

Consolidated Public Library District #3
(known as)



MID-CONTINENT
PUBLIC LIBRARY



**Comprehensive Annual
Financial Report
For the Fiscal Year Ended
June 30, 2009**

Midwest Genealogy Center

www.mcpl.lib.mo.us

Consolidated Public Library District No. 3

Known as

Mid-Continent Public Library

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Consolidated Public Library District No. 3

Known as

Mid-Continent Public Library

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Introductory Section



August 26, 2009

To the Board of Trustees and the Citizens of the Consolidated Public Library District No. 3

The Comprehensive Annual Financial Report (CAFR) of the Consolidated Public Library District, known as Mid-Continent Public Library (the Library,) for the fiscal year ended June 30, 2009 is hereby submitted. The report was prepared by the Finance Office of the Library and includes the report of the independent certified public accountants, Cochran Head Vick & Co., P.C. This report provides the State of Missouri, citizens, financial institutions, grantor agencies and other interested parties with reliable information concerning the financial condition of the Library

The report is published to provide the Library Board of Trustees and the public detailed information concerning the financial condition of the Library. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Library. We believe the information as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Library as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Library's financial status have been included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Library's MD&A can be found in the Financial Section, immediately following the report of the independent auditors.

Financial Reporting Entity

Mid-Continent Public Library (a Consolidated Public Library District organized under Sections 182.610 RsMo,) functions to provide a public library program, the mission of which is to provide expanding access to materials, programs, technology and a world class genealogy and family history library. The Library is governed by a twelve member Board of Trustees. By Missouri Statute, each county in the library district may appoint four representatives with a 4-year term to the Board. The Clay and Platte County Commissions and the Jackson County Executive make these appointments.

History of the Library

The history of Mid-Continent Public Library begins with the history of the individual county library districts. The amount of the operating levy is an important part of the history, because the operating levy had to be the same in each district in order for them to consolidate.

Jackson County Public Library was established in 1947. In April 1963, its operating levy was increased from 10 cents to 20 cents per 100 dollar valuation. Platte County Public Library District, the first county library district in Missouri, was established in 1941 with a 10 cents per 100 dollar valuation operating levy. Clay County Public Library District was not established until April 1965 with an operating levy of 20 cents per 100 dollar valuation.

On November 10, 1965, the recently established Clay County Public Library District and the Jackson County Public Library District agreed to operate jointly as defined by Chapter 182.080 and Chapter 70.210 to 70.320 of the Missouri Revised Statutes and formed the Mid-Continent Public Library Service.

In order to become a full partner in Mid-Continent, Platte County would have to ask its voters to raise the tax levy from 10 to 20 cents. In April of 1968 the levy was approved. On May 21, 1968 a new agreement was signed which included the three county library districts, Clay, Jackson and Platte. On September 17, 1968 the name was shortened from Mid-Continent Public Library Service to Mid-Continent Public Library.

In 1971, the Missouri Legislature passed the Consolidated Public Library law. Seven years later, on December 27, 1978 the Clay County Library District consolidated with the Jackson County Library District forming Consolidated Public Library District No. 3. On February 20, 1979, the Platte County Court voted to consolidate the Platte County Library District with Consolidated Public Library District No. 3, known as the Mid-Continent Public Library.

In 1983 the Mid-Continent Public Library successfully passed a 15 cent increase in the operating levy for a total of 35 cents and a 10 cent temporary (eight years) building levy. However, since 1984, the Library had to roll back the operating levy to 25 cents and the building levy to 7 cents due to the constitutional amendment. In 1991 it was apparent that the building program was coming in under budget, but the operating fund was insufficient to staff them. On June 4, 1991, the District voters reset the operating levy to 32 cents and retired the building levy. However, provisions of State regulations allowed governments to collect up to the highest voter approved levy. In the case of Mid-Continent Public Library, that is 35 cents. In 2008, the Missouri General Assembly reformed tax regulations so that governments could collect the most recently voted levy amount rather than the highest voted amount. Before 2008, the library could establish a levy up to 35 cents. Due to the change in Missouri law, the library can now only establish a levy of 32 cents.

The Library has signed reciprocity agreements with the North Kansas City Public Library, Ray County Public Library District and Rolling Hills Consolidated Public Library to extend our library use privileges to patrons in those library districts. Reciprocity is also extended to patrons serviced by any public library that has delivery service and belongs to the Kansas City Metropolitan Library and Information Network (KCMLIN).

Economic Conditions and Outlook

Mid-Continent Public Library is a political sub-division of the State of Missouri within the taxing jurisdiction of Clay, Platte and Jackson Counties, excluding the Kansas City Public Library District and North Kansas City Public District, with a population according to the 2000 census of 668,428.

The Mid-Continent Public Library system consists of the following thirty branch libraries totaling 440,000 square feet:

Antioch	Edgerton	North Oak
Blue Ridge	Excelsior Springs	Oak Grove
Blue Springs North	Grain Valley	Parkville
Blue Springs South	Grandview	Platte City
Boardwalk	Kearney	Raytown
Buckner	Lee's Summit	Red Bridge
Camden Point	Liberty	Riverside
Claycomo	Lone Jack	Smithville
Colbern Road	North Independence	South Independence
Dearborn	Midwest Genealogy Center	Weston

At all facilities there is a wide variety of programs and services aimed at meeting expectations from clientele ranging from pre-school to senior citizen.

Some significant productivity levels for FY 2008–2009 are the following:

- 9,182,417 items were circulated, an increase of 11.2% from FY 2007-08
- 4,673,737 visits were made to various service outlets, an increase of 7.2% from FY 2007-08
- 527,757 research database searches were made, an increase of 20.3% increase from FY 2007-08
- 1,725,678 reference/information transactions and in-house use of materials were completed, an increase of 4.3% from FY 2007-08
- 318,386 people attended adult/children programs, an increase of 14.5% from FY 2007-08

The library receives 95% of its funding from property tax. During negative economic periods, such as the one we are presently experiencing, library usage increases while both of our real and personal property values have declined.

As stated above, the library could previously establish a levy up to 35 cents. Due to the change in Missouri law in 2008, the library can now only establish a levy of 32 cents. With the decline in property tax values and the tax rate ceiling being moved from 35 cents to 32 cents, in the near future, the library will be faced with eliminating or making changes to the services it offers and/or considering presenting a tax levy increase to the voters.

The proliferation of projects using economic development tools such as Tax Increment Financing, Chapter 100, Chapter 353 and Enhanced Enterprise Zones by the many municipalities in the Library District have become a major concern to the Library Board. A recent study done for the library showed that a total of \$1.7 million in library revenue is being diverted to these projects annually.

Major Initiatives

For the Year

Smithville Branch Library

The construction of a new Smithville Branch Library is currently nearing completion. Substantial completion is expected in September 2009. The cost of construction and development of property is expected to cost approximately \$4.2 million.

Raytown (Joe Herndon) Branch Library

The program area in the basement was completely renovated with the addition of restrooms and an elevator for accessibility. Completion date of this project is August 2009.

Branch Enhancement

During fiscal year 2008-2009 improvements were made to seven branch libraries in regards to aesthetics, space allocation, lighting and furniture.

Pay for Performance

The last phase of a “pay for performance and grade” salary system was instituted this year for the non-exempt salaried employees. This method of compensation replaced the step and grade system which had been in place for many years. This new salary system is based on performance as opposed to using longevity as the dominant factor in determining salary.

Customer Service Initiative

The Library is placing an emphasis on customer service. This past year, a Customer Service Rally and day of training was held for all employees. The emphasis will continue into next year.

Library-To-Go

A new concept in library service was inaugurated through a partnership with the Kansas City Parks Department. Unstaffed library service points were established in two community centers. Patrons are able to request materials be delivered to these locations for pickup or choose an item from a browsable collection of DVD movies. Materials are accessible through vending equipment.

Bandwidth

The library increased data line bandwidth this past year by moving to fiber optic connection.

For the Future

Plans to renovate the North Independence Branch are nearing completion. SDA Architects are in the process completing the plan documents and will prepare a package for submission to contractors for bid in late September or October 2009 with estimated completion in 12 to 14 months. The total project cost is estimated at \$3.75 million.

Mid-Continent Public Library will develop a formal employee health and wellness program this year to include risk assessment, an employee wellness coach and a wellness activities leadership group to provide ideas and manpower for staff wellness initiatives.

The Board and Staff will review and update the strategic plan for the library.

Mid-Continent will partner with other Kansas City Metropolitan area libraries to provide a more seamless method of interlibrary loans.

Property in Kansas City/Clay County known as "Woodneath" has been purchased and is in the preliminary stages of planning a design that will allow the library to maintain the historic designation with the Kansas City Landmarks Commission. This will be the site of a themed destination library.

In the year 2007, the Board authorized the interior improvement or enhancement of the older branches over a period of four years. This branch enhancement program will continue but due to budget constraints, only four of the originally planned seven branches will be completed in fiscal year 2009-2010. This will extend the program at least one additional year.

Library-To-Go will be expanded to additional locations.

Internal Controls

In developing and evaluating the Library's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the Library's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

An annual budget is prepared in accordance with Missouri state statutes for estimated revenues within the governmental funds, itemized by source, and for proposed expenditures for each department and branch, itemized by object and activity.

The annual budget is officially adopted by a majority vote of the Board of Trustees in June each year. State statutes provide that the Library may not legally exceed budgeted expenditures in any individual fund. The legal level of budgetary control for the Operating Fund is activity as adopted by the Board of Trustees within the budget summary. Budgetary amendments require formal approval of the Board of Trustees.

Cash Management

Idle cash balances for each fund during the year were invested in demand deposits, U.S. Treasury Notes, U.S. Treasury Bills, federal discount notes, and repurchase agreements. The Library utilizes a local bank to invest excess cash overnight. The objective is to maximize the return by not allowing excess cash to be placed in an unproductive instrument. State statute limits the types of investment vehicles that can be used and disallows investment in equity instruments, thereby effectively minimizing risk.

Risk Management

The Library is insured by private carriers for property damage, personal injury and public official liability. The Library has a blanket crime policy for all employees. Medical, dental, life, long-term disability and worker's compensation insurance coverage is provided for employees through a private insurance carrier.

Independent Audit

The independent auditors' report, which is a significant part of the Comprehensive Annual Financial Report, is included in the financial section. In this report, Cochran Head Vick & Co., P.C., Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with accounting principles generally accepted in the United States of America and comment on the scope of their examination. The opinion is unqualified and signifies a substantial level of achievement.

Acknowledgments

We wish to express our appreciation to the members of the Board of Trustees for their continued interest and support in planning and conducting the financial operations of the Library in a responsible and progressive manner.

Respectfully submitted,



Richard Wilding
Director of Libraries



Qun Fang
Finance and Facilities Manager

**Consolidated Public Library District No.3
Known as
Mid-Continent Public Library**

**Board of Trustees
June 30, 2009**

Mrs. Lou Kindred, Clay County, President

Mr. Kurt Killen, Platte County, Vice President

Mrs. Joycelyn Tucker Burgo, Jackson County, Treasurer

Mrs. Carole Coots, Platte County

Dr. Victor Gragg, Jackson County

Mrs. Beth Humphries, Clay County

Mr. John W. Laney, Jackson County

Mr. James McPherson, Platte County

Mr. Stephen Hilliard, Platte County

Mr. Brent Schondelmeyer, Jackson County

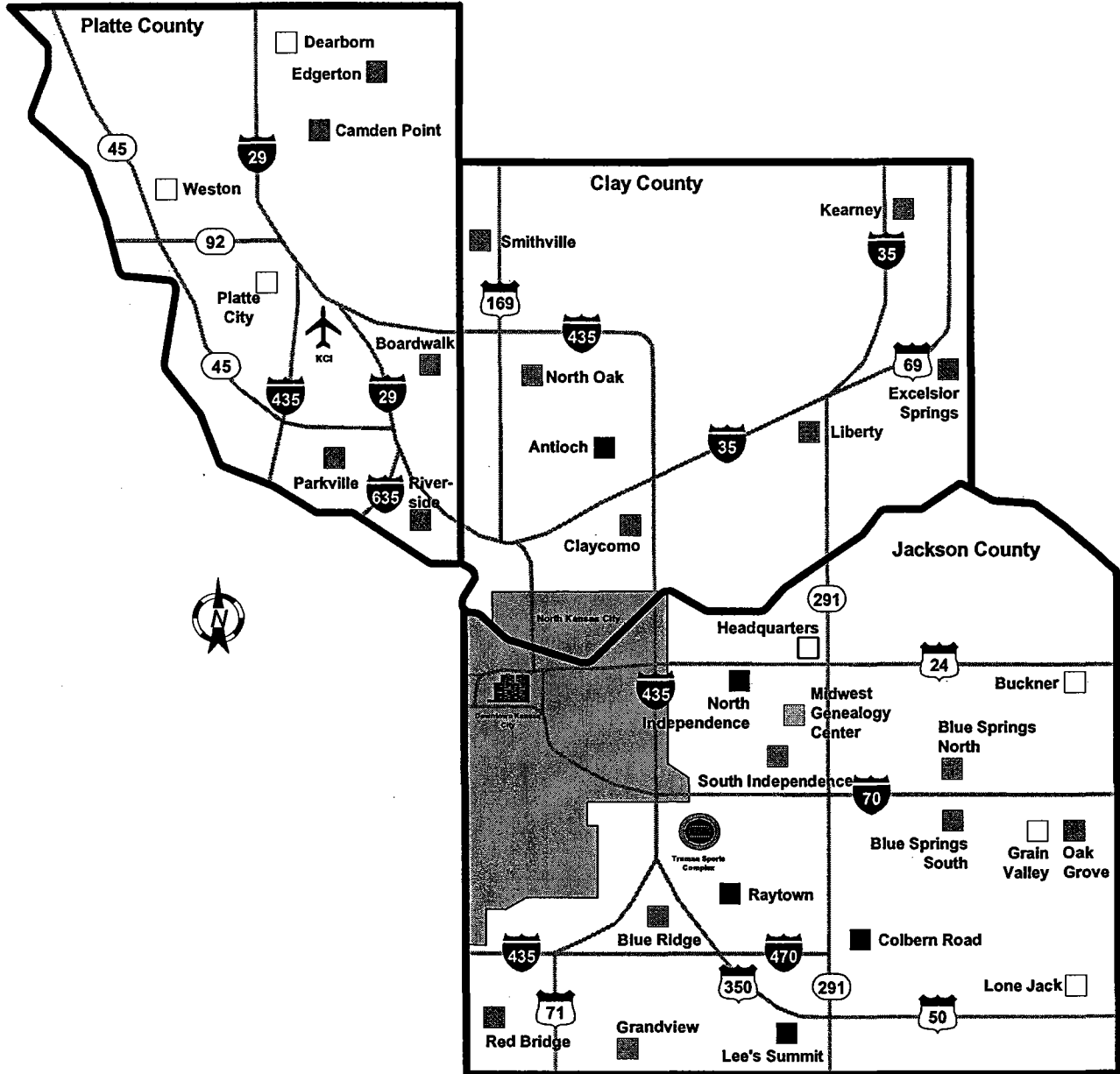
Mrs. Sandy Skaggs, Clay County

Mr. Marvin Weishaar, Clay County

Administrative Staff

Richard Wilding	Director of Libraries
Steve Potter	Assistant Library Director
Vicky Baker	North Area Regional Manager
John Martin	South Area Regional Manager
Don Bridgeforth	Employee Resource Manager
Qun Fang	Finance and Facilities Manager
Teresa Johnson	Senior Office Administrator

Mid-Continent Public Library Branches



Note: Shaded areas are serviced by North Kansas City and Kansas City Public Libraries.

**Consolidated Library District
No. 3
Mid-Continent Public Library
Board of Trustees**

Director of Libraries

Assistant Director

Regional Manager -
North

Finance and Facilities
Manager

Employee Resources
Manager

Senior Office
Administrator

Regional Manager -
South

- Antioch
- Boardwalk
- Camden Point
- Claycomo
- Dearborn
- Edgerton
- Excelsior Springs
- Kearney
- Liberty
- North Oak
- Parkville
- Platte City
- Riverside
- Smithville
- Weston

- Accounting
- Buildings & Grounds
- Delivery Services
- Maintenance
- Supplies/Custodial Services
- Printing Services

- Acquisitions
- Adult Services
- Cataloging Services
- Children's Services
- Interlibrary Loan
- Marketing & Communications
- Project Development

- Benefits Coordinator
- Electronic Resources
- Information Technology
- Internet Systems
- Reference Resources
- Library Systems

Administrative
Secretary

- Blue Springs North
- Blue Springs South
- Blue Ridge
- Buckner
- Colbern Road
- Midwest Genealogy Center
- Grain Valley
- Grandview
- Lee's Summit
- Lone Jack
- North Independence
- Oak Grove
- Raytown
- Red Bridge
- South Independence

III.A

Financial Section



COCHRAN HEAD VICK & CO., P.C.

& Co

Certified Public Accountants

1251 NW Briarcliff Pkwy
Suite 125
Kansas City, MO 64116
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Consolidated Public Library District No. 3,
Known as Mid-Continent Public Library
Independence, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Consolidated Public Library District No. 3, Known as Mid-Continent Public Library (the Library) as of and for the year ended June 30, 2009, which collectively comprise the Library's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Other Offices

1333 Meadowlark Lane
Kansas City, KS 66102
(913) 287-4433
(913) 287-0010 FAX

6700 Antioch Rd, Suite 460
Merriam, Kansas 66204
(913) 378-1100
(913) 378-1177 FAX

317 W. Young
Warrensburg, MO 64093
(660) 747-9125
(660)747-9490 FAX

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library, as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 7 to the financial statements, the Library adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*, in 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2009 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the other required supplementary information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Library's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Library. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

August 3, 2009

Cochran Head Vick & Co. P.C.

Consolidated Public Library District No. 3
Known As
Mid-Continent Public Library
Management's Discussion and Analysis
June 30, 2009

The discussion and analysis of Mid-Continent Public Library (the Library) provides an overview of the Library's financial activities for the year ended June 30, 2009. While profit is not a motive of the Library, a strong financial position allows the Library to deliver excellent services to the taxpayers of the District. This discussion and analysis should be read in conjunction with the accompanying financial statements of the Library.

Financial Highlights

- Cash and Investments decreased by \$5,225,957, primarily due to a 67.0% decrease in total governmental fund's accounts payable balance and capital outlay for new projects.
- Total assets at year-end amounted to \$124,708,398, which exceeded total liabilities by the amount of \$111,907,904, resulting in a highly positive net asset position.
- Total governmental revenues were \$44,061,545, an increase from 2008 in the amount of \$334,245 or 1%, primarily due to the increase of property taxes collected.
- At the end of the fiscal year, the Library's governmental funds reported combined ending fund balances of \$47,219,321. Approximately 95.2% of this total amount is available for spending at the Library's discretion (*unreserved fund balance.*)

Overview of Financial Statements

Management's discussion and analysis introduces the Library's basic financial statements. The Library's basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains additional required supplementary information (budgetary schedules) in addition to the basic financial statements.

Basic Financial Statements

The first two statements in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Library's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Library's activities, providing more detail than the government-wide statements.

The next section of the basic financial statements is the **Notes**. The notes to the basic financial statements explain in detail some of the data contained in the financial statements. After the notes, **Required and Other Supplemental Information** is provided to show details about the Library's individual funds. Budgetary information required by the General Statutes also can be found in this section.

Consolidated Public Library District No. 3
Known As
Mid-Continent Public Library
Management's Discussion and Analysis
June 30, 2009

Government-Wide Financial Statements

The two government-wide financial statements report information about the Library as a whole using accounting methods similar to those used by private-sector companies.

1. The statement of net assets includes all of the Library's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in the Library's net assets may serve as a useful indicator of whether financial position is improving or deteriorating.
2. The statement of activities reports how the Library's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The government-wide financial statements reflect the Library's only program, the library services, which is a governmental activity. Governmental activities are supported primarily by property taxes.

Fund Financial Statements

Governmental funds focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statement reports short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule and schedules of funding progress for the Library's pension plan and other postemployment benefit plan.

**Consolidated Public Library District No. 3
Known As
Mid-Continent Public Library
Management's Discussion and Analysis
June 30, 2009**

Financial Analysis of the Library as a whole

The following comparative condensed statements serve as the key financial data and indicators for management, monitoring and planning.

**Consolidated Public Library District No. 3 Known As
Mid-Continent Public Library, Net Assets**

	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 48,899,225	\$ 54,429,125
Capital assets	<u>75,809,173</u>	<u>70,671,622</u>
Total assets	<u>124,708,398</u>	<u>125,100,747</u>
Current liabilities	1,696,131	4,568,056
Long-term obligations	<u>11,104,363</u>	<u>11,590,383</u>
Total liabilities	<u>12,800,494</u>	<u>16,158,439</u>
Net assets:		
Invested in capital assets, net		
of related debt	67,194,416	61,885,324
Restricted	28,541	-
Unrestricted	<u>44,684,947</u>	<u>47,056,984</u>
Total net assets	<u>\$ 111,907,904</u>	<u>\$ 108,942,308</u>

Current assets totaled \$48,899,225 at June 30, 2009 and primarily consisted of cash and investments of \$47,598,825, taxes and interest receivable of \$820,432, and prepaid expenses of \$394,066.

Capital assets totaled \$75,809,173, net of accumulated depreciation, and consist of land, building, library collection, and furniture, fixtures and equipment.

At year end, current liabilities totaled \$1,696,131 a decrease of \$2,871,925 from the prior year due to the reduction of accounts payable balance.

As noted earlier, net assets may serve over time as one useful indicator of the Library's financial condition. The assets of the Library exceeded liabilities by \$111,907,904 as of June 30, 2009. Of this amount, \$44,684,947 is unrestricted, \$28,541 is restricted and \$67,194,416 reflects the Library's investment in capital assets, net of related debt still outstanding that was issued to acquire the capital assets. Mid-Continent Public Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities.

**Consolidated Public Library District No. 3
Known As
Mid-Continent Public Library
Management's Discussion and Analysis
June 30, 2009**

**Consolidated Public Library District No. 3 Known As
Mid-Continent Public Library, Changes in Net Assets**

	<u>2009</u>	<u>2008</u>
Revenues:		
Program revenues:		
Charges for services	\$ 858,451	\$ 797,750
Operating grants and contributions	740,387	953,040
Capital grants and contributions	127,258	-
General revenues:		
Property taxes	41,231,928	39,418,959
Unrestricted investment revenue	1,103,521	2,557,551
Total revenues	<u>44,061,545</u>	<u>43,727,300</u>
Expenses:		
Library services	40,724,081	37,104,774
Interest on long-term debt	371,868	441,878
Total expenses	<u>41,095,949</u>	<u>37,546,652</u>
Change in net assets	2,965,596	6,180,648
Net assets, beginning of year	<u>108,942,308</u>	<u>102,761,660</u>
Net assets, end of year	<u>\$ 111,907,904</u>	<u>\$ 108,942,308</u>

The Library's net assets increased by \$2,965,596 for the fiscal year ended June 30, 2009. Several particular aspects of the Library's financial operations influenced the total unrestricted net assets:

Revenues

The Library is heavily reliant on taxes to support governmental operations. As a result, the general economy and changes in both residential and commercial property values have a major impact on the Library's revenue streams. In fiscal year of 2008-09, an increase of \$1,812,969 in property taxes resulted from an increase in the assessed valuation of the district property. Because of the Library's healthy financial position, we have been able to earn \$1,103,521 in interest earnings to support governmental activities. The operating grants and contributions were significantly decreased in 2009 due to less funding from the state library for Missouri Entertainment Tax and less contributions received by the Library. During the fiscal year, the Library also received capital asset donations valued at \$127,258 from private entities.

Consolidated Public Library District No. 3
Known As
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Management's Discussion and Analysis
June 30, 2009

Expenses

The Library's total expenses in 2009 were \$41,095,949, an increase of \$3,549,297 over the prior year. This change was largely due to the increase in payroll and benefits, and the depreciation expense.

Financial Analysis of the Library's Major Funds

General Fund

The General Fund is the primary operating fund of Mid-Continent Public Library for day-to-day service delivery. The General Fund's fund balance was decreased by \$1,937,927 due to an interfund transfer to the capital project fund. The Library's board controls the amount of resources transferred to and from the capital projects fund for major capital expansion and improvement. The total revenue of General Fund was 3.2% higher than last year's due to the increased tax revenues. The total expenditures of the fund were 3.6% over last year's, but 5.6% below the budget. This increase in expenditure relates primarily to maintaining services, programs and operational expenditures at a sustenance level.

Capital Project Fund

The Capital Project Fund accounts for the purchase and/or construction of major library capital projects. In fiscal year 2008-09, the total expenditures of the fund were \$6,423,095, including \$3,420,169 for the new Smithville branch, \$346,277 for the Raytown basement renovation and elevator, and \$1,225,608 for debt service payments. At year end, this fund had an unreserved fund balance of \$19,677,998 for future capital development.

Budgetary Highlights – General Fund

During the fiscal year, the Library's board did not formally amend the General Fund budget. On a budgetary basis, which can be found in the required supplemental information, actual tax revenues exceeded budgeted tax revenues by \$850,873, while the total revenues exceeded the budget by \$680,833. Actual expenditures were under budgeted expenditures by \$2,381,240, primarily resulting from positive budget variance in payroll and benefits, and general and administrative costs.

**Consolidated Public Library District No. 3
Known As
Mid-Continent Public Library
Management's Discussion and Analysis
June 30, 2009**

Capital Asset and Debt Administration

Capital assets

The amount invested in capital assets for the Library at June 30, 2009, was \$75,809,173, net of accumulated depreciation. The following table provides a summary of capital asset activity. Additional information about the Library's capital assets can be found in notes 1 and 3 to the basic financial statements.

**Consolidated Public Library District No. 3 Known As
Mid-Continent Public Library, Capital Assets**

	Governmental Activities	
	2009	2008
Capital assets not being depreciated:		
Land	\$ 8,679,271	\$ 8,113,815
Construction in progress	3,699,900	264,744
Total capital assets not being depreciated	<u>12,379,171</u>	<u>8,378,559</u>
Capital assets being depreciated:		
Buildings and improvements	38,116,699	37,323,041
Library Collection	115,079,403	119,769,022
Furniture, Fixtures and Equipment	11,545,730	10,586,082
Land Improvements	196,946	196,946
Vehicles	405,525	365,500
Total capital assets being depreciated	<u>165,344,303</u>	<u>168,240,591</u>
Accumulated Depreciation	<u>(101,914,301)</u>	<u>(105,947,528)</u>
Capital assets being depreciated, net	<u>63,430,002</u>	<u>62,293,063</u>
 Total capital assets, net	 <u>\$ 75,809,173</u>	 <u>\$ 70,671,622</u>

Total capital assets for the Library as of June 30, 2009 were \$75,809,173, \$5,137,551 more than 2008. The most significant increase in our capital assets came in the area of construction in progress for the new Smithville branch, and Raytown branch basement. In addition, improvements were made to seven other branch libraries in regards to aesthetics, space allocation, lighting and furniture. The Library is committed to enhance all branch facilities.

**Consolidated Public Library District No. 3
Known As
Mid-Continent Public Library
Management's Discussion and Analysis
June 30, 2009**

Long-term Debt

At the end of the fiscal year, the Library had outstanding debt obligations of \$11,104,363. Of this amount, \$8,275,000 is the balance of Series 2007 certificate of participation bond, which is backed by the lease payments from the Library to UMB Bank. Additional information about the Library's long-term debt can be found in note 5 to the basic financial statements.

**Consolidated Public Library District No. 3 Known As
Mid-Continent Public Library, Long-term Liabilities**

	Governmental Activities	
	2009	2008
Governmental activities:		
Certificate of participation	\$ 8,275,000	\$ 9,155,000
Unamortized discount	(12,388)	(13,986)
Certificate of participation, net of discount	8,262,612	9,141,014
Capital leases	352,145	572,684
Compensated absences	1,849,771	1,676,685
Early retirements	-	200,000
Other postemployment benefits	639,835	-
Total	<u>\$ 11,104,363</u>	<u>\$ 11,590,383</u>

Request for Information

This report is designed to provide an overview of the Library's finance for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Office, Mid-Continent Public Library, 15616 E. US Highway 24, Independence, MO 64050.

Consolidated Public Library District No. 3
Known as
Mid-Continent Public Library

Statement of Net Assets
June 30, 2009

		<u>Governmental Activities</u>
Assets		
Cash and investments		\$ 47,598,825
Property tax receivable		400,000
Interest receivable		420,432
Prepaid expenses		394,066
Bond issue costs, net		85,902
Capital assets:		
Land, improvements and construction in progress	12,379,171	
Other capital assets, net of depreciation	<u>63,430,002</u>	
Total capital assets		<u>75,809,173</u>
Total assets		<u>124,708,398</u>
Liabilities		
Accounts payable		1,421,758
Accrued wages and benefits		172,244
Accrued interest payable		102,129
Long-term liabilities:		
Due within one year		2,620,225
Due in more than one year		<u>8,484,138</u>
Total liabilities		<u>12,800,494</u>
Net Assets		
Invested in capital assets, net of related debt		67,194,416
Restricted for:		
Genealogy program		28,541
Unrestricted		<u>44,684,947</u>
Total net assets		<u><u>\$ 111,907,904</u></u>

See accompanying notes to the basic financial statements

Consolidated Public Library District No. 3
Known as
Mid-Continent Public Library

Statement of Activities
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Assets</u>
					<u>Activities</u>
					<u>Activities</u>
Governmental Activities:					
Library services	\$ 40,724,081	\$ 858,451	\$ 740,387	\$ 127,258	\$ (38,997,985)
Interest on long-term debt	371,868	-	-	-	(371,868)
Total government activities	\$ 41,095,949	\$ 858,451	\$ 740,387	\$ 127,258	(39,369,853)
General revenues:					
Taxes:					
Property taxes					41,231,928
Unrestricted investment earnings					1,103,521
Total general revenues					<u>42,335,449</u>
Change in net assets					2,965,596
Net assets, beginning of year					108,942,308
Net assets, end of year					<u>\$ 111,907,904</u>

See accompanying note to the basic financial statements

Consolidated Public Library District No. 3
Known as
Mid-Continent Public Library
Balance Sheet - Governmental Funds
June 30, 2009
(with comparative totals for June 30, 2008)

	General Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds	2008 Total
Assets:					
Cash and investments	\$ 27,147,409	\$ 20,361,904	\$ 89,512	\$ 47,598,825	\$ 52,782,748
Property tax receivable	400,000	-	-	400,000	400,000
Interest receivable	151,661	268,771	-	420,432	459,998
Contribution receivable	-	-	-	-	150,000
Due from/to other funds	952,677	(952,677)	-	-	-
Prepaid expenditures	394,066	-	-	394,066	539,024
Total assets	<u>\$ 29,045,813</u>	<u>\$ 19,677,998</u>	<u>\$ 89,512</u>	<u>\$ 48,813,323</u>	<u>\$ 54,331,770</u>
Liabilities:					
Accounts payable	\$ 1,421,758	\$ -	\$ -	\$ 1,421,758	\$ 4,306,031
Deferred revenue	-	-	-	-	150,000
Accrued wages and benefits	172,244	-	-	172,244	179,160
Total liabilities	<u>1,594,002</u>	<u>-</u>	<u>-</u>	<u>1,594,002</u>	<u>4,635,191</u>
Fund balances:					
Reserved for:					
Prepaid expenditures	394,066	-	-	394,066	539,024
Genealogy program	-	-	27,334	27,334	-
Unreserved, designated for:					
Compensated absences	1,849,771	-	-	1,849,771	1,676,685
Unreserved, reported in:					
General fund	25,207,974	-	-	25,207,974	27,289,029
Capital projects fund	-	19,677,998	-	19,677,998	20,191,841
Special revenue funds	-	-	60,971	60,971	-
Permanent fund	-	-	1,207	1,207	-
Total fund balances	<u>27,451,811</u>	<u>19,677,998</u>	<u>89,512</u>	<u>47,219,321</u>	<u>49,696,579</u>
Total liabilities and fund balances	<u>\$ 29,045,813</u>	<u>\$ 19,677,998</u>	<u>\$ 89,512</u>	<u>\$ 48,813,323</u>	<u>\$ 54,331,770</u>

See accompanying notes to the basic financial statements

**Consolidated Public Library District No. 3
Known as
Mid-Continent Public Library**

Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
June 30, 2009

Amounts reported for governmental activities in the statement of net assets are different because:

Ending fund balances - total governmental funds	\$	47,219,321
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Governmental funds report capital outlays as expenditures. However, in the Statement of Net Assets the cost of those assets is capitalized and shown at cost or estimated cost, net of accumulated depreciation. This is the amount of net capital assets reported in the Statement of Net Assets		75,809,173
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Issuance costs, net		85,902
Accrued interest payable		(102,129)
Long-term liabilities, net		<u>(11,104,363)</u>

Total net assets of governmental activities	\$	<u><u>111,907,904</u></u>
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Consolidated Public Library District No. 3

Known as

Mid-Continent Public Library

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2009

(with comparative totals for the year ended June 30, 2008)

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>2008 Total</u>
Revenues:					
Property taxes	\$ 41,231,928	\$ -	\$ -	\$ 41,231,928	\$ 39,418,959
Fines, fees and other	855,443	3,008	-	858,451	797,750
Investment income	465,934	635,462	2,125	1,103,521	2,557,551
State aid	367,635	-	-	367,635	367,635
Contributions	3,452	155,782	87,387	246,621	168,136
Federal and state grants	276,131	-	-	276,131	267,269
Total revenues:	<u>43,200,523</u>	<u>794,252</u>	<u>89,512</u>	<u>44,084,287</u>	<u>43,577,300</u>
Expenditures:					
Current:					
Library services					
Salaries, wages and benefits	23,038,869	-	-	23,038,869	21,819,295
Periodicals, books and other library materials	10,134,264	-	-	10,134,264	9,761,152
General and administrative	6,721,152	-	-	6,721,152	6,390,453
Capital outlay	-	5,197,487	-	5,197,487	11,877,172
Debt service:					
Principal retirements	220,539	880,000	-	1,100,539	937,243
Interest and fiscal charges	23,626	345,608	-	369,234	410,466
Total expenditures	<u>40,138,450</u>	<u>6,423,095</u>	<u>-</u>	<u>46,561,545</u>	<u>51,195,781</u>
Excess of revenues over (under) expenditures	<u>3,062,073</u>	<u>(5,628,843)</u>	<u>89,512</u>	<u>(2,477,258)</u>	<u>(7,618,481)</u>
Other financing sources (uses):					
Transfers in (out)	(5,000,000)	5,000,000	-	-	-
Proceeds from capital lease	-	-	-	-	664,927
Total other financing sources (uses)	<u>(5,000,000)</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>664,927</u>
Net changes in fund balances	(1,937,927)	(628,843)	89,512	(2,477,258)	(6,953,554)
Fund balances, beginning of year	<u>29,389,738</u>	<u>20,306,841</u>	<u>-</u>	<u>49,696,579</u>	<u>56,650,133</u>
Fund balances, end of year	<u>\$ 27,451,811</u>	<u>\$ 19,677,998</u>	<u>\$ 89,512</u>	<u>\$ 47,219,321</u>	<u>\$ 49,696,579</u>

See accompanying notes to the basic financial statements

Consolidated Public Library District No. 3
Known as
Mid-Continent Public Library

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

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

Net changes in fund balances - total governmental funds	\$	(2,477,258)
<p>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. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay		12,896,622
Depreciation expense		(7,886,329)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Contributions		(150,000)
Donation of capital assets		127,258
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Amortization of issuance costs		(11,453)
Interest expense		8,819
Payment of long-term debt		1,100,539
Early retirement obligation		200,000
Other postemployment benefits obligations		(669,516)
<p>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.</p>		
Compensated absences		(173,086)
		(173,086)
Total changes in net assets of governmental activities	\$	2,965,596

See accompanying notes to the basic financial statements.

Notes to the Basic
Financial Statements

Consolidated Public Library District No. 3
Known as Mid-Continent Public Library
Notes to the Basic Financial Statements
June 30, 2009

Note 1: Summary of Significant Accounting Policies

The Consolidated Library District No. 3, known as Mid-Continent Public Library (the Library), organized under the Revised Statutes of the State of Missouri, provides library services to portions of Clay, Platte and Jackson counties, excluding the areas serviced by the Kansas City Public Library District and the North Kansas City Public Library. The Library currently operates 30 branches, with its administrative headquarter in Independence, Missouri.

The accounting and reporting policies of the Library conform to accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting and reporting policies established in GAAP and practiced by the Library are discussed below.

A. Basis of Presentation

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library's major funds).

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the Library, the primary government, as a whole. All activities of the Library are governmental activities. Governmental activities generally are 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 governmental activities. Expenses are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the Library. Internal activity is eliminated in the statement of activities to avoid "doubling up" revenues and expenses.

The Library's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Library first utilizes restricted resources to finance qualifying activities.

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

Fund Financial Statements

Fund financial statements report detailed information about the Library. 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. All remaining governmental funds are aggregated and reported as nonmajor funds.

Consolidated Public Library District No. 3
Known as Mid-Continent Public Library
Notes to the Basic Financial Statements
June 30, 2009

Governmental Funds

The major governmental funds of the Library are described below:

General Fund

The General Fund is the principal operating fund of the Library that accounts for all financial transactions not accounted for in other funds. The majority of the current operating expenditures of the Library are financed through revenues received by the General Fund.

Capital Projects Fund

The Capital Projects Fund accounts for the purchase and/or construction of major Library capital projects.

The Library reports the following fund types of nonmajor funds:

Special Revenue Funds

These funds account for specific revenue sources that are designated for specified purposes.

Permanent Fund

This fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Library programs.

B. Measurement Focus and Basis of Accounting

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 or when all eligibility requirements have been satisfied and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Library gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. This differs from the manner in which governmental fund financial statements are prepared, therefore, the governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental Fund Financial Statements

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available (collectible within the current year or within sixty days of year-end and available to pay obligations of the current period). This includes property taxes and investment earnings. Reimbursements due for grant funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Consolidated Public Library District No. 3
Known as Mid-Continent Public Library
Notes to the Basic Financial Statements
June 30, 2009

Other revenues, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

C. Financial Statement Accounts

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Library considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

Investments

Investments in nonnegotiable certificates of deposit are carried at cost. All other investments are carried at fair value. Fair value is determined using quoted market prices for all investments carried at fair value other than collateralized mortgage obligations. Fair value of collateralized mortgage obligations is estimated using a published pricing service.

Investment income includes interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is assigned to the fund with which the related investment asset is associated.

Prepaid Items and Issuance Costs

The cost incurred in the purchase of subscriptions to periodicals and electronic databases are amortized over the terms of the subscriptions, generally terms are usually one year or less. In addition, certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items.

Issuance costs arising from the issuance of debt are capitalized and are amortized over the period the related debt is outstanding using the straight-line method.

Capital Assets

Capital assets acquired for general Library purposes are recorded as expenditures in the governmental fund financial statements and capitalized at cost or estimated historical cost in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year.

Consolidated Public Library District No. 3
Known as Mid-Continent Public Library
Notes to the Basic Financial Statements
June 30, 2009

Additions, improvements and costs that significantly extend the useful life of an asset are capitalized. The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the accounts in the year of sale or retirement and any resulting gain or loss is reflected in the basic financial statements. Fully depreciated assets are included in the capital asset accounts until their disposal.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	5-35 years
Library collection	10 years
Furniture, fixtures, equipment, and vehicles	3-10 years

Property Tax Revenues

The Library's property tax is levied each September 1 on the assessed value as of the prior January 1 for all real and personal property located in the respective counties. Property taxes are billed in total by November 1 following the levy date and considered delinquent after January 1. On January 1, a lien attaches to all property for which taxes are unpaid. Assessed values are established by the Jackson, Clay and Platte county assessors subject to review by the County's Board of Equalization. The assessed value for property, including railroad and utility properties located in the Counties as of January 1, 2008, on which the fiscal year ended June 30, 2009, levy was based, was \$12,090,144,514. Property tax levies per \$100 assessed valuation for the year ended June 30, 2009 were \$0.3214 for Jackson, Clay and Platte counties.

Compensated Absences

Under the terms of the Library's personnel policy, employees are granted vacation based upon full or half time status and length of service. Sick leave is granted at the rate of eight hours per month for full time employees and four hours for half time employees. Sick leave may be accumulated up to 960 hours for full time employees and 480 for half time employees. Upon termination, salaried employees with three consecutive years of service are compensation for any unused accrued sick leave at 50% of their current rate of pay.

The liability for compensated absences reported in the government-wide statements has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are liquidated by the General Fund.

Interfund Receivables and Payables

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Those related to the timing of the reimbursement or the purchase of goods and services are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between governmental funds are eliminated in the Statement of Net Assets.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Consolidated Public Library District No. 3
Known as Mid-Continent Public Library
Notes to the Basic Financial Statements
June 30, 2009

Equity Classifications

As noted previously, in the Government-wide statements, equity is classified as net assets and displayed in three components:

- *Invested in capital assets, net of related debt* – 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 improvement of those assets.
- *Restricted net assets* – Consists of net assets 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.
- *Unrestricted net assets* – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Note 2: Deposits and Investments

At June 30, 2009, the carrying values of deposits and investments are summarized as follows:

Carrying amount of deposits	\$ 4,251,891
Brokers certificates of deposit	5,635,000
Investments	<u>37,711,934</u>
Total cash and investments	<u><u>\$ 47,598,825</u></u>

At June 30, 2009, the Library had the following investments and maturities:

Type	Fair Value	Maturities in Years		
		Less than 1	1-5	More than 5
U.S. agency obligations	\$ 35,996,934	\$ 2,022,238	\$ 30,532,682	\$ 3,442,014
Repurchase agreements	<u>1,715,000</u>	<u>1,715,000</u>	-	-
	<u><u>\$ 37,711,934</u></u>	<u><u>\$ 3,737,238</u></u>	<u><u>\$ 30,532,682</u></u>	<u><u>\$ 3,442,014</u></u>

Investment Policy

Missouri state statutes authorize the Library, with certain restrictions, to deposit or invest in open accounts, time deposits, U.S. Treasury notes, and certificates of deposit. Statutes also require that collateral pledged must have a fair value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the Library or a disinterested third party and must be of the kind prescribed by state statutes and approved by the State of Missouri.

Consolidated Public Library District No. 3
Known as Mid-Continent Public Library
Notes to the Basic Financial Statements
June 30, 2009

Credit Risk

The credit risk for deposits and investments is the possibility that the issuer/counterparty to an investment will be unable to fulfill its obligations. The Library does not have a policy regarding credit risk. At June 30, 2009, the Library's investments in U.S agencies obligations not directly guaranteed by the U.S. government were rated AAA by Standard & Poor's. Presented below is the actual rating by Moody's Investor Service as of year end for each investment type:

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Library will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Library will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2009, the Library's deposits and repurchase obligations were insured by Federal depository insurance and uninsured deposits and repurchase obligations were fully collateralized by securities held in the Library's name by their financial institution's agent. The Library's securities were registered and held by the Library's financial institution in the Library's name. Accordingly, management has determined that none of the Library's deposits or investments was exposed to custodial credit risk as of June 30, 2009.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Library's investment policy states no funds shall be invested in obligations which are to mature beyond the date that the funds are needed for purposes for which they were received by the Consolidated Public Library District.

Concentration of Credit Risk

The Library's investment policy does not specify maximum or minimum investment concentrations by investment type. As of June 30, 2009 the following table lists the issuers of securities, and the respective fair value of those securities, that represent 5% or more of total Library's investments:

<u>Issuer</u>	<u>Investment Type</u>	<u>Total Fair Value</u>	<u>Percentage</u>	<u>Rating</u>
Fed. Home Loan Banks	U.S. agency securities	\$ 18,603,143	43%	AAA
Fed. Home Loan Mortgage Corp.	U.S. agency securities	7,244,245	17%	AAA
Fed. National Mortgage Corp.	U.S. agency securities	10,149,546	23%	AAA
		<u>\$ 35,996,934</u>		

Consolidated Public Library District No. 3
Known as Mid-Continent Public Library
Notes to the Basic Financial Statements
June 30, 2009

Note 3: Capital Assets

The Library's capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 8,113,815	\$ 565,456	\$ -	\$ 8,679,271
Construction in progress	264,744	3,435,156	-	3,699,900
Total capital assets not being depreciated	<u>8,378,559</u>	<u>4,000,612</u>	<u>-</u>	<u>12,379,171</u>
Capital assets being depreciated:				
Buildings and improvements	37,323,041	793,658	-	38,116,699
Library Collection	119,769,022	7,177,083	(11,866,702)	115,079,403
Furniture, Fixtures and Equipment	10,586,082	959,648	-	11,545,730
Land Improvements	196,946	-	-	196,946
Vehicles	365,500	92,879	(52,854)	405,525
Total capital assets being depreciated	<u>168,240,591</u>	<u>9,023,268</u>	<u>(11,919,556)</u>	<u>165,344,303</u>
Accumulated Depreciation	<u>(105,947,528)</u>	<u>(7,886,329)</u>	<u>11,919,556</u>	<u>(101,914,301)</u>
Capital assets being depreciated, net	<u>62,293,063</u>	<u>1,136,939</u>	<u>-</u>	<u>63,430,002</u>
Total capital assets, net	<u>\$ 70,671,622</u>	<u>\$ 5,137,551</u>	<u>\$ -</u>	<u>\$ 75,809,173</u>

Depreciation expense was charged to Library Services

\$ 7,886,329

Note 4: Interfund Activity

A summary of interfund transfers by fund type is as follows:

Transfers To	Transfers From	
	General Fund	Capital Projects Fund
<u>Governmental Activities</u>		
General Fund	\$ -	\$ 5,000,000
Capital Projects Fund	5,000,000	-
Total	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

Interfund transfers from the General Fund to the Capital Project Fund were for the General Fund's approximate excess of revenues over expenditures of the prior year and funding the 2009 debt service requirements related to the 2007 Certificates of Participation.

A summary of amounts due from/to other funds is as follows:

Governmental Activities

Due from the Capital Projects Fund to:

General Fund \$ 952,677

Amounts due to the General Fund from the Capital Projects Fund result from the time lag between when capital related expenditures have occurred and when the Capital Projects Fund reimburses the General Fund.

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Notes to the Basic Financial Statements
June 30, 2009

Note 5: Long-Term Liabilities

The following is a summary of long-term liabilities of the Library for the year:

	Balance			Balance	
	June 30,			June 30,	Amount Due
	2008	Increases	Decreases	2009	2010
<u>Governmental activities:</u>					
Certificates of participation	\$ 9,155,000	\$ -	\$ 880,000	\$ 8,275,000	\$ 910,000
Unamortized discount	(13,986)	-	(1,598)	(12,388)	(1,598)
Certificates of participation, net of discount	9,141,014	-	878,402	8,262,612	908,402
Capital leases	572,684	-	220,539	352,145	231,823
Compensated absences	1,676,685	1,524,554	1,351,468	1,849,771	1,480,000
Early retirements	200,000	-	200,000	-	-
Other postemployment benefits	-	682,215	42,380	639,835	-
Total	\$ 11,590,383	\$ 2,206,769	\$ 2,692,789	\$ 11,104,363	\$ 2,620,225

Certificates of Participation

On March 1, 2007, the Library issued Series 2007 Certificates of Participation Bonds for \$10,000,000 to finance the construction of a new library branch. The Certificates mature on various dates through 2017 at interest rates varying from 3.65%-3.9%. Certificates maturing on or after March 1, 2015 are callable at the option of the District on or after March 1, 2014 at par.

The annual debt service requirements to amortize the Library's bonds at June 30, 2009, are as follows:

	Principal	Interest	Total
2010	\$ 910,000	\$ 310,608	\$ 1,220,608
2011	940,000	277,392	1,217,392
2012	975,000	243,083	1,218,083
2013	1,010,000	207,300	1,217,300
2014	1,050,000	169,930	1,219,930
2015-2017	3,390,000	265,320	3,655,320
	\$ 8,275,000	\$ 1,473,633	\$ 9,748,633

Capital Lease Obligation

The Library has entered into a capital leasing agreement for computer equipment. The scheduled minimum lease payments include interest at 5.0%. The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

Year ending June 30:		
2010		\$ 244,165
2011		122,083
		<u>366,248</u>
Less imputed interest		(14,103)
Present value of minimum lease payments		<u>\$ 352,145</u>

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Special Termination Benefits

The Library has a defined benefit healthcare plan for qualified employees, whereby the Library will continue to pay for the qualified employee's medical insurance until age 65 or until the employee becomes eligible for Medicare, whichever comes first. During the year ended June 30, 2009, the Library implemented GASB Statement No.45 - *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accordingly, amounts related to the Library's defined benefit health care plan are reported as Other Postemployment Benefits. See Note 7 for more information.

Note 6: Pension Plans

Plan Description

The Library participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section RSMo. 70.600 – 70.755. As such, it is the system's 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.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P. O. Box 1665, Jefferson City, Missouri 65102, or by calling 1-800-447-4334.

Funding Status

The Library's salaried employees do not contribute to the pension plan. The political subdivision is required by state statute to contribute at an actuarially determined rate; the current rate for 2009 is 16.2% of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

As of February 28, 2009, which represents the most recent actuarial valuation date, the actuarial accrued liability for benefits within the plan for the Library was \$37,120,902. The actuarial value of assets was \$24,867,013, which results in an unfunded actuarial accrued liability (UAAL) of \$12,253,889 and a funded ratio of 66.99 percent. The covered payroll (annual payroll of active employees covered by the plan) was \$13,151,909, which results in a ratio of the UAAL to the covered payroll of 93.17 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

Annual Pension Cost

For 2009, the political subdivision's annual pension cost of \$2,169,123 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2009 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy

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June 30, 2009

Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on the 1971 Group Annuity Mortality Table projected to 2000 set back one (1) year for men and seven (7) years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2009 was 15 years.

Annual Pension Cost Three Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2007	\$ 1,980,706	100%	\$ -
June 30, 2008	2,090,999	100%	-
June 30, 2009	2,169,123	100%	-

Tax Deferred Annuity Plan

During 1994, in order to provide additional retirement benefits for eligible employees, the Library adopted a tax deferred annuity plan underwritten by The Variable Annuity Life Insurance Company. The tax deferred annuity plan is a voluntary plan in which all full or part-time employees are eligible to contribute a portion of their gross salary into a tax-deferred annuity. The Library does not contribute to this plan. Employee contributions for the year ended June 30, 2009 were \$435,140.

Note 7: Other postemployment Benefits

Plan Description

The Library sponsors a single-employer, defined benefit healthcare plan (the Healthcare Plan) that provides healthcare benefits to retirees and their spouses, including medical and pharmacy coverage. All employees of the Library may participate and become eligible once they have reached early retirement age of sixty (60) and have twenty (20) years of service. For retired employees, the Library pays the full cost of health benefits. If spousal coverage is elected, the retiree is required to pay the average cost of benefits provided to all employees. The Healthcare Plan does not issue publicly available financial statements.

Retirees and spouses have the same benefits as active employees. Retiree coverage terminates when the retiree reaches Medicare eligibility age which is currently age 65. Spousal coverage is available until the retiree attains Medicare eligibility age or dies.

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the Library has chosen not to fund it. Library policy dictates the payment of retiree claims as they become due.

Annual OPEB Cost and Net OPEB Obligation

The Library's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liability over a period not to exceed thirty years. The following table shows the components of the Library's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Library's net OPEB obligation.

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Annual required contribution	\$	682,215
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
Annual OPEB cost (expense)		682,215
Less: Expected retiree contributions		42,380
Increase in net OPEB obligation		639,835
Net OPEB obligation - June 30, 2008		-
Net OPEB obligation - June 30, 2009	\$	639,835

The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2009	\$ 682,215	6.21%	\$ 639,835

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$4,464,092, all of which is unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$8,215,429, and the ratio of UAAL to the covered payroll was 54.34 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2007 actuarial valuation, the aggregate actuarial cost method was used. The annual healthcare cost trend rate was estimated at 10 percent initially, reduced by decrements of .5% annually to an ultimate rate of 7 percent after six years. The actuarial value of assets was determined as the accumulation of prior accruals less benefits paid. Under the aggregate method, the UAAL is amortized along with the normal cost over the present value of future compensation. There is no explicit amortization of the unfunded actuarial accrued liability. Information about funded status and funding progress has been prepared using the entry age accrual cost method and is intended to approximate the funding progress of the plan.

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Notes to the Basic Financial Statements
June 30, 2009

Note 8: Operating Leases

The Library is committed under leases for office equipment and fiber optical connection. For accounting purposes, these leases are considered to be operating leases. Rental expenditures for the year ended June 30, 2009 amounted to \$335,309. Future minimum lease payments for these leases are as follows:

2010	\$	378,840
2011		378,840
2012		327,181
2013		309,070
		<u>\$ 1,393,931</u>

Note 9: Permanent Fund

The Library has created a genealogy endowment fund to account for contributions received from outside donors related to the genealogy library. The nature of the endowment fund is that the principal of the contributions is to remain intact. One-third of the interest earnings are to be added to the principal and the remaining two-thirds is to be spent on certain activities of the Library. These contributions are accounted for in the Permanent Fund. During the year ended June 30, 2009, the Permanent Fund had \$1,207 net appreciation on assets available for expenditure which is reported as unreserved fund balance and \$27,334 in principal which is reported as reserved fund balance. Both of these amounts are reported as restricted net assets on the government wide statement of net assets. The State of Missouri requires that recipients of endowment gift maintain the original principal intact at the original donation value.

Note 10: Commitments and Contingencies

The Library is exposed to certain risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Library also maintains workers' compensation, health and dental insurance on its employees. There have been no significant changes to insurance coverage from the previous year and settled claims from these risks have not exceeded commercial coverage for the past three years. The Library's management anticipates that any potential claims against the Library will be covered by insurance and will not materially affect the financial position of the Library.

The Library has entered into various contractual agreements related to facility projects. These project expenditures often extend over more than one fiscal year. As of June 30, 2009, the Library had approximately \$1.3 million in outstanding commitments on contracts related to these projects.

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Schedule of Revenues & Expenditures - Budget and Actual - General Fund
For the Year Ended June 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) with Final Budget</u>
Revenues:			
Property taxes	\$ 40,381,055	\$ 41,231,928	\$ 850,873
Fines, fees and other	770,000	855,443	85,443
Investment income	700,000	465,934	(234,066)
State aid	367,635	367,635	-
Contributions	1,000	3,452	2,452
Federal and state grants	300,000	276,131	(23,869)
	<u>42,519,690</u>	<u>43,200,523</u>	<u>680,833</u>
Expenditures:			
Library services:			
Salaries, wages and benefits			
Personnel - salaried	14,126,087	13,858,131	(267,956)
Personnel - hourly	3,490,265	3,131,059	(359,206)
Social security	1,347,651	1,262,045	(85,606)
Unemployment compensation	20,000	4,358	(15,642)
Tuition reimbursement	7,500	10,016	2,516
Retirement	2,330,804	2,169,123	(161,681)
Medical insurance	2,694,651	2,522,091	(172,560)
Life and disability insurance	80,483	72,345	(8,138)
Employee assistance program	15,157	9,701	(5,456)
	<u>24,112,598</u>	<u>23,038,869</u>	<u>(1,073,729)</u>
Periodicals, books and other library materials			
Books	5,473,864	5,405,049	(68,815)
Periodicals	377,000	379,846	2,846
Microfilm	200,000	61,426	(138,574)
Electronic resources	2,700,000	2,704,412	4,412
A-V materials	1,880,000	1,583,531	(296,469)
	<u>10,630,864</u>	<u>10,134,264</u>	<u>(496,600)</u>

(continued)

Consolidated Public Library District No. 3
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Schedule of Revenues & Expenditures - Budget and Actual - General Fund
For the Year Ended June 30, 2009

	Original and Final Budget	Actual	Variance Over (Under) with Final Budget
General and administrative			
Rent - branches	1,800	1,800	-
Rent - equipment	365,000	340,068	(24,932)
Furniture and equipment	600,000	529,850	(70,150)
Vehicles	90,000	80,186	(9,814)
Automated circulation system	463,360	544,476	81,116
OCLC online comp. lib. ctr.	150,000	130,130	(19,870)
Custodial supplies	95,200	96,707	1,507
Office supplies and print	470,000	514,208	44,208
Advertising and promotion	359,500	343,639	(15,861)
Live programming and events	460,000	472,385	12,385
Professional fees	219,000	184,885	(34,115)
Continuing education & convention	256,000	116,494	(139,506)
Memberships and dues	45,000	36,837	(8,163)
Utilities	815,000	912,249	97,249
Postage and freight	600,000	566,514	(33,486)
Telephone & telecommunication	641,600	631,403	(10,197)
Binding	40,000	31,300	(8,700)
Furniture and equipment repair	60,000	23,678	(36,322)
Building repair and maintenance	1,024,768	956,349	(68,419)
Automotive repairs	15,000	17,536	2,536
Gas, oil and lubrication	70,000	56,518	(13,482)
Travel and transportation	130,000	138,247	8,247
Insurance	280,000	231,135	(48,865)
Refunds and miscellaneous	25,000	8,723	(16,277)
Contingency	500,000	-	(500,000)
	<u>7,776,228</u>	<u>6,965,317</u>	<u>(810,911)</u>
Total library services	<u>42,519,690</u>	<u>40,138,450</u>	<u>(2,381,240)</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>3,062,073</u>	<u>3,062,073</u>
Other financing sources (uses):			
Transfers out	<u>(5,000,000)</u>	<u>(5,000,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (5,000,000)</u>	<u>(1,937,927)</u>	<u>\$ 3,062,073</u>
Fund balance, beginning of year		<u>29,389,738</u>	
Fund balance end of year		<u>\$ 27,451,811</u>	

Consolidated Public Library District No. 3
Known as Mid-Continent Public Library
Notes to Required Supplementary Information
June 30, 2009

Budgets and Budgetary Accounting

The Library follows these procedures in establishing the budgetary data reflected in the accompanying government-wide financial statements:

- On the third Tuesday of May, the Library Director submits to the Board of Trustee (the Board) a proposed budget for the fiscal year commencing the following July 1. The proposed budget includes proposed expenditures and means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- On the third Tuesday of June, the Board adopts the final budget. If the Board fails to adopt the budget on or before that date, the budget as submitted or amended, goes into effect.
- Any revisions that alter the total appropriations within any fund must be approved by the Board. The Library's 2008-2009 budget was not amended during the year.
- Expenditures may not exceed appropriations for any fund without Board approval. Unencumbered appropriations lapse at year-end.

The Library's practice is to prepare the annual budget on a GAAP basis of accounting. The budgetary comparison schedules are prepared on this basis.

Consolidated Public Library District No. 3
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Required Supplementary Information

Schedule of Funding Progress - Pension Plan:

<u>Actuarial valuation</u>	(a) Actuarial value of assets	(b) Actuarial accrued liability (AAL)	(b) - (a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Annual covered payroll	(b)-(a)/(c) UAAL as a percentage of covered payroll
February 28, 2007	\$ 27,174,769	\$ 32,797,866	\$ 5,623,097	82.86%	\$ 11,541,434	48.72%
February 29, 2008	29,608,144	34,283,689	4,675,545	86.36%	12,128,065	38.55%
February 28, 2009	24,867,013	37,120,902	12,253,889	66.99%	13,151,909	93.17%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefits Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact LAGERS office in Jefferson City.

Schedule of Funding Progress - Postemployment Benefits Other than Pensions:

<u>Actuarial valuation</u>	(a) Actuarial value of assets	(b) Actuarial accrued liability (AAL)	(b) - (a) Unfunded AAL (UAAL)	(a)/(b) Funded ratio	(c) Annual covered payroll	(b)-(a)/(c) UAAL as a percentage of covered payroll
July 1, 2007	\$ -	\$ 4,464,092	\$ 4,464,092	0.00%	\$ 8,215,429	54.34%

Nonmajor Governmental Funds

Special Revenue Funds

Gifts and Grants Fund – This fund is used to account for gifts and grants provided to the Library for a particular purpose.

James A Leathers Memorial Scholarship Fund – This fund accounts for scholarships provided to qualified participants.

Permanent Fund

Genealogy Endowment Fund – This fund is used to report resources that are legally restricted to the extent that two-thirds of earnings, not principal or the remaining one-third of earnings, may be used for purposes that support the genealogy collection.

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Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2009

	Grants and Gifts Fund	James A. Leathers Scholarship Fund	Genealogy Endowment Fund	Totals
Assets:				
Cash and investments	\$ 46,457	\$ 14,514	\$ 28,541	\$ 89,512
Total assets	<u>\$ 46,457</u>	<u>\$ 14,514</u>	<u>\$ 28,541</u>	<u>\$ 89,512</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Reserved for genealogy program	-	-	27,334	27,334
Unreserved, reported in:				
Special revenue funds	46,457	14,514	-	60,971
Permanent fund	-	-	1,207	1,207
Total fund balances	<u>46,457</u>	<u>14,514</u>	<u>28,541</u>	<u>89,512</u>
 Total liabilities and fund balances	 <u>\$ 46,457</u>	 <u>\$ 14,514</u>	 <u>\$ 28,541</u>	 <u>\$ 89,512</u>

Consolidated Public Library District No. 3

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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -

Nonmajor Governmental Funds

For the Year Ended June 30, 2009

	Grants and Gifts Fund	James A. Leathers Scholarship Fund	Genealogy Endowment Fund	Totals
Revenues:				
Investment income	\$ 856	\$ 948	\$ 321	\$ 2,125
Contributions	45,601	13,566	28,220	87,387
Total revenues:	<u>46,457</u>	<u>14,514</u>	<u>28,541</u>	<u>89,512</u>
Expenditures:				
Current:				
Library services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	46,457	14,514	28,541	89,512
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 46,457</u>	<u>\$ 14,514</u>	<u>\$ 28,541</u>	<u>\$ 89,512</u>

Consolidated Public Library District No. 3
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Schedule of Revenues & Expenditures - Budget and Actual - Capital Project Fund
For the Year Ended June 30, 2009

	Final Budget	Actual	Variance Over (Under) with Final Budget
Revenues:			
Interest on investments	\$ 600,000	\$ 635,462	\$ 35,462
Contributions and other	550,000	158,790	(391,210)
Total revenues	1,150,000	794,252	(355,748)
Expenditures:			
Capital outlay	7,975,000	5,197,487	(2,777,513)
Debt service payment	1,225,903	1,225,608	(295)
Total expenditures	9,200,903	6,423,095	(2,777,808)
Excess of revenues over (under) expenditures	(8,050,903)	(5,628,843)	2,422,060
Trasnfers in:	5,000,000	5,000,000	-
Net change in fund balance	\$ (3,050,903)	(628,843)	\$ 2,422,060
Fund balance, beginning of year		20,306,841	
Fund balance end of year		\$ 19,677,998	

Statistical Section

Consolidated Public Library District No.3
Known As
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Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
Governmental activities						
Invested in capital assets,						
Net of related debt	\$ 48,997,784	\$ 50,177,638	\$ 54,267,407	\$ 56,604,905	\$ 61,885,324	\$ 67,194,416
Restricted	-	-	-	-	-	28,541
Unrestricted	39,395,484	41,747,304	41,646,787	46,156,755	47,056,984	44,684,947
Total net assets	<u>\$ 88,393,268</u>	<u>\$ 91,924,942</u>	<u>\$ 95,914,194</u>	<u>\$ 102,761,660</u>	<u>\$ 108,942,308</u>	<u>\$ 111,907,904</u>

Consolidated Public Library District No.3
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Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	(Restated) 2007	2008	2009
Expenses						
Governmental activities:						
Library services	\$ 31,447,982	\$ 31,592,731	\$ 33,703,592	\$ 34,928,885	\$ 37,104,774	\$ 40,724,081
Interest on long-term debt	-	-	-	94,168	441,878	371,868
Total expenses:	<u>\$ 31,447,982</u>	<u>\$ 31,592,731</u>	<u>\$ 33,703,592</u>	<u>\$ 35,023,053</u>	<u>\$ 37,546,652</u>	<u>\$ 41,095,949</u>
Program Revenues						
Governmental activities:						
Charges for services	\$ 696,306	\$ 700,049	\$ 930,846	\$ 668,310	\$ 797,749	\$ 858,451
Operating grants and contributions	590,843	309,181	298,700	353,176	953,041	740,387
Capital grants and contributions	-	-	-	-	-	127,258
Total program revenues:	<u>\$ 1,287,149</u>	<u>\$ 1,009,230</u>	<u>\$ 1,229,546</u>	<u>\$ 1,021,486</u>	<u>\$ 1,750,790</u>	<u>\$ 1,726,096</u>
Net (expense)/revenue:						
Governmental activities	\$ (30,160,833)	\$ (30,583,501)	\$ (32,474,046)	\$ (34,001,567)	\$ (35,795,862)	\$ (39,369,853)
General Revenues and Changes in Net Assets						
Governmental activities:						
Taxes:						
Property taxes	\$ 31,648,070	\$ 32,860,994	\$ 34,659,775	\$ 38,369,850	\$ 39,418,959	\$ 41,231,928
Unrestricted investment earnings	615,580	1,254,181	1,803,523	2,479,183	2,557,551	1,103,521
Total general revenues:	<u>\$ 32,263,650</u>	<u>\$ 34,115,175</u>	<u>\$ 36,463,298</u>	<u>\$ 40,849,033</u>	<u>\$ 41,976,510</u>	<u>\$ 42,335,449</u>
Changes in Net Assets						
Governmental activities	<u>\$ 2,102,817</u>	<u>\$ 3,531,674</u>	<u>\$ 3,989,252</u>	<u>\$ 6,847,466</u>	<u>\$ 6,180,648</u>	<u>\$ 2,965,596</u>

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Fund Balances of Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	(Restated) 2007	2008	2009
General Fund						
Reserved	\$ 355,401	\$ 382,321	\$ 405,180	\$ 390,485	\$ 390,485	\$ 394,066
Unreserved	39,218,280	41,537,730	41,419,804	54,775,981	28,965,714	27,057,745
Total General Fund	<u>\$ 39,573,681</u>	<u>\$ 41,920,051</u>	<u>\$ 41,824,984</u>	<u>\$ 55,166,466</u>	<u>\$ 29,389,738</u>	<u>\$ 27,451,811</u>
Capital Project Fund (1)						
Reserved	\$ -		\$ -	\$ -	\$ 115,000	\$ -
Unreserved	-		-		20,191,841	19,677,998
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,306,841</u>	<u>\$ 19,677,998</u>
Nonmajor funds						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,334
Unreserved	-	-	-	-	-	62,178
Total Nonmajor Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,512</u>

(1) Effective July 1, 2007, the activities of the Library's Capital Project Fund will be reported separately from General Fund.

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Changes in Fund Balances of Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	(Restated) 2007	2008	2009
Revenues:						
Property taxes	\$ 31,648,070	\$ 32,860,994	\$ 34,659,775	\$ 38,369,850	\$ 39,418,959	\$ 41,231,928
Fines, fees and other	696,306	700,049	930,846	1,069,372	797,750	858,451
Investment income	615,580	1,254,181	1,803,523	2,479,183	2,557,551	1,103,521
State aid	367,635	309,181	277,331	277,331	367,635	367,635
Contributions	-	-	-	142,032	168,136	246,621
Federal and state grants	223,208	-	21,369	75,845	267,269	276,131
Total revenues:	<u>33,550,799</u>	<u>35,124,405</u>	<u>37,692,844</u>	<u>42,413,613</u>	<u>43,577,300</u>	<u>44,084,287</u>
Expenditures:						
Library services	31,024,728	31,340,762	34,046,395	34,563,166	37,970,900	39,894,285
Capital outley	829,296	1,437,273	3,741,516	4,398,813	11,877,172	5,197,487
Debt service						
Principal	-	-	-	-	937,243	1,100,539
Interest and fiscal charges	-	-	-	94,168	410,466	369,234
Total expenditures:	<u>31,854,024</u>	<u>32,778,035</u>	<u>37,787,911</u>	<u>39,056,147</u>	<u>51,195,781</u>	<u>46,561,545</u>
Excess of Revenues over (under) Expenditures	1,696,775	2,346,370	(95,067)	3,357,466	(7,618,481)	(2,477,258)
Other Financing Sources (Uses):						
Proceeds from capital lease	-	-	-	-	664,927	-
Debt issuance discount	-	-	-	(15,984)	-	-
Debt issued	-	-	-	10,000,000	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,984,016</u>	<u>664,927</u>	<u>-</u>
Net Changes in Fund Balances	\$ 1,696,775	\$ 2,346,370	\$ (95,067)	\$ 13,341,482	\$ (6,953,554)	\$ (2,477,258)
Debt service as a percentage of Noncapital expenditures	0.00%	0.00%	0.00%	0.27%	3.43%	3.55%

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General Governmental Revenues by Source
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Interest</u>	<u>Fines and Fees</u>	<u>Grants</u>	<u>Contributions & Others</u>	<u>Total</u>
1999-2000	\$ 25,168,524	\$ 1,132,394	\$ 570,833	\$ 483,760	\$ -	\$ 27,355,511
2000-2001	26,371,231	1,496,108	743,725	343,670	-	28,954,734
2001-2002	27,940,843	630,078	696,764	404,997	-	29,672,682
2002-2003	29,128,697	898,217	669,197	433,587	-	31,129,698
2003-2004	31,648,070	615,580	696,306	590,843	-	33,550,799
2004-2005	32,860,994	1,254,181	700,049	309,181	-	35,124,405
2005-2006	34,659,775	1,803,523	930,846	298,700	-	37,692,844
2006-2007	38,369,850	2,479,183	1,069,372	353,176	142,032	42,413,613
2007-2008	39,418,959	2,557,551	797,750	634,904	168,136	43,577,300
2008-2009	41,231,928	1,103,521	858,451	643,766	246,621	44,084,287

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General Governmental Expenditures by Function
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Program Services</u>	<u>Capital Outlay</u>	<u>Totals</u>
1999-2000*	\$ 17,015,122	\$ -	\$ 17,015,122
2000-2001*	19,505,008	-	19,505,008
2001-2002*	20,790,653	-	20,790,653
2002-2003	36,244,749	1,336,034	37,580,783
2003-2004	31,050,367	803,657	31,854,024
2004-2005	31,370,583	1,407,452	32,778,035
2005-2006	34,133,808	3,654,103	37,787,911
2006-2007	35,516,479	3,539,668	39,056,147
2007-2008	39,318,609	11,877,172	51,195,781
2008-2009	41,364,068	5,197,487	46,561,555

* The district was reported as an enterprise fund type that uses the accrual basis of accounting.

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Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Real Assessed Value	Estimated Actual Real Value	Personal Assessed Value	Estimated Actual Personal Value	Total	
					Assessed Value	Estimated Actual Value
1999-2000	\$ 5,538,701	\$ 22,154,804	\$ 1,917,602	\$ 6,392,007	\$ 7,456,303	\$ 28,546,811
2000-2001	5,765,794	23,063,176	1,976,220	6,587,400	7,742,014	29,650,576
2001-2002	6,134,531	24,538,124	2,055,514	6,851,713	8,190,045	31,389,837
2002-2003	6,376,517	25,506,068	2,131,344	7,104,480	8,507,861	32,610,548
2003-2004	7,130,914	28,523,656	2,104,573	7,015,243	9,235,487	35,538,899
2004-2005	7,346,374	29,385,496	2,055,404	6,851,347	9,401,778	36,236,843
2005-2006	7,559,011	30,236,044	2,179,368	7,264,560	9,738,379	37,500,604
2006-2007	8,561,910	34,247,640	2,338,326	7,794,420	10,900,236	42,042,060
2007-2008	9,330,584	37,322,336	2,407,228	8,024,093	11,737,812	45,346,429
2008-2009	9,573,631	38,294,524	2,516,512	8,388,373	12,090,143	46,682,897

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Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Property Tax Rate</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
1999-2000	\$ 24,844,404	\$ 23,680,289	95.3%	0.3400
2000-2001	25,037,678	24,541,250	98.0%	0.3300
2001-2002	26,486,607	25,992,517	98.1%	0.3300
2002-2003	27,514,427	26,690,843	97.0%	0.3300
2003-2004	29,768,009	28,917,139	97.1%	0.3289
2004-2005	30,304,000	29,648,412	97.8%	0.3289
2005-2006	33,533,988	32,025,753	95.5%	0.3225
2006-2007	34,813,393	34,383,392	98.8%	0.3259
2007-2008	36,947,813	35,152,928	95.1%	0.3212
2008-2009	38,080,565	36,290,704	95.3%	0.3214

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Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Total Government</u>	<u>Per Capita (1)</u>
1999-2000	\$ -	\$ -	\$ -	0.00
2000-2001	-	-	-	0.00
2001-2002	-	-	-	0.00
2002-2003	-	-	-	0.00
2003-2004	-	-	-	0.00
2004-2005	-	-	-	0.00
2005-2006	-	-	-	0.00
2006-2007	10,000,000	-	10,000,000	14.96
2007-2008	9,155,000	572,684	9,727,684	14.55
2008-2009	8,275,000	352,145	8,627,145	12.91

(1) Population data can be found in the Miscellaneous Statistical Data

Consolidated Public Library District No.3
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Miscellaneous Statistical Data
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Full Time Equivalents</u>	<u>Number of Volumes Owned</u>	<u>Number of Materials Circulated (1)</u>	<u>Number of Registered Borrowers</u>	<u>Population (2)</u>
1999-2000	490.3	2,937,752	7,437,730	385,668	582,063
2000-2001	503.6	2,977,759	7,412,049	397,069	668,428
2001-2002	514.4	3,011,133	7,496,778	400,300	668,428
2002-2003	536.2	3,104,783	7,563,190	347,988	668,428
2003-2004	546.6	3,329,842	7,676,097	475,001	668,428
2004-2005	544.4	3,448,146	8,003,080	415,615	668,428
2005-2006	551.6	3,503,464	8,320,986	463,700	668,428
2006-2007	568.6	3,537,916	8,860,919	448,727	668,428
2007-2008	592.2	3,435,518	8,260,899	462,579	668,428
2008-2009	652.2	3,565,744	9,182,417	466,344	668,428

(1) Effective July 1, 2007, the number of materials circulated will exclude those materials checked out by the staff and used in-house.

(2) Based on 1990 and 2000 US census