CITY OF WEBSTER GROVES, MISSOURI
MUNICIPAL LIBRARY DISTRICT

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Trustees
City of Webster Groves, Missouri Municipal Library District

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, and the major fund of the City of Webster Groves, Missouri Municipal Library District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the City of Webster Groves, Missouri Municipal Library District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, and the major fund of the City of Webster Groves, Missouri Municipal Library District, as of June 30, 2026, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Webster Groves, Missouri Municipal Library District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Webster Groves, Missouri Municipal Library District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Webster Groves, Missouri Municipal Library District's ability to continue as a going concern for a reasonable period of time.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison information but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

F.E.W. CPAs

F.E.W. CPAs
Saint Louis, Missouri
July 27, 2026

CITY OF WEBSTER GROVES, MISSOURI MUNICIPAL LIBRARY DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2026

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 1,812,440
TOTAL ASSETS	$ 1,812,440
LIABILITIES	
None	$ -
TOTAL LIABILITIES	$ -
NET POSITION	
Unrestricted	$ 1,812,440
TOTAL NET POSITION	$ 1,812,440

The notes to the financial statements are an integral part of this statement

CITY OF WEBSTER GROVES, MISSOURI MUNICIPAL LIBRARY DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2026

FUNCTIONS/PROGRAMS	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Library services	$ 2,501,692	$ 148,984	$ 49,461	$ -	$ (2,303,247)
Total governmental activities	$ 2,501,692	$ 148,984	$ 49,461	$ -	(2,303,247)

General revenues:	
Property taxes	1,808,808
Interest and investment earnings (loss)	47,755
Total general revenues	1,856,563
Changes in net position	(446,684)
Net position - beginning	2,259,124
Net position - ending	$ 1,812,440

CITY OF WEBSTER GROVES, MISSOURI MUNICIPAL LIBRARY DISTRICT
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Total
ASSETS		
Cash and cash equivalents	$ 1,812,440	$ 1,812,440
TOTAL ASSETS	$ 1,812,440	$ 1,812,440
LIABILITIES AND FUND BALANCE		
Liabilities		
None	$ -	$ -
Total liabilities	-	-
Fund balance		
Restricted	-	-
Unassigned	1,812,440	1,812,440
Total fund balance (deficit)	1,812,440	1,812,440
TOTAL LIABILITIES AND FUND BALANCE	$ 1,812,440	$ 1,812,440

The notes to the financial statements are an integral part of this statement

CITY OF WEBSTER GROVES, MISSOURI MUNICIPAL LIBRARY DISTRICT
RECONCILIATION OF THE BALANCE SHEET
- MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2026

Total fund balance - governmental funds	$	1,812,440
Amounts reported for governmental activities in the statement of net position are different because:		
None		-
Total net position of governmental activities	$	1,812,440

The notes to the financial statements are an integral part of this statement

CITY OF WEBSTER GROVES, MISSOURI MUNICIPAL LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Total
Revenues		
Property taxes	$ 1,808,808	$ 1,808,808
Charges for services	148,984	148,984
Contributions and grants	49,461	49,461
Interest	47,755	47,755
Total revenues	2,055,008	2,055,008
Expenditures		
Current		
Personnel	900,831	900,831
Library materials and services	222,381	222,381
Library services	13,583	13,583
Operations	136,179	136,179
Building	158,570	158,570
Capital outlay	547,348	547,348
Debt service	522,800	522,800
Total expenditures	2,501,692	2,501,692
Net change in fund balances	(446,684)	(446,684)
Fund balance, beginning of year	2,259,124	2,259,124
Fund balance, end of year	$ 1,812,440	$ 1,812,440

The notes to the financial statements are an integral part of this statement

CITY OF WEBSTER GROVES, MISSOURI MUNICIPAL LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2026

Net change in fund balances - total governmental funds	$ (446,684)
Amounts reported for governmental activities in the statement of activities are different because:	
None	-
Change in net position of governmental activities	$ (446,684)

The notes to the financial statements are an integral part of this statement

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Webster Groves, Missouri Municipal Library District (the "Library") was incorporated in 1934, under the provisions of the State of Missouri and is operated under a board of trustees and librarian form of management. The Council of the City of Webster Groves, Missouri is responsible for approving the governing members of the Library's board, but the City's accountability does not extend beyond this. The City of Webster Groves, Missouri does not include the Library as a component unit within the City's financial reporting entity. The Library participates in the City's medical insurance and pension plan.

As discussed below, these financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Accordingly, the accompanying financial statements are not intended to present financial position, changes in financial position, or cash flows in accordance with GAAP, including applicable pronouncements of the Governmental Accounting Standards Board (GASB).

Reporting Entity

The Library has developed criteria to determine whether organizations should be included within its financial reporting entity. The criteria for including organizations within the reporting entity are based on financial accountability as established by applicable Governmental Accounting Standards Board (GASB) guidance.

The Library is financially accountable for an organization if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Library. An organization may also be included as a component unit if it is fiscally dependent on the Library and there is a financial benefit or burden relationship. The Library has determined that it has no component units.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements report information about the Library as a whole using the economic resources measurement focus and the modified cash basis of accounting. Governmental activities are generally financed through property taxes, grants, charges for services, and other revenues. The Statement of Activities reports direct expenses by function and the related program revenues, if any. Revenues not meeting the definition of program revenues are reported as general revenues.

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified cash basis of accounting. The Library reports one major governmental fund, the General Fund.

Under the modified cash basis of accounting, revenues are recognized when cash is received and expenditures or expenses are recognized when cash is disbursed. The Library’s only modification to the cash basis of accounting is the recognition of payroll withholding liabilities, when applicable.

Because these financial statements are prepared using the modified cash basis of accounting, they do not present all assets, liabilities, revenues, and expenses required by accounting principles generally accepted in the United States of America. Accordingly, accounts receivable, capital assets, accounts payable, long-term liabilities, and other accrued assets and liabilities are generally not reflected in the accompanying financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting
The accounts of the Library are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts.

Governmental Funds
Governmental funds are used to account for the Library's general governmental activities. The Library reports one governmental fund, the General Fund, which accounts for all financial resources not required to be accounted for in another fund.

Compensated Absences
Vacation benefits accrue to employees based on months of continuous service. Employees may carry forward up to one and one-half years of earned vacation benefits and are entitled to payment for accumulated vacation upon termination of employment. Sick leave accumulates based on continuous months of service up to a maximum of 640 hours and is not payable upon termination. Under the modified cash basis of accounting, compensated absences are recognized when paid; therefore, no liability for accumulated vacation or sick leave is recorded.

Cash and Cash Equivalents
Cash equivalents consist of highly liquid investments with original maturities of three months or less when purchased.

Use of Estimates
The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Governmental Fund Balances
In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are classified based on the extent to which the Library is bound to honor constraints placed on the use of the resources. The classifications are as follows:

> Nonspendable - Amounts that cannot be spent because they are not in spendable form or are legally or contractually required to remain intact.
>
> Restricted - Amounts restricted by external parties, constitutional provisions, or enabling legislation.
>
> Committed - Amounts that can only be used for specific purposes as approved by formal action of the Board of Trustees. Commitments may be modified or rescinded only by the Board.
>
> Assigned - Amounts intended to be used for specific purposes but not meeting the definition of restricted or committed.
>
> Unassigned - Amounts not classified as nonspendable, restricted, committed, or assigned.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the Library considers restricted amounts to be spent first. When expenditures are incurred for purposes for which committed, assigned, and unassigned fund balances are available, the Library considers committed amounts to be spent first, followed by assigned amounts and then unassigned amounts.

Net Position
Net position represents the difference between assets and liabilities. Net position is reported as restricted when constraints are placed on its use by external parties or by constitutional provisions or enabling legislation. All other net position is reported as unrestricted.

When both restricted and unrestricted resources are available for use, it is the Library's policy to use restricted resources first, followed by unrestricted resources as needed.

Note 2 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1, payable by December 31, and collected by St. Louis County, which remits the Library's share to the Library.

For the 2025 tax year, the Library's total assessed valuation was $956,220,713. The Library's blended tax levy was $0.1932 per $100 of assessed valuation.

Note 3 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk Deposits - Custodial credit risk is the risk that, in the event of a financial institution’s failure, the Library’s deposits may not be returned to it. At June 30, 2026, the carrying amount of the Library’s deposits was $1,812,440, and the related bank balances totaled $1,821,926. All bank balances were covered by federal depository insurance or collateralized in accordance with state law. Accordingly, no bank balances were exposed to custodial credit risk.

Note 4 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries; and natural disasters. The Library maintains insurance coverage for these risks. There have been no significant reductions in coverage, and settled claims have not exceeded insurance coverage during the past three fiscal years.

Note 5 - CONTINGENCIES

Litigation - The Library is not a party to any pending or threatened litigation that, in the opinion of management, would have a material effect on the financial statements.

Note 6 - MUNICIPAL LIBRARY AND MISSOURI EVERGREEN CONSORTIUMS

The Library is a member of the Municipal Library Consortium of St. Louis County (the "Consortium"), an association of independent municipal libraries. The purpose of the Consortium is to develop and maintain a shared automation system and to provide and maintain developing information technologies for the citizens of the member libraries' communities. The members are the Brentwood, Ferguson, Kirkwood, Maplewood, Richmond Heights, Rock Hill, University City, Valley Park and Webster Groves Libraries.

The Consortium has, in turn, become a member of a larger, state-wide consortium called the Missouri Evergreen Consortium ("MEC"). As a result, the central system tracks the holdings of approximately 70 libraries.

The MEC has full ownership of all system hardware, software, peripherals and other property relating to the central site automated system, which is hosted remotely by the technology company Equinox, under contract through MEC. Each member purchases or leases and maintains its own terminals, data transmission devices, bar codes, printers and other peripheral equipment. Each MEC member pays its proportionate share of the automated system's costs according to a base cost plus a percentage of the library's budget.

For shared resources only within the Consortium itself, such as shared subscriptions like databases and ebook leases, each member pays its proportionate share of a given offering's costs according to its percentage of ports in the total system, its percentage of bibliographic records, and its percentage of all members prior year's circulation.

It is not intended that either the Consortium or the MEC will act for profit. Net position, if any, will be distributed to members in the event of termination. The Consortium's fiscal year runs from July 1 to June 30. MEC's fiscal year runs from September 1 to August 31.

Note 7 - RELATED PARTY TRANSACTIONS

During the year ended June 30, 2026, the Library engaged in the following related-party transactions:

Related Party	Nature of Transaction	Amount
Municipal Library Consortium of St. Louis County	Shared library automation and technology services	$ 118,185
City of Webster Groves	Payroll and benefit payments remitted	103,717
	Operations, maintenance, and supplies	9,731
	Library materials	4,906

Note 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 27, 2026, the date which the financial statements were available for issue, and noted no reportable events.

Note 9 - EMPLOYEES' RETIREMENT PLANS

The Library participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer defined benefit pension plan established under Missouri law to provide retirement, disability, and death benefits to eligible employees.

Full-time employees contribute 4.0% of eligible compensation to the plan. The Library's required employer contribution rate was 6.1% of covered payroll for the year ended June 30, 2026. Employer contributions totaled $34,531, $27,391, and $26,899 for the years ended June 30, 2026, 2025, and 2024, respectively.

Note 10 - LONG-TERM LIABILITIES

Under the modified cash basis of accounting, the certificates of participation and related capital assets are not reported in the accompanying financial statements. Principal and interest payments are recognized as expenditures when paid.

The following is a summary of changes in long-term commitments:

	Balance July 1, 2025	Additions	Reductions	Balance June 30, 2026	Due Within One Year
Certificates of Participation					
Series 2019	$ 1,945,000	$ -	$ (445,000)	$ 1,500,000	$ 475,000
Total	$ 1,945,000	$ -	$ (445,000)	$ 1,500,000	$ 475,000

Payments on the certificates of participation are made by the General Fund.

Series 2019 - Certificates of participation bear an interest rate from 3.0% to 4.0% and are due April 15, 2029. The annual principal and interest requirements to maturity of the certificates of participation as of June 30, 2026 are as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 475,000	$ 60,000	$ 535,000
2028	495,000	41,000	536,000
2029	530,000	21,200	551,200
	$ 1,500,000	$ 122,200	$ 1,622,200

Legal Debt Margin

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 5% of the most recent assessed valuation. The legal debt limit based on the 2025 assessed valuation is $47,811,036. As of June 30, 2026, the Library had no bond obligations and, therefore, did not exceed the statutory limit.

Other Information

CITY OF WEBSTER GROVES, MISSOURI MUNICIPAL LIBRARY DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts				Variance
	Original	Original-to-Final Variance	Final	Actual	Positive (Negative)
Revenues					
Property taxes	$ 1,839,202	$ -	$ 1,839,202	$ 1,808,808	$ (30,394)
Charges for services	63,500	-	63,500	148,984	85,484
Contributions and grants	14,750	-	14,750	49,461	34,711
Interest income	35,000	-	35,000	47,755	12,755
Total revenues	1,952,452	-	1,952,452	2,055,008	102,556
Expenditures					
Current					
Personnel	927,692	-	927,692	900,831	26,861
Library materials and services	193,733	-	193,733	222,381	(28,648)
Library services	20,950	-	20,950	13,583	7,367
Operations	116,062	-	116,062	136,179	(20,117)
Building	118,185	-	118,185	158,570	(40,385)
Capital outlay	59,000	-	59,000	547,348	(488,348)
Debt service	522,800	-	522,800	522,800	-
Total expenditures	1,958,422	-	1,958,422	2,501,692	(543,270)
Net change in fund balance	$ (5,970)	$ -	$ (5,970)	(446,684)	$ (440,714)
Fund balance, beginning of year				2,259,124	
Fund balance, end of year				$ 1,812,440	

CITY OF WEBSTER GROVES, MISSOURI MUNICIPAL LIBRARY DISTRICT
NOTES TO OTHER INFORMATION
JUNE 30, 2026

Note 1 - BUDGETS AND BUDGETARY ACCOUNTING

The Library follows these procedures in establishing the budgetary data reflected in the financial statements:

a. The Library Administration submits to the Library Board a proposed operating budget for the fiscal year ended for all funds. The operating budget includes proposed expenditures and the means of financing

b. Prior to July 1 the budget is adopted by the Library Board.

c. Budgets are adopted on the modified cash basis of accounting. The legal level of budgetary control is at the fund level.

d. The Library budgets capital outlay within its technology and operations expenditure categories. For purposes of this schedule, capital outlay and debt service expenditures are presented separately to conform to the financial statement classifications.

e. Appropriations lapse at year end.

Note 2 - SIGNIFICANT BUDGETARY VARIANCES

Significant variances between original and final budgeted amounts and between final budgeted and actual amounts are described below:

Fund	Comparison	Amount Favorable (Unfavorable)	Primary Reason
General			
Revenues	Final to Actual	$ 102,556	Higher-than-anticipated fee collections
Expenditures	Final to Actual	$ (543,270)	Unbudgeted HVAC project

Note 3 - EXPENDITURES IN EXCESS OF BUDGET

The following fund had expenditures in excess of the budgeted amount:

	Budget	Actual
General Fund	$ 1,958,422	$ 2,501,692