Library materials	2,145,364	-	343,643	-	1,801,721	
General operating	1,450,113	51,986	93,143	4,108	1,300,876	
Building operations and maintenance	1,791,074	-	-	-	1,791,074	
Total	<u>\$ 13,038,575</u>	<u>\$ 51,986</u>	<u>\$ 436,786</u>	<u>\$ 4,108</u>	12,545,695	
Component unit	<u>\$ 57,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ (57,177)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purpose					14,106,792	-
Investment return					830,103	122,496
Other					174,285	1,147,280
Total general revenues					<u>15,111,180</u>	<u>1,269,776</u>
Change in net position					2,565,485	1,212,599
Net position-beginning (as restated)					<u>35,125,139</u>	<u>819,498</u>
Net position-ending					<u>\$ 37,690,624</u>	<u>\$ 2,032,097</u>

See the accompanying notes to the basic financial statements.

**DANIEL BOONE REGIONAL LIBRARY
BALANCE SHEET
DECEMBER 31, 2023**

	<u>General Fund</u>
ASSETS	
Cash deposits	\$ 869,123
Investments	13,879,158
Receivables:	
Property taxes (net of allowance for uncollectible accounts \$178,141)	11,972,965
Interest	15,543
Other	2,884
Prepaid expenditures	410,037
Inventory	3,079
Total assets	<u><u>\$27,152,789</u></u>
LIABILITIES	
Accounts payable	\$ 169,743
Salaries payable	150,155
Total liabilities	<u>319,898</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	<u>594,447</u>
Total deferred inflows of resources	<u>594,447</u>
FUND BALANCES	
Nonexpendable - prepaid expenditures and inventory	413,116
Restricted for:	
Grant and donation spending	9,000
Assigned to:	
Future capital outlay	7,084,146
Unassigned	18,732,182
Total fund balances	<u>26,238,444</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$27,152,789</u></u>

(continued)

See the accompanying notes to the basic financial statements.

**DANIEL BOONE REGIONAL LIBRARY
BALANCE SHEET
DECEMBER 31, 2023**

(continued)

Reconciliation:	
Fund balances of governmental funds	\$26,238,444
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund statements	14,900,972
Other long-term assets and deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the governmental fund statements	
Pension plan contributions	244,530
Pension plan - other	290,965
Prepaid expenditures reported in the Balance Sheet are reported net of the lease liability in the Statement of Net Position	(100,428)
Long-term liabilities and deferred inflows of resources are not current obligations and therefore are not reported in the governmental fund statements	
Net pension liability	(2,114,581)
Pension plan - other	(181,608)
Lease liability	(1,141,270)
SBITA liability	(484,127)
Compensated absences	(556,720)
Deferred inflows of resources in the governmental fund statements are considered earned revenues in the government-wide financial statements	<u>594,447</u>
Net position of governmental activities	<u><u>\$37,690,624</u></u>

See the accompanying notes to the basic financial statements.

**DANIEL BOONE REGIONAL LIBRARY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General Fund
REVENUES	
Property taxes	\$ 14,122,654
State aid	287,471
Grants	33,023
Investment return	830,103
Contributions	120,400
Copier income	30,036
Other	196,234
	<u>15,619,921</u>
EXPENDITURES	
Current:	
Program services:	
Salaries and fringe benefits	7,718,012
Library materials	2,031,879
General operating	1,165,564
Building operations and maintenance	1,318,337
Capital outlay	272,883
	<u>12,506,675</u>
Excess of revenues over expenditures	3,113,246
Fund balances-beginning	<u>23,125,198</u>
Fund balances-ending	<u>\$ 26,238,444</u>
	(continued)

See the accompanying notes to the basic financial statements.

**DANIEL BOONE REGIONAL LIBRARY
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023**

(continued)

Reconciliation:	
Net changes in fund balances - total governmental funds	\$3,113,246
Amounts reported in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay and library material costs in excess of capitalization threshold	970,325
Depreciation and amortization	(2,089,137)
Loss on disposal of equipment and undepreciated cost of disposed library collections	(180,458)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds:	
Change in deferred inflows of resources	(15,861)
The repayment of the principal on long-term debt (i.e. leases) consumes the current financial resources of governmental funds:	
Repayment of principal	165,323
The repayment of the principal on long-term debt (i.e. SBITAs) consumes the current financial resources of governmental funds:	
Repayment of principal	540,124
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:	
Change in compensated absences	28,325
Pension expense	33,598
Change in net position of governmental activities	\$2,565,485

See the accompanying notes to the basic financial statements.

**DANIEL BOONE REGIONAL LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
(NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual	Variance from Budget Over (Under)
REVENUES			
Property taxes	\$ 13,053,176	\$ 11,762,539	\$ (1,290,637)
State aid	320,815	287,471	(33,344)
Grants	60,000	33,023	(26,977)
Investment return	141,010	830,103	689,093
Contributions	71,000	120,400	49,400
Copier and printer income	30,000	30,036	36
Other	133,100	196,234	63,134
	<u>13,809,101</u>	<u>13,259,806</u>	<u>(549,295)</u>
EXPENDITURES			
Current:			
Program services:			
Salaries and fringe benefits	8,457,960	7,718,012	(739,948)
Library materials	1,998,250	2,031,879	33,629
General operating	1,424,308	1,165,564	(258,744)
Building operations and maintenance	1,492,782	1,318,337	(174,445)
Capital outlay	374,180	272,883	(101,297)
	<u>13,747,480</u>	<u>12,506,675</u>	<u>(1,240,805)</u>
Excess of revenues over expenditures	<u>\$ 61,621</u>	753,131	<u>\$ 691,510</u>
Reconciliation for property taxes reported on the cash basis for the budget to the modified accrual basis for the financial statements:			
Change in the property tax accrual, modified accrual basis		<u>2,360,115</u>	
Excess revenues over expenditures, modified accrual basis (Exhibit 4)		<u>\$ 3,113,246</u>	

See the accompanying notes to the basic financial statements.

DANIEL BOONE REGIONAL LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The Daniel Boone Regional Library (the System) consists of the political subdivisions of the Callaway County Library District (CCLD) and the Columbia and Boone County Library District (CBCLD), which have approved a regional library contract under the authority of Revised Statutes of Missouri (RSMo) 70.210. The System is headquartered in Columbia, Missouri, with other locations in Fulton, Holts Summit and Ashland, Missouri, as well as additional coverage provided by the System's bookmobiles.

The System's purpose is to plan, develop, operate, and provide a library system for the use and benefit of the residents of the above districts and provide those facilities, programs, materials, and services of public libraries.

Reporting Entity

There is one entity related to the System that is reported in the System's financial statements as a component unit under GASB Statement No. 61. The Foundation of the Daniel Boone Regional Library (the Foundation) was incorporated as of October 25, 1989, under the General Not for Profit Corporation Law of Missouri. The Foundation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, to promote the development, maintenance, and improvement of, and to provide financial and other support to the System and its library programs, and to engage in fundraising for the benefit and advancement of the System. The Foundation's financial position is considered individually significant to the overall financial position of the System and its changes in net position and, therefore, are included as part of the reporting entity as a discretely presented component unit in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the System.

The related organizations, the Friends of the Callaway County Public Library, the Friends of the Columbia Public Library, and the Friends of the Southern Boone County Public Library generously raise funds for the System, but these organizations' financial positions are not considered individually significant to the overall financial position of the System or its changes in net position and, therefore, are not included as part of the reporting entity. All these organizations are separate not-for-profit organizations which exist to assist the System in completion of its mission.

Basis of Presentation

The System's financial statements include both government-wide financial statements (Exhibits 1 and 2), reporting the System as a whole, and governmental fund financial statements (Exhibits 3-6), reporting the System's major fund.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the System as a whole. The System's activities are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each program of the System. Expenses are specifically associated with a program and are clearly identifiable with a particular function. Program revenues include charges paid by the recipients of the goods

and services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

The government-wide focus is on the sustainability of the System as an entity and on the change in the System's net position resulting from the current year's activities.

Governmental Fund Financial Statements

The governmental fund financial statements report detailed information about the System. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

The major governmental funds of the System are described below:

General Fund

The General Fund is the primary operating fund of the System. It accounts for all financial resources of the general governmental fund, except for those required to be accounted for in a different fund.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting, such as modified accrual or accrual, pertains to the timing for recognition in the financial statements of transactions or events.

Government-wide Financial Statements

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the differences between the government-wide statements and the governmental fund statements.

Governmental Fund Financial Statements

The governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the System considers revenues to be available if they are collected within 60 days of the current fiscal year-end. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. However, debt service expenditures as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Allocations of cost, such as depreciation or amortization, are not recognized in the governmental funds.

Budgets

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles, except for property taxes, which are budgeted on a cash receipts basis. An annual budget is prepared in accordance with Missouri state statutes for the General Fund and approved by the System's Board of Trustees. All appropriations lapse at calendar year-end.

The budget process begins with management conducting budget work sessions. A preliminary budget is presented to the Finance Committee. The committee then submits the budget to the Board of Trustees for approval prior to the individual library district boards meeting to set their tax levies. By September 1, each individual library board comprising DBRL sets the tax levy and submits the levy to the Missouri State Auditor for approval. As soon as possible, usually by the regular November meeting, the final budget is presented to the Board of Trustees. The Board of Trustees can approve budget amendments on an as needed basis.

Property tax revenue is budgeted based upon the previous year's assessed valuations. For purposes of the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, property taxes are recognized when cash is received.

Within the budget for the General Fund, activities are classified as salaries and fringe benefits, library materials, general operating, building operations and maintenance, contingency, and capital outlay. The Director has the authority to amend the budget line items which make up the budget classifications as long as the total budget is not exceeded by more than ten percent.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

A. Cash deposits

The System's cash deposits are considered to be cash on hand, demand deposits and investments that can be converted to cash.

B. Investments

The System's investments are reported at fair value.

C. Inventories and prepaid items

Inventories are valued at cost using the first-in/first out (FIFO) method and represents food for sale at the CPL Percolation Desk (its food and beverage kiosk) and promotional items and supplies for sale at all locations. The cost of such inventories is recorded as assets when purchased and recognized as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as assets when purchased and recognized as expenditures/expenses when consumed.

D. Capital assets

Capital assets are reported in the government-wide financial statements but not in the governmental fund financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Capital assets are defined as land, buildings, library materials, furniture, and equipment. The System's policy is to capitalize items that individually cost more than \$500 and have a useful life of more than three years. However, library collection assets are typically purchased in groups and capitalized on that basis. Library collection assets include books, CDs, DVDs, playaways, and other devices.

The System's collections are reported as library material expenditures in the fund that finances their acquisition and are capitalized in the government-wide statements at their estimated historical cost. The System follows the policy of recording collection additions and retirements using an estimated cost for each category group that approximates the average weighted list price less the System's typical discount from the list price for the category.

Land is not depreciated. All other capital assets of the System are depreciated using a straight-line method over the following estimated useful lives.

<u>Asset Type</u>	<u>Estimated Useful Life in Years</u>
Buildings and improvements	10-50
Equipment, furniture, and fixtures	5-20
Computer equipment	3-10
Library vehicles	7-15
Library collection	7

E. Leases

At the commencement of the lease term, for arrangements where the System is the lessee, the System recognizes a lease liability and right-of-use (ROU) asset. The System recognizes lease liabilities with individual present values of \$10,000 or more.

The System initially measures the lease liability at the present value of payments expected to be made during the lease term, and the lease payments reduce the principal portion of the lease liability. The ROU asset is initially measured as the initial amount of the lease liability and is subsequently amortized on a straight-line basis over its useful life.

The System monitors changes in circumstances that would require remeasurement of its leases and will remeasure the ROU asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

F. Subscription-Based Information Technology Arrangements (SBITAs)

At the commencement of the contract term, for arrangements where the System is the given the right to use another party’s software, the System recognizes a SBITA liability and right-of-use (ROU) asset. The System recognizes SBITA liabilities with individual present values of \$10,000 or more.

The System initially measures the SBITA liability at the present value of payments expected to be made during the contract term, and the contract payments reduce the principal portion of the SBITA liability. The ROU asset is initially measured as the initial amount of the SBITA liability and is subsequently amortized on a straight-line basis over its useful life.

The System monitors changes in circumstances that would require remeasurement of its SBITAs and will remeasure the ROU asset and SBITA liability if certain changes occur that are expected to significantly affect the amount of the SIBITA liability.

G. Compensated absences

System employees are permitted to accumulate earned but unused paid time off (PTO). Maximum accruals of earned but unused PTO are based on length of employment and are outlined in the System’s personnel policies. Earned but unused PTO is accrued when incurred in the government-wide financial statements. PTO lapses when an employee separates from the System.

Beginning in 2024, System employees are paid PTO balances up to four weeks when an employee separates from the System.

H. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources

(expense/expenditure) until then. The System has one item that qualifies for reporting in this category, which is the pension plan contributions reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent 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 System has two items that qualify for reporting in this category, which are the pension plan – other reported in the government-wide statement of net position and the unavailable revenue – property taxes. The unavailable revenue – property taxes is only reported in the governmental funds Balance Sheet because it arises only under the modified accrual basis of accounting. This is property tax revenue that is considered unavailable under the modified accrual basis of accounting because it is collected more than 60 days after the end of the fiscal year. This property tax revenue is deferred and recognized as an inflow of resources when the amount becomes available.

I. Net position

Net position represents the residual of all other elements presented in the government-wide Statement of Net Position. Net position is classified in three components:

- Net investment in capital assets– Consists of 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.
- Restricted – Consists of net positions with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. A portion of the System’s net position is restricted for grant and donation spending.
- Unrestricted – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

Sometimes the System will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the System’s practice to consider restricted net position to have been depleted before unrestricted net position is applied.

J. Fund balance

Fund balance represents the residual of all other elements presented in the governmental funds balance sheet. Governmental fund balances are reported in categories based on the nature of any limitations requiring the use of resources for specific purposes. Fund balance is displayed in five components:

- Nonspendable – This consists of amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted – This consists of amounts for which constraints are placed on the use of resources by the resource providers, through constitutional or contractual provisions or by enabling legislation. A portion of the General Fund is restricted for grant and donation spending.
- Committed – This consists of amounts that can be used for the specific purposes determined by a formal action of the System’s highest level of decision-making authority (the Board of

Trustees) by the end of the fiscal year. The System did not have any committed fund balance as of December 31, 2023.

- Assigned – This consists of amounts that are intended to be used by the System for specific purposes but do not meet the criteria to be classified as restricted or committed. The General Fund balance is assigned for amounts that are intended to be used for future capital improvement of buildings owned by the districts; future equipment, furniture, and similar capital outlay; and implementation of the long-range strategic plan. These amounts are intended to be used, but are not restricted or committed, for these specific purposes.
- Unassigned – This consists of amounts that are available for any purpose and can only be reported in the General Fund.

Sometimes the System will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the System's practice to deplete restricted fund balance before using any of the components of unrestricted fund balance.

Revenues

K. Program revenues

Amounts reported as program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by the System and 2) grants and contributions that are restricted to meeting operational or capital requirements of the System. All taxes are reported as general revenues rather than as program revenues.

L. Property taxes

Property taxes are levied for the two library districts by Boone and Callaway County Assessors in September based on the assessed valuation of the taxable property as of the preceding January 1. Taxes are due and payable by November 1 following the levy date and become delinquent after December 31, after which the applicable property is subject to a lien for any unpaid taxes, and penalties and interest are also assessed. Callaway County bills and collects property taxes for the Callaway County Library District. Boone County bills and collects property taxes for the Columbia and Boone County Library District (CBCLD).

The Boone County officials report collections to the System and deposit collections into custody accounts for the CBCLD in the month subsequent to the month collected by the county. The Callaway County officials report collections to the System and deposit collections into the System's operating bank account in the month subsequent to the month collected by the county. For its budget purposes, the System reports property taxes as revenue when deposited into the custody accounts. Accordingly, most of the property tax revenue recorded in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is from the receipt of taxes assessed for the previous calendar year. For the government-wide and the modified accrual basis fund financial statements, property taxes are reported as revenue in the year for which the tax was assessed, except that for the modified accrual basis financial statements, revenue recognized is limited to taxes received within 60 days after the fiscal year-end using the measurable and available criteria.

M. Grants

Reimbursement-type grants are recorded as intergovernmental receivables and revenue when the related expenditures are incurred.

Insurance

The System is insured by private carriers for property damage, personal injury, and public official liability. The System has a blanket crime policy for all employees.

Judgments and claims in excess of policy limits are recorded when it is probable that an asset has been impaired, or a liability has been incurred, and the amount of loss can be reasonably estimated. There have been no judgments or claims in excess of policy limits for the past three fiscal years. Additionally, the System has had no significant reductions in coverage from prior years.

The System provides medical, dental, life and workers' compensation insurance coverage for employees through a private insurance carrier.

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.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Events that have occurred subsequent to December 31, 2023, have been evaluated through May 6, 2024, which is the date the financial statements were available to be issued.

In early 2024, the System used \$1.5 million of fund balance to pay down the net pension liability when it increased from the L3 to the L7 LAGERS plan.

2. CASH DEPOSITS AND INVESTMENTS

Missouri statutes and legal opinions authorize the System to invest in certain types of investments including collateralized public deposits (certificates of deposit), State of Missouri bonds, bonds of the United States, U.S. Treasury and agency securities, commercial paper, banker's acceptances, repurchase agreements and other investments backed by the United States government.

The System invests its cash in savings, repurchase agreements backed by U.S. Treasury securities, or federal agency discount notes, certificates of deposit and in external investment pools held by Boone County.

Securities underlying a repurchase agreement, which consist of U.S. Treasury securities or federal agency discount notes, must have a market value of 100% of the cost of the repurchase agreement. Securities underlying repurchase agreements are held as collateral at the Federal Reserve Bank.

Cash

Cash deposits in financial institutions had a bank balance of \$909,477 and a carrying amount of \$867,673 as of December 31, 2023. Custodial risk for deposits is the risk that, in the event of a financial institution failure, the System's deposits may not be returned. The System's investment policy authorizes the Executive Director, who is the System's chief administrative officer, to establish bank accounts with little or no custodial risk. The Executive Director has established four interest bearing checking, savings or money market accounts. These accounts serve to ensure that all the System's assets are fully invested each day. The System requires its cash deposits and investments, other than external investment pools, to be fully collateralized by a combination of FDIC insurance and an irrevocable letter of credit. Obligations that may be pledged as collateral are governed by state statute and include U.S. government and government agency bonds and securities; general obligation bonds from any of the fifty states; general obligation bonds of any Missouri county, certain cities and special districts; revenue bonds of certain Missouri agencies and irrevocable standby letters of credit. Obligations were secured by an irrevocable standby letter of credit. The total bank balance of \$909,477 as of December 31, 2023, was insured by the FDIC for \$250,000. The remaining total bank balance was secured by an irrevocable standby letter of credit.

Bank deposits	\$ 867,673
Cash on hand	<u>1,450</u>
Total cash	<u><u>\$ 869,123</u></u>

Investments

The System has an investment policy that state investments will be made in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to minimize credit risk and interest rate risk.

The System attempts to minimize interest rate risk, which is the risk that the market value of securities will fall due to changes in market interest rates, by participating in an investment pool with Boone County and short-term investments for the other accounts so that cash requirements for ongoing operations can be met without having to sell securities on the open market prior to maturity. Because of the short-term nature of the investments, including the underlying investment in the external investment pool, they present insignificant risk of changes in value because of changes in interest rates.

The System minimizes the concentration of credit risk loss by limiting its investments to the types of securities allowed by state statute; pre-qualify financial institutions, brokers/dealers, intermediaries, and advisors as well as requiring Boone County to follow its policy to pre-qualify; and requiring Boone County to diversify the investment pool's portfolio.

As of December 31, 2023, the underlying assets of the Boone County Investment Pool were invested as follows: 98% in U.S. agency securities and 2% in certificates of deposit.

U.S. agency securities were rated Aaa and a certificate of deposit was rated P-1 by Moody's Investor Services as of December 31, 2023. Four U.S. agency securities were unrated.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Boone County, Missouri external investment pool assets are held by financial institutions in the name of Boone County, Missouri.

As of December 31, 2023, the System had the following investment balance in the Boone County Investment Pool:

	Investment Maturities (in years)			Fair Value	Carrying Value
	Less than 1	1-5	Over 5		
General Fund	\$ 3,181,897	\$ 10,697,261	\$ -	\$ 13,879,158	\$ 13,879,158

For assets and liabilities required to be reported at fair value, U.S. generally accepted accounting principles prescribes a framework for measuring fair value and financial statement disclosures about fair value measurements. A fair value hierarchy has been established that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified with Levels 1 and 2 of the hierarchy) and the reporting entity’s own assumptions about market participant assumptions (unobservable inputs classified with Level 3 of the hierarchy).

The fair value hierarchy as prescribed by U.S. generally accepted accounting principles is as follows:

- Level 1 Valuation is based upon quoted prices (unadjusted) in active markets for identical assets or liabilities that the System has the ability to access.
- Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.
- Level 3 Valuation is generated from model-based techniques that use at least one significant assumption based on unobservable inputs for the asset or liability, which are typically based on an entity’s own assumptions, as there is little, if any related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The System’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The System’s assets are invested in the Boone County Investment Pool, which is unitized and traded at net asset value, similar to a mutual fund. The System is able to invest in and withdraw from the pool at the current calculated price, based on the fair value of the underlying pool investments. As a result, the System’s investments in the pool are considered to be Level 2 investments.

The System’s allocable ownership of the underlying investment securities in the Boone County pool as of December 31, 2023, is as follows:

	Level 1	Level 2	Level 3
Certificates of deposit	\$ -	\$ 245,040	\$ -
U.S. agency securities	-	13,634,118	-
Total Boone County Investment Pool	\$ -	\$ 13,879,158	\$ -

3. PROPERTY TAXES

Property taxes are levied, collected, and reported as described in Note 1. The property tax rates per \$100 of assessed valuation for 2023 for each of the respective taxing districts were as follows:

	<u>General</u>
Callaway County Library District	\$ 0.2600
Columbia and Boone County Library District	0.3022

The assessed valuations for property upon which the fiscal year 2023 levies were based were as follows:

Callaway County Library District	\$ 1,034,458,037
Columbia and Boone County Library District	<u>3,741,522,568</u>
	<u><u>\$4,775,980,605</u></u>

Property tax revenue from the individual taxing districts for the General Fund for the year ended December 31, 2023, is as follows:

Modified accrual basis fund financial statements:

	<u>Actual</u>
Callaway County Library District	\$ 2,680,675
Columbia and Boone County Library District	<u>11,441,979</u>
	<u><u>\$ 14,122,654</u></u>

Non-GAAP budgetary basis financial statements:

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Callaway County Library District	\$ 2,597,180	\$ 2,649,286	\$ 52,106
Columbia and Boone County Library District	<u>10,455,996</u>	<u>9,113,253</u>	<u>(1,342,743)</u>
	<u><u>\$ 13,053,176</u></u>	<u><u>\$ 11,762,539</u></u>	<u><u>\$ (1,290,637)</u></u>

4. CAPITAL ASSETS

A summary of the changes in capital assets is as follows:

	Beginning Balances (as restated)	Increases	Decreases	Ending Balances
Capital assets not being depreciated				
Columbia land	\$ 1,491,805	\$ -	\$ -	\$ 1,491,805
Callaway land	104,380	-	-	104,380
SoBoCo land	106,080	-	-	106,080
Total capital assets not being depreciated	1,702,265	-	-	1,702,265
Capital assets being depreciated/amortized				
Columbia library building	24,770,229	-	(1,092)	24,769,137
Callaway library building	2,126,969	-	-	2,126,969
Leasehold improvements	80,067	-	-	80,067
Automotive equipment	655,230	37,535	(22,958)	669,807
Furniture and equipment	3,976,696	235,348	(201,114)	4,010,930
Books and materials	6,894,842	697,442	(929,784)	6,662,500
Right-of-use asset - leased buildings	2,624,804	-	-	2,624,804
Right-of-use asset - SBITAs	1,553,652	-	-	1,553,652
Total capital assets being depreciated/ amortized	42,682,489	970,325	(1,154,948)	42,497,866
Accumulated depreciation/amortization				
Columbia library building	(16,810,206)	(424,736)	1,092	(17,233,850)
Callaway library building	(1,572,712)	(60,138)	-	(1,632,850)
Leasehold improvements	(18,160)	(3,226)	-	(21,386)
Automotive equipment	(457,672)	(32,005)	22,958	(466,719)
Furniture and equipment	(2,874,755)	(246,634)	187,336	(2,934,053)
Books and materials	(4,590,226)	(644,247)	763,104	(4,471,369)
Right-of-use asset - leased buildings	(1,300,100)	(160,267)	-	(1,460,367)
Right-of-use asset - SBITAs	(560,681)	(517,884)	-	(1,078,565)
Total accumulated depreciation/ amortization	(28,184,512)	(2,089,137)	974,490	(29,299,159)
Total capital assets being depreciated/ amortized, net	14,497,977	(1,118,812)	(180,458)	13,198,707
Capital assets, net	\$ 16,200,242	\$ (1,118,812)	\$ (180,458)	\$ 14,900,972

Depreciation and amortization expense has been allocated in the Statement of Activities among program expenses as follows:

Library materials	\$ 644,247
General operating	438,906
Building operations and maintenance	1,005,984
	<u>\$ 2,089,137</u>

5. RETIREMENT PLAN

The System offers a defined contribution retirement plan to all benefit eligible employees who have completed at least one month of employment. Employees may contribute up to 100% of gross salary, provided their deferral does not exceed the IRS mandated maximum; the System matches up to 6% of an employee's contribution. Unless the employee opts out or defers at a different percentage of compensation, employees are automatically enrolled using 2% of gross salary deferral rate. In addition, the System has a Roth account option that allows for post-tax contributions.

Employees are fully vested after six years of participation in the plan. The employer's contributions were \$246,165 for 2023.

6. PENSION PLAN

General Information about the Pension Plan

The following information is presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Plan Description

The System's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The System 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 System, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	<u>2023 Valuation</u>
Benefit multiplier	1.25%
Final average salary	5 years
Member contributions	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.

Employees Covered by Benefit Terms

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

Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to but not yet receiving benefits	6
Active employees	92
Total	109

Contributions

The System 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 System do not contribute to the pension plan. Employer contribution rates were 11.1% of annual covered payroll.

Net Pension Liability

The System'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 inflation
Investment rate of return	7.00%, net of investment expenses

Mortality rates were based on the PubG-2010 Retiree Mortality Retiree, Disabled, and Employee 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.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real assets	36.00%	3.29%
Strategic assets	8.00%	5.25%
Cash/leverage	-25.00%	-29.00%
	100.00%	

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

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2022	\$ 5,523,093	\$ 3,748,753	\$ 1,774,340
Charges for the year:			
Service cost	308,269	-	308,269
Interest	392,535	-	392,535
Difference between expected and actual experience	237,367	-	237,367
Contributions - employer	-	495,208	(495,208)
Net investment income	-	144,041	(144,041)
Benefit payments including refunds	(136,262)	(136,262)	-
Administrative costs	-	(16,449)	16,449
Other changes	-	(24,870)	24,870
Net changes	801,909	461,668	340,241
Balances at June 30, 2023	\$ 6,325,002	\$ 4,210,421	\$ 2,114,581

Sensitivity of the Net Pension Liability to Changes in the Discount Rates

The following presents the net pension liability of the System, calculated using the discount rate 7.00%, as well as what the System’s net pension liability would be using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	Current Single Discount		
	1% Decrease (6.00%)	Rate Assumption (7.00%)	1% Increase (8.00%)
Total pension liability	\$ 7,299,932	\$ 6,325,002	\$ 5,524,882
Plan fiduciary net position	4,210,421	4,210,421	4,210,421
Net pension liability	<u>\$ 3,089,511</u>	<u>\$ 2,114,581</u>	<u>\$ 1,314,461</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s net position is available in the separately issued LAGERS financial report.

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

For the year ended June 30, 2023, the System recognized pension expense of \$458,757. The System reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between:		
Expected and actual experience	\$ 232,761	\$ (96,640)
Changes in assumptions	-	(84,968)
Projected and actual earnings on investments	58,204	-
Contributions subsequent to the measurement date*	244,530	-
Total	<u>\$ 535,495</u>	<u>\$ (181,608)</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2024.

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

Year ending:		
2024	\$	(10,024)
2025		(32,959)
2026		74,030
2027		25,429
2028		(432)
Thereafter		<u>53,313</u>
Total	\$	<u><u>109,357</u></u>

7. LEASES

In October 2011, the System entered into a ten-year lease agreement for a building in Ashland, Missouri. The agreement includes the option for two, five-year extensions. During the year ended December 31, 2022, the lease was extended through August 2027. The lease requires monthly payments of \$8,667.

In November 2018, the System entered into a two-year lease agreement for a building in Holts Summit, Missouri ended December 31, 2020. The agreement included the option for one, two-year extension. During the year ended December 31, 2020, the lease was extended through December 2022. During the year ended December 31, 2022, the lease was extended through December 2024. The extension includes the option for two, two-year extensions, which the System intended to exercise. Monthly payments during 2023 were \$5,700 and will increase 2% annually through December 2028.

See Note 4 for additional information regarding the right of use assets related to these leases.

The following is a schedule of the future minimum lease payments and the present value of minimum lease payments as of December 31:

Year ending:		
2024	\$	90,067
2025		175,140
2026		175,140
2027		177,984
2028		177,984
Thereafter		<u>394,349</u>
Total minimum lease payments		<u>1,190,664</u>
Less: amounts representing interest		<u>(49,394)</u>
Present value of minimum lease payments	\$	<u><u>1,141,270</u></u>

8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

In January 2022, the System entered into a contract for a system to allow patrons to check out ebooks, audiobooks, and video books on a per use cost. This contract includes a one-year renewal period. Payments range from \$408,987 to \$485,401 on average annually.

In January 2023, the System entered into a contract for a three-year period. Payments are \$18,091 annually. In January 2024, the System entered into a three-year contract for an integrated library system. This contract includes a three-year renewal period. Payments are \$66,165 annually.

See Note 4 for additional information regarding the right of use assets related to these contracts.

The following is a schedule of the future minimum lease payments and the present value of minimum SBITA payments as of December 31:

Year ending:		
2024	\$	482,856
2025		18,091
Total minimum SBITA payments		<u>500,947</u>
Less: amounts representing interest		<u>(16,820)</u>
Present value of minimum SBITA payments	\$	<u><u>484,127</u></u>

9. ASSIGNED FUND BALANCE

General Fund assigned fund balance consists of amounts that are intended to be used by the System for specific purposes but do not meet the criteria to be classified as restricted or committed fund balance (see Note 1 for an explanation of the components of fund balances). As of December 31, 2023, the System intends that General Fund assigned fund balance will be used for the following specific purposes:

General Fund:		
Future capital improvement of buildings owned by districts	\$	3,532,700
Future equipment, furniture and similar capital outlay		2,723,190
Implementation of the long-range strategic plan		<u>828,256</u>
Total assigned General Fund balance	\$	<u><u>7,084,146</u></u>

10. RESTATEMENT

During the year ended December 31, 2023, the System implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which established standards for measuring and recognizing certain SBITA assets and liabilities.

Net position, as previously reported	\$	35,173,814
Restatements:		
Right-of-use assets, as of December 31, 2022		992,971
SBITA liability, as of December 31, 2022		<u>(1,041,646)</u>
Net position, as restated	\$	<u><u>35,125,139</u></u>

11. RELATED PARTY TRANSACTIONS

The System has transactions with the related organizations of the Friends of the Callaway County Public Library, the Friends of the Columbia Public Library, and the Friends of the Southern Boone County Public Library. In 2023, the System received a total of \$57,663 in contributions and materials from these organizations and was reimbursed \$140 from these organizations for its expenditures.

The System received a total of \$35,650 in contributions from the Foundation of the Daniel Boone Regional Library.

12. TAX ABATEMENTS

The System has not entered into any tax abatement agreements. However, the System’s member districts are impacted by tax abatement agreements entered into by Boone County, Callaway County and City of Columbia. These governmental entities have tax abatement agreements with twenty-four entities that impact the System.

The System impact as of December 31, 2023, is listed below.

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year	Financing Method
Food Manufacturing	50	28,130	Chapter 100 Financing
Columbia Hotel Redevelopment	100	3,154	Tax Increment Financing
Food Manufacturing	75	34,016	Chapter 100 Financing
Columbia Hotel Redevelopment	50	2,885	Chapter 100 Financing
Outdoor Merchandise Development	50	21,997	Chapter 100 Financing
Manufacturing Development	50	9,998	Chapter 100 Financing
Redevelopment of Fulton Strip Mall	100	11,933	Tax Increment Financing

Each of the above agreements is negotiated under Missouri state law.

Chapter 100 Financing – In Missouri, cities and counties (“Municipality”) can issue industrial development revenue bonds (“Revenue Bonds”) pursuant to Chapter 100 of the Missouri Revised Statutes (“RSMo”), as amended (the “Act”), in order to encourage industrial development projects for private companies. Under the Act, the Municipality may issue Revenue Bonds to finance the costs of the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants, including the real estate either within or without the limits of such Municipality, buildings, fixtures, and machinery (the “Project”). There are two primary reasons to issue Revenue Bonds under the Act. First, if the Revenue Bonds are tax-exempt, it may be possible to issue the Revenue Bonds at lower interest rates than those obtained through conventional financing. Second, even if the Revenue Bonds are not tax-exempt, ad valorem taxes levied on the Revenue Bond financed Project may be abated so long as the Revenue Bonds are outstanding.

In a typical Chapter 100 transaction, the Municipality holds fee title to the Project once the Revenue Bonds are issued and leases the Project to the private company. Because the Municipality is the legal owner of the

Project while the Revenue Bonds are outstanding, the Project is exempt from ad valorem taxation and personal property taxation while the Revenue Bonds are outstanding. The Municipality and the private company may determine that partial tax abatement – but not full tax abatement is desirable. In this case, the Municipality and the private company will enter into an agreement providing for the company to make “payments in lieu of taxes” to the Municipality and other taxing jurisdictions levying property taxes where the Project is located. The amount of payments in lieu of taxes to be paid by the private company is negotiable to any amount. The payments in lieu of taxes are payable by December 31 of each year and are distributed to the Municipality and to each taxing jurisdiction levying property taxes where the Project is located in the same manner and proportion as the property taxes would otherwise be distributed to such taxing jurisdictions under Missouri law. Section 100.800 of the RSMo does provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

Tax Increment Financing – Pursuant to the Real Property Tax Increment Allocation Act, Sections 99.800 through 99.865, RSMo, as amended (the “TIF Act”), cities and counties (“Municipality”) may adopt a redevelopment plan (“TIF plan”) that provides for the redevelopment of a “blighted area”, “conservation area” or “economic development area,” located within the boundaries of the Municipality. The theory of TIF financing is that, by encouraging redevelopment projects, the value of real property in a redevelopment area should increase.

When the TIF plan is adopted, the assessed valuation of the real property in the redevelopment area is frozen at the current base level prior to construction of improvements. The owner of the property continues to pay property taxes at the base level and such property tax revenues are distributed to the taxing jurisdictions levying property taxes in the redevelopment area. As the property is improved, the assessed value of the real property in the redevelopment area increases above the base level. By applying the property tax levy of all taxing jurisdiction having taxing power within the redevelopment area to the increase in assessed valuation of the improved real property over the base level, a “tax increment” is produced. The tax increments, referred to as “payments in lieu of taxes,” are paid by the owner of the real property in the same manner as regular property taxes. The payments in lieu of taxes are transferred by the collecting agency to the treasurer of the Municipality and deposited in a special allocation fund. Either the Municipality or TIF commission may issue bonds or other obligations under the TIF Act which are payable from moneys in the special allocation fund. The bonds or other obligations must mature within 23 years. The bonds or other obligations are not a general obligation of the Municipality and, accordingly, do not count toward the Municipality’s debt limitation.

Effective August 28, 2014, if the voters in a taxing jurisdiction approve an increase to the taxing jurisdiction’s property tax levy, then the additional revenues generated within an existing redevelopment project area from the voter approved increase to the property tax levy will not be subject to capture without the taxing jurisdiction’s consent.

REQUIRED SUPPLEMENTARY INFORMATION

**DANIEL BOONE REGIONAL LIBRARY
LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

	2023	2022	2021	2020
Total pension liability:				
Service cost	\$ 308,269	\$ 298,252	\$ 300,248	\$ 99,106
Interest	392,535	353,454	341,061	3,402
Difference between expected and actual experience	237,367	28,909	(56,779)	(102,508)
Changes in assumptions	-	-	(125,660)	-
Benefit payments including refunds	(136,262)	(118,526)	(107,424)	(3,576)
Net change in total pension liability	801,909	562,089	351,446	4,609,558
Total pension liability - beginning	5,523,093	4,961,004	4,609,558	-
Total pension liability - ending	<u>\$ 6,325,002</u>	<u>\$ 5,523,093</u>	<u>\$ 4,961,004</u>	<u>\$ 4,609,558</u>
Plan fiduciary net position				
Contributions - employer	\$ 495,208	\$ 453,179	\$ 459,524	\$ 439,397
Net investment income	144,041	4,116	711,689	28,673
Benefit payments including refunds	(136,262)	(118,526)	(107,424)	(3,576)
Administrative costs	(16,449)	(11,276)	(9,670)	(12,113)
Other changes	(24,870)	97,801	(187)	20,233
Net change in plan fiduciary net position	461,668	425,294	1,053,932	546,757
Plan fiduciary net position - beginning	3,748,753	3,323,459	2,269,527	1,722,770
Plan fiduciary net position - ending	<u>\$ 4,210,421</u>	<u>\$ 3,748,753</u>	<u>\$ 3,323,459</u>	<u>\$ 2,269,527</u>
System's net pension liability	<u>\$ 2,114,581</u>	<u>\$ 1,774,340</u>	<u>\$ 1,637,545</u>	<u>\$ 2,340,031</u>
Plan fiduciary net position as a percentage of total pension liability	66.57%	67.87%	66.99%	49.24%
Covered payroll	\$ 4,314,324	\$ 4,145,863	\$ 3,855,700	\$ 3,888,850
System's net pension liability as a percentage of covered payroll	49.01%	42.80%	42.47%	60.17%

Note: This schedule will ultimately contain ten years of data.

**DANIEL BOONE REGIONAL LIBRARY
LAGERS (PENSION PLAN)
SCHEDULE OF CONTRIBUTIONS**

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 493,051	\$ 455,715	\$ 454,627	\$ 460,364	\$ 353,550
Contributions in relation to the actuarially determined contribution	493,051	455,715	454,627	460,364	353,550
Additional contributions not in relation to the actuarially determined contribution	-	-	-	-	1,500,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (1,500,000)
Covered payroll	\$ 4,441,898	\$ 4,142,863	\$ 3,885,700	\$ 3,901,392	\$ 2,874,228
Contributions as a percentage of covered payroll	11.10%	11.00%	11.70%	11.80%	12.30%

Note: This schedule will ultimately contain ten years of data.