

**Kirkwood Public  
Library**

**Annual Financial Statements**

For The Year Ended June 30, 2025

## **TABLE OF CONTENTS**

	<u>Pages</u>
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1-3
Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet - Governmental Funds	6
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds to the Statement of Activities	9
Notes to the Financial Statements	10-21
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule - General Fund	22-23
Notes to Required Supplementary Information	24
<b>FEDERAL COMPLIANCE SECTION</b>	
Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26

📍 **Saint Louis, Missouri**  
6240 S. Lindbergh Blvd Ste 101  
Saint Louis, MO 63123

📞 (314) 845-7999  
📠 (314) 845-7770  
🌐 [www.fewcpas.com](http://www.fewcpas.com)



📍 **Columbia, Illinois**  
205 S. Main  
Columbia, IL 62236

📞 (618) 281-4999  
📠 (618) 281-9533  
🌐 [www.fewcpas.com](http://www.fewcpas.com)

## **INDEPENDENT AUDITORS' REPORT**

To the Members of the Board of Trustees  
Kirkwood Public Library  
Kirkwood, Missouri

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Kirkwood Public Library, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Kirkwood Public Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Kirkwood Public Library, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Kirkwood Public Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Kirkwood Public Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Kirkwood Public Library'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 Kirkwood Public Library's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the comparison information on pages 22-24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2025, on our consideration of the Kirkwood Public 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Kirkwood Public Library’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kirkwood Public Library’s internal control over financial reporting and compliance.

*F.E.W. CPAs*

F.E.W. CPAs  
Saint Louis, Missouri  
September 18, 2025

KIRKWOOD PUBLIC LIBRARY  
STATEMENT OF NET POSITION  
JUNE 30, 2025

	Governmental Activities
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 3,641,992
Investments	2,618,585
Property taxes receivable	17,680
Due from related party	21,904
Prepaid expenses	30,622
Total current assets	6,330,783
Noncurrent assets	
Land	12,600
Art collection	40,050
Capital assets, net of depreciation	5,305,435
Total noncurrent assets	5,358,085
<b>TOTAL ASSETS</b>	<b>\$ 11,688,868</b>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 25,025
Accrued liabilities	41,268
Accrued interest payable	20,816
Noncurrent liabilities, current maturities	406,480
Total current liabilities	493,589
Noncurrent liabilities	
Compensated absences	7,942
Certificates of participation	2,760,000
Total noncurrent liabilities	2,767,942
<b>TOTAL LIABILITIES</b>	<b>\$ 3,261,531</b>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 2,263,085
Restricted	3,457
Unrestricted	6,160,795
<b>TOTAL NET POSITION</b>	<b>\$ 8,427,337</b>

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

KIRKWOOD PUBLIC LIBRARY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Library services	\$ 2,976,420	\$ 124,924	\$ 306,671	\$ 20,350	\$ (2,524,475)
Interest and fiscal charges	106,645	-	-	-	(106,645)
Total governmental activities	<u>\$ 3,083,065</u>	<u>\$ 124,924</u>	<u>\$ 306,671</u>	<u>\$ 20,350</u>	<u>(2,631,120)</u>
General revenues:					
Property taxes					2,795,428
Unrestricted grant income					20,974
Gain (loss) on sale of assets					4,240
Investment earnings (loss)					252,916
Miscellaneous					23,492
Total general revenues					<u>3,097,050</u>
Changes in net position					465,930
Net position - beginning (restated)					<u>7,961,407</u>
Net position - ending					<u>\$ 8,427,337</u>

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

KIRKWOOD PUBLIC LIBRARY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

	General Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,641,992
Investments	2,618,585
Property taxes receivable	17,680
Due from related party	21,904
Prepaid expenses	30,622
<b>TOTAL ASSETS</b>	<b>\$ 6,330,783</b>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>Liabilities</b>	
Accounts payable	\$ 25,025
Accrued liabilities	41,268
<b>Total liabilities</b>	<b>66,293</b>
<b>Fund balances</b>	
Nonspendable	30,622
Restricted	
Jill Raiser Memorial	2,367
Debt service	1,090
Committed	2,036,029
Assigned	
Capital and extraordinary maintenance projects	335,000
Unassigned	3,859,382
<b>Total fund balances</b>	<b>6,264,490</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,330,783</b>

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

KIRKWOOD PUBLIC LIBRARY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025

Total fund balance - governmental funds		\$ 6,264,490
Capital assets used in governmental activities are not financial resources, and, therefore are not reported in the funds.		5,358,085
Interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.		(20,816)
Long-term liabilities, including certificates of participation, are not due and payable in the current period, and, therefore are not reported in the governmental funds. All liabilities both current and long-term are reported in the Statement of Net Position.		
Compensated absences	(79,422)	
Certificates of participation	<u>(3,095,000)</u>	<u>(3,174,422)</u>
Net position of governmental activities		<u><u>\$ 8,427,337</u></u>

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

KIRKWOOD PUBLIC LIBRARY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund
Revenues	
Property taxes	\$ 2,795,428
Fees, fines and sales	124,924
Grants and gifts	347,995
Investment income (loss)	252,916
Other income	28,068
Total revenues	3,549,331
Expenditures	
Current	
Library services	2,590,773
Capital outlay	380,509
Debt service	
Principal	315,000
Interest and fiscal charges	108,607
Total expenditures	3,394,889
Net change in fund balance	154,442
Fund balances - beginning	6,110,048
Fund balances - ending	\$ 6,264,490

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

KIRKWOOD PUBLIC LIBRARY  
RECONCILIATION OF THE REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - governmental funds \$ 154,442

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	188,102	
Depreciation expense	<u>(192,869)</u>	(4,767)

Disposal of capital assets		
Disposals		(336)

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 fund statements.

Compensated absences	(371)	
Interest payable	<u>1,962</u>	1,591

The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Repayments:

Certificate of participation		<u>315,000</u>
------------------------------	--	----------------

Change in net position of governmental activities		<u><u>\$ 465,930</u></u>
---	--	--------------------------

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

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Kirkwood Public Library (the "Library") was incorporated on December 11, 1926, 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 Kirkwood is responsible for appointing the governing members of the Library's board. The City of Kirkwood (the "City") can remove a Library board member with cause. The City approves the tax rate for the Library and Library employees participate in the City's pension plan and medical insurance plan. The City has determined that the Library is not a component unit of the City.

The accounting and financial reporting policies of the Library conform to U.S. generally accepted accounting principles (GAAP) as applied to government entities. The following is a summary of the more significant policies.

Reporting Entity

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Library. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The Library follows GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions* (GASB 33), which establishes accounting and financial reporting standards for nonexchange transactions involving financial or capital resources.

GASB 33 groups nonexchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, governmental mandated nonexchange transactions, and voluntary nonexchange transactions.

The Library recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The Board recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied.

Intergovernmental revenues, representing grants, entitlements, donations and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as unearned revenues. Charges for services in the governmental funds, which are exchange transactions and are, therefore, not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

Fund Accounting

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

Governmental Funds

Governmental Funds are those through which most functions of the Library are financed. The Library's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. Governmental Funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used.

Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as fund balance. The Library uses the following governmental fund type, which is considered a major fund:

General Fund

This fund is the general operating fund of the Library and accounts for all financial resources, except those required to be accounted for in another fund.

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Cash and Cash Equivalents

The Library considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Investments

The Library is governed by the deposit and investment limitations of state law. The Library's policy and state law authorize the following types of investments: United States Treasury and Agency Securities, Repurchase Agreements, Collateralized Certificates of Deposit (CD's), Banker's Acceptances and Commercial Paper. The Library's endowment assets may be invested in money market funds, short-term CD's, treasuries and federal agencies, fixed income, equity and alternatives. Investments are reported at market value.

Allowance for Doubtful Accounts

Management believes there are no significant uncollectible receivables, therefore, no allowance for doubtful accounts has been recorded.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts have become available.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires the Library to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of donation. The Library defines capital assets as assets with an initial, individual cost exceeding capitalization thresholds delineated below, and an estimated useful life in excess of one year.

Capital assets used in operations are depreciated using the straight-line method, using asset lives and capitalization limits as follows:

KIRKWOOD PUBLIC LIBRARY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

	Years	Capitalization Limit
Exhaustible land improvements	10-25	\$ 5,000
Buildings	60	\$ 5,000
Building improvements	39-60	\$ 5,000
Furniture and equipment	4-20	\$ 5,000

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. The Library does not possess any infrastructures.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Bond premiums or discounts, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using the straight-line method and the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. However, special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds, capital leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Compensated Absences

Employee vacations vest after six months of continuous service and may be accrued for one year. Full-time employees may carry over accrued vacation into the following calendar year only. The maximum carryover is one half of that year's accrued vacation. Expenditures relating to employee vacations are recorded when paid. Vacation time earned but unused at year-end has been recorded as a liability in the government-wide financial statements. A liability is reported in the governmental funds only if the amount is due at year end and payable with current resources.

Governmental Fund Balances

Fund balance is the difference between assets and liabilities in a Governmental Fund. In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the following types of fund balances are presented in the Governmental Funds Balance Sheet:

Nonspendable - This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The Library's nonspendable fund balance consists of prepaid insurance.

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The Library's restricted funds consist of the Jill Raiser Memorial and debt service.

Committed - This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of Trustees, the Library's highest level of decision-making authority. The Library's committed fund balance consists of monies received from the dissolution of the Kirkwood Public Library Foundation and other gifts designed to benefit the Library in the long term.

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes by a) Board of Trustees or b) Executive Director. The Library's assigned fund balance includes amounts budgeted in the subsequent year.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose.

The Library uses restricted amounts first when both restricted and unassigned fund balances are available, unless there are legal contracts that prohibit doing this.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

The Library utilizes restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Leases

During fiscal year 2023, the District adopted GASB Statement No. 87, Leases, which requires the recognition of the material remaining value of operating leases as right of use assets and future minimum lease liabilities, initially measured at the present value of the lease payments, on all the District's lease obligations. Presently, the District has no material leases.

Capital Asset Policy Change – Library Materials

Effective July 1, 2024, the Library revised its capital asset policy to no longer capitalize or depreciate library materials. This change reflects the Library's \$5,000 capitalization threshold, the low individual cost and high turnover of materials, and the determination that such assets are not material to the government-wide financial statements. As a result of this change, capital assets (library materials) with a historical cost of \$1,991,353 and accumulated depreciation of \$1,051,005 were removed from the government-wide financial statements. This resulted in a net decrease to beginning net position of \$940,348. The change is treated prospectively in accordance with GASB 34 and does not constitute a prior period restatement.

KIRKWOOD PUBLIC LIBRARY  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2025

**Note 2 - PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the Library. The county’s fee for this service is 1.5% of the taxes collected. Revenue recognition of delinquent property taxes not collected within sixty (60) days of fiscal year end is deferred. An allowance for uncollectable taxes has been considered for delinquent taxes.

The assessed valuation of the tangible taxable property for the calendar years 2024 and 2023 for purposes of local taxation was \$1,201,675,047 and \$1,199,676,672, respectively. The City of Kirkwood approves the property tax rate. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2024 and 2023 were as follows:

	2024	2023
Residential Real Estate	\$ 0.215	\$ 0.212
Commercial Real Estate	0.272	0.263
Personal Property	0.355	0.355
	\$ 0.842	\$ 0.830

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2025, aggregated approximately 99.9% of the current assessment computed on the basis of the levy as shown above.

**Note 3 - CASH AND INVESTMENTS**

Missouri Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

**Custodial Credit Risk Deposits** - For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Library has a custodial credit risk policy for deposits which requires these funds in excess of amounts federally insured to be collateralized and shall be granted safekeeping receipts specifying the type of collateral as allowed by law. At year-end, the carrying amount of the Library’s deposits totaled \$4,235,793 and bank balances totaled \$4,254,765. The carrying amount also includes \$593,801 of certificates of deposit, which are listed as investments due to their original maturity of more than three months. As of June 30, 2025 none of the Library’s deposits were exposed to custodial credit risk.

**Custodial Credit Risk Investments** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Library’s policy is to require Securities Investor Protection Corporation coverage to secure its investments. As of June 30, 2025, the Library’s investments were not subject to custodial credit risk.

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 3 - CASH AND INVESTMENTS (continued)**

Investment Interest Rate Risk - The Library's policy is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and to invest operating funds primarily in shorter-term securities. Maturities of investments held at June 30, 2025 are less than one year.

Investment Credit Risk - Investment credit risk is the risk of loss due to the failure of the security issuer. The Library's policy to minimize credit risk is to pre-qualify the financial institutions, brokers, dealers, intermediaries, and advisor with whom the Kirkwood Public Library will do business. In addition, the Library's policy recommends diversifying the portfolio so that potential losses on individual securities will be minimized.

Concentration of Investment Credit Risk - Concentration of credit risk is required to be disclosed for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the US Government and certificates of deposit). The Library's policy is to diversify its investments to reduce the risk of loss and periodically review its diversification strategies. As of June 30, 2025, those concentrations are as follows:

First Eagle Global I	\$ 715,360
Hartford Core Equity I	179,091
Blackrock Systemc Multi Strat	145,221
Thornburg Limited-Trm Inc	135,849
T Rowe Price Cap Apprec FD	117,030
Loomis Sayles Invst Grade BD Y	114,983
Pimco Income I2	108,796

**Note 4 - FAIR VALUE MEASUREMENTS**

The Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Library has the ability to access.

*Level 2* - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 4 - FAIR VALUE MEASUREMENTS (continued)**

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the fiscal year ended June 30, 2025.

Mutual Funds and ETFs: Valued at the net asset value (“NAV”) or closing price of shares held by the plan at year end.

Certificates of deposit: valued at cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Library believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurements at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Library’s assets at fair value as of June 30, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds and ETFs	\$ 2,024,784	\$ -	\$ -	\$ 2,024,784
Certificates of deposit	-	593,801	-	593,801
Total at fair value	\$ 2,024,784	\$ 593,801	\$ -	\$ 2,618,585

**Note 5 - RISK MANAGEMENT**

The Library is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library obtains commercial insurance to transfer these risks. Settled claims have not exceeded coverage in any of the past three fiscal years.

**Note 6 - CONTINGENCIES AND COMMITMENTS**

Litigation

The Library is not involved in any pending or threatened litigation, claims, or assessments that would have a material effect on the Library’s financial position, results of operations, or cash flows.

Commitments

The Library had no material outstanding commitments as of June 30, 2025.

**Note 7 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 18, 2025, the date which the financial statements were available for issue, and noted no reportable events.

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 8 - 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 9 - RELATED PARTY TRANSACTIONS**

During fiscal year 2025, the Library was involved in the following transactions with related parties:

City of Kirkwood - expenses	
Electric, water, sanitation	\$ 49,723
Medical insurance	147,189
Pension	45,754
Municipal Library Consortium of St. Louis County - expenses	130,019
Due from Municipal Library Consortium of St. Louis County	21,904

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 10 - CAPITAL ASSETS**

The following is a summary of changes in capital assets - governmental activities:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
Land	\$ 12,600	\$ -	\$ -	\$ 12,600
Art collection	40,050	-	-	40,050
Total capital assets not being depreciated	<u>52,650</u>	<u>-</u>	<u>-</u>	<u>52,650</u>
<i>Capital assets being depreciated:</i>				
Buildings and other improvements	6,377,826	139,857	-	6,517,683
Furniture and equipment	815,611	48,245	17,535	846,321
Total capital assets being depreciated	<u>7,193,437</u>	<u>188,102</u>	<u>17,535</u>	<u>7,364,004</u>
<i>Less accumulated depreciation for:</i>				
Buildings and other improvements	1,252,363	121,337	-	1,373,700
Furniture and equipment	630,536	71,532	17,199	684,869
Total accumulated depreciation	<u>1,882,899</u>	<u>192,869</u>	<u>17,199</u>	<u>2,058,569</u>
Total net capital assets being depreciated	<u>5,310,538</u>	<u>(4,767)</u>	<u>336</u>	<u>5,305,435</u>
Governmental activity capital assets, net	<u>\$5,363,188</u>	<u>\$ (4,767)</u>	<u>\$ 336</u>	<u>\$ 5,358,085</u>

Depreciation expense of \$192,869 was charged to the function library services.

**Note 11 - LONG-TERM LIABILITIES**

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

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Accrued compensated absences *	\$ 79,051	\$ 371	\$ -	\$ 79,422	\$ 71,480
Certificate of Participation - 2017	3,410,000	-	(315,000)	3,095,000	335,000
	<u>\$ 3,489,051</u>	<u>\$ 371</u>	<u>\$ (315,000)</u>	<u>\$ 3,174,422</u>	<u>\$ 406,480</u>

\* Due to limitations, gross amounts for additions and reductions are not readily available. Net changes are shown above.

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 11 - LONG-TERM LIABILITIES** (continued)

Certificates of Participation 2017

In February 2017, Certificates of Participation Series 2017 (“COPS”) in the amount of \$5,580,000 were issued evidencing interest in the right to receive rental payments to be paid by the City of Kirkwood Municipal Library pursuant to an annually renewable Lease-Purchase Agreement dated February 1, 2009 (the “Original Lease”), as amended and supplemented by the First Supplemental Lease Purchase Agreement dated February 1, 2017 (the “First Supplemental Lease”), between UMB Bank, as lessor, and the Library, as lessee. Proceeds from the sale of the Series 2017 Certificates will be used to advance refund all the outstanding Series 2009 Certificates maturing in the years 2017 and thereafter and pay the costs of delivering the Series 2017 Certificates.

Pursuant to a Base Lease dated as of February 1, 2009 (the “Base Lease”), the Library is leasing to the Trustee the land on which the Kirkwood Public Library (the “Library”) is located (the “Leased Property”). Under the Lease, the Trustee leases its interest in the Leased Property to the Library for a series of one-year terms, with a final renewal term commencing July 1, 2032 and ending April 16, 2033. Each Renewal Term is subject to annual appropriation by the Board of Trustees of the Library. The Library may terminate its obligations under the Lease on an annual basis. The Library will have the option to purchase the Trustee’s interest in the Leased Property at the times and upon conditions described in the lease

The Certificates bear interest at rates ranging from 2.00% to 3.50% and mature through 2033 as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 335,000	\$ 100,244	\$ 435,244
2027	340,000	90,194	430,194
2028	365,000	79,994	444,994
2029	370,000	69,044	439,044
2030	395,000	57,480	452,480
2031-2033	1,290,000	91,367	1,381,367
	\$ 3,095,000	\$ 488,323	\$ 3,583,323

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 2024 assessed valuation is \$60,083,752. The Library currently has no general obligation bonds outstanding; therefore, the legal debt margin is \$60,083,752.

**Note 12 - TAX ABATEMENTS**

The Library is not subject to any property tax abatement agreements entered into by other governmental entities that would reduce the Library’s property tax revenues.

KIRKWOOD PUBLIC LIBRARY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025

**Note 13 - EMPLOYEES' RETIREMENT PLANS**

The Library participates in the City of Kirkwood's defined contribution multiple employer Civilian Employees Retirement Fund (CERF) which covers all nonuniformed employees of the City of Kirkwood, the Kirkwood Public Library, and the Kirkwood Housing Authority. Employees are eligible for participation in the CERF upon completing 500 hours of service in a consecutive six-month period.

The CERF receives contributions from the Library in accordance with City ordinances, in an amount equal to 6.5% of each participating employees' gross wages. Vesting of employer contributions occurs after five years of service.

Nonvested participant accounts are forfeited to the CERF upon termination of employment. The forfeited amounts reduce the City's required contribution in the year of termination.

Benefits are paid upon retirement in the form of a lump-sum series of substantially equal installments or an annuity with optional surviving spouse benefits. The CERF purchases annuities for retirees who choose the annuity form of retirement payment. These annuities are not reflected in the assets of the CERF.

Participants may choose to have funds invested on their behalf in any one of the following, or any combination thereof, types of investments of open-end mutual funds: Short-term reserves, bond funds, balanced funds (stocks and bonds), domestic stock funds and international stock funds.

The amount contributed to the Kirkwood pension plan was \$45,754 for the year ended June 30, 2025. The CERF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Kirkwood, 139 South Kirkwood, Kirkwood, Missouri 63122.

The Library also has available a cash or deferred arrangement (CODA) under Code Section 401(a). Under this Plan, the Library contributes 3% of each eligible employee who agrees to match this amount with a contribution to their Code Section 457 account. Contributions made by the Library for employees for the fiscal year ended June 30, 2025 totaled \$24,826.

**Required Supplementary Information  
(Other than Management's Discussion & Analysis)**

KIRKWOOD PUBLIC LIBRARY  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property taxes	\$ 2,695,000	\$ 2,760,064	\$ 2,795,428	\$ 35,364
State aid	20,000	20,974	20,974	-
Fines	12,400	9,000	9,083	83
Fees	63,050	70,435	72,312	1,877
Sales	40,800	41,739	43,529	1,790
Grants	114,010	145,144	272,658	127,514
Gifts	34,500	36,997	54,363	17,366
Investment income (loss)	19,000	41,334	252,916	211,582
Other income	20,000	27,991	28,068	77
Total revenues	3,018,760	3,153,678	3,549,331	395,653
<b>Expenditures</b>				
Library services				
Personnel				
Salaries and wages	1,467,451	1,467,451	1,382,067	85,384
Pension	74,341	74,341	70,581	3,760
Payroll taxes	112,260	112,260	100,696	11,564
Medical insurance	157,000	152,044	147,189	4,855
Workman's compensation	3,778	3,873	3,873	-
Professional development	7,500	11,000	9,737	1,263
Total personnel	1,822,330	1,820,969	1,714,143	106,826
Library materials				
Reference books	16,154	16,154	15,746	408
Children's books	73,650	49,000	51,452	(2,452)
Adult books	103,000	120,705	126,159	(5,454)
Children's audio visual	13,900	9,500	8,835	665
Adult audio visual	133,297	138,918	144,910	(5,992)
Subscriptions and members	18,500	18,500	17,220	1,280
Book store	9,000	18,000	15,536	2,464
Total library materials	367,501	370,777	379,858	(9,081)
Administrative services				
Office supplies	8,500	7,000	8,503	(1,503)
Professional services	52,400	70,700	67,684	3,016
Postage	7,000	7,000	6,825	175
Printing	8,000	6,000	3,806	2,194
Advertising	9,000	7,000	3,786	3,214
Public programming	34,900	30,000	29,803	197
Collection agency	1,400	300	134	166
Board expenses	500	236	636	(400)
Total administrative services	121,700	128,236	121,177	7,059

(continued on next page)

KIRKWOOD PUBLIC LIBRARY  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
Utilities and services				
Electric, water and sanitation	44,000	50,927	50,780	147
Gas	3,000	3,148	3,148	-
Telephone	11,512	8,680	8,677	3
Insurance	23,000	33,265	27,047	6,218
Operation Services	56,000	71,000	74,081	(3,081)
Maintenance and repair	40,000	90,132	151,871	(61,739)
Janitorial supplies	8,000	5,000	4,811	189
Total utilities and services	<u>30,409</u>	<u>262,152</u>	<u>320,415</u>	<u>(58,263)</u>
Consortium				
Contractual staff	30,409	30,409	31,481	(1,072)
Consortium computer and other	15,367	15,367	14,834	533
Libraries without boundaries	7,615	8,865	8,865	-
Total consortium	<u>53,391</u>	<u>54,641</u>	<u>55,180</u>	<u>(539)</u>
Total library services	<u>2,395,331</u>	<u>2,636,775</u>	<u>2,590,773</u>	<u>46,002</u>
Capital outlay				
Computer equipment	34,632	55,000	51,269	3,731
Furniture and equipment	9,000	17,000	108,707	(91,707)
Capital improvement reserve	292,013	292,013	220,533	71,480
Total capital outlay	<u>335,645</u>	<u>364,013</u>	<u>380,509</u>	<u>(16,496)</u>
Debt service				
Principal	315,000	315,000	315,000	-
Interest and fiscal charges	109,694	109,694	108,607	1,087
Total debt service	<u>424,694</u>	<u>424,694</u>	<u>423,607</u>	<u>1,087</u>
Total expenditures	<u>3,155,670</u>	<u>3,425,482</u>	<u>3,394,889</u>	<u>30,593</u>
Net change in fund balance	<u>\$ (136,910)</u>	<u>\$ (271,804)</u>	154,442	<u>\$ 426,246</u>
Fund balance, beginning of year			<u>6,110,048</u>	
Fund balance, end of year			<u>\$ 6,264,490</u>	

KIRKWOOD PUBLIC LIBRARY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2025

**Note 1 - BUDGETS AND BUDGETARY ACCOUNTING**

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

- a. The Library adopts a budget for the general fund. The budget document contains the minimum information required by Chapter 67, RSMo.
- b. In May, the Finance Committee submits to the Board of Trustees a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all Library governmental funds. Budgeted expenditures can not exceed beginning available monies plus estimated revenues for the year.
- c. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Trustees, the budget document is available for public inspection.
- d. Prior to July 1, the budget is legally enacted by a vote of the Board of Trustees.
- e. Subsequent to its formal approval of the budget, the Board of Trustees has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.
- f. Budgets are adopted on the accrual basis of accounting.
- g. All annual appropriations lapse at fiscal year-end.

📍 **Saint Louis, Missouri**  
6240 S. Lindbergh Blvd Ste 101  
Saint Louis, MO 63123

📞 (314) 845-7999  
📞 (314) 845-7770  
🌐 [www.fewcpas.com](http://www.fewcpas.com)



📍 **Columbia, Illinois**  
205 S. Main  
Columbia, IL 62236

📞 (618) 281-4999  
📞 (618) 281-9533  
🌐 [www.fewcpas.com](http://www.fewcpas.com)

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees  
Kirkwood Public Library

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the major fund of the Kirkwood Public Library, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Kirkwood Public Library's basic financial statements, and have issued our report thereon dated September 18, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Kirkwood Public Library's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Kirkwood Public Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the Kirkwood Public Library's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Kirkwood Public Library's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*F.E.W. CPAs*

F.E.W. CPAs  
Saint Louis, Missouri  
September 18, 2025