

Metropolitan Library Commission of Oklahoma County

Financial Statements

June 30, 2025 and 2024
(With Independent Auditors' Report Thereon)

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

FINANCIAL STATEMENTS

Table of Contents

	<u>Page</u>
<u>Independent Auditors' Report</u>	1
<u>Management's Discussion and Analysis</u>	I-1
<u>Basic Financial Statements:</u>	
<i>Government-Wide Financial Statements:</i>	
Statements of Net Position	4
Statements of Activities	5
<i>Fund Financial Statements:</i>	
Balance Sheets—Governmental Funds	7
Reconciliations of the Balance Sheets—Governmental Funds to the Statements of Net Position—Government-Wide	9
Statements of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	10
Reconciliations of Net Changes in Governmental Fund Balances to Governmental Activities Changes in Net Position	12
Statements of Net Position—Proprietary Fund	13
Statements of Revenues, Expenses, and Changes in Net Position—Proprietary Fund	14
Statements of Cash Flows—Proprietary Fund	15
Statements of Fiduciary Net Position—Fiduciary Funds.....	16
Statements of Changes in Fiduciary Net Position—Fiduciary Funds.....	18
Notes to Financial Statements.....	20

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

FINANCIAL STATEMENTS

Table of Contents, Continued

	<u>Page</u>
<u>Supplementary Information Required by:</u>	
<i>Governmental Accounting Standards Board Statement No. 34:</i>	
Budgetary Comparison Schedule—General Fund (Unaudited) (Schedule I)	59
<i>Governmental Accounting Standards Board Statements No. 67 and No. 68:</i>	
Schedule of Changes in Net Pension Liability—	
Defined Benefit Pension Plan (Schedule II)	62
Schedule of Net Pension Liability—	
Defined Benefit Pension Plan (Schedule III)	63
Schedule of Contributions from Employer—	
Defined Benefit Pension Plan (Schedule IV)	64
Schedule of Investment Returns—	
Defined Benefit Pension Plan (Schedule V)	65
<i>Governmental Accounting Standards Board Statement No. 75:</i>	
Schedule of Changes in the Total OPEB Liability and Related Ratios (Schedule VI)	66
Notes to Required Supplementary Information	67
 <u>Independent Auditors' Report on</u>	
Internal Control over Financial Reporting and	
on Compliance and Other Matters Based on	
an Audit of Financial Statements Performed in	
<u>Accordance with Government Auditing Standards</u>	69

INDEPENDENT AUDITORS' REPORT

To the Commissioners
Metropolitan Library Commission of
Oklahoma County

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan Library Commission of Oklahoma County (the "Library"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the 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, each major fund, and the aggregate remaining fund information of the Library as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States 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 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.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the Library has changed its method of accounting for compensated absences effective July 1, 2024, due to the adoption of the Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to that matter.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

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, 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 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 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 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.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages I-1 through I-7, the budgetary comparison schedule—General Fund (unaudited), the schedule of changes in net pension (asset) liability—defined benefit pension plan, the schedule of net pension (asset) liability—defined benefit pension plan, the schedule of contributions from employer—defined benefit pension plan, the schedule of investment returns—defined benefit pension plan, the schedule of changes in the total OPEB liability and related ratios, and the notes to the required supplementary information on pages 59 through 68 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, 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 audits 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025, 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 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 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 the Library's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Finley & Cook, PLLC". The signature is fluid and cursive, with "Finley & Cook" on the top line and "PLLC" on the bottom line.

Shawnee, Oklahoma
September 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the financial performance of the Metropolitan Library Commission of Oklahoma County (the “Library”) provides an overall review of the Library’s financial condition and results of operations for the fiscal years ended June 30, 2025 and 2024. Readers should read this information in conjunction with the Library’s financial statements.

FINANCIAL HIGHLIGHTS

For the year ended June 30, 2025, the Library’s General Fund reported an ending balance of \$58,332,407 versus \$48,573,116 for the year ended June 30, 2024. The comparison reflects an increase of \$9,759,291, or 20%, of the June 30, 2024, General Fund ending fund balance. Of the June 30, 2025 and 2024, year-end totals, \$23,371,352 and \$19,403,233, respectively, was unassigned, indicating that none of this amount had been restricted, committed, or assigned to specific purposes within the General Fund. For the years ended June 30, 2025 and 2024, \$34,765,532 and \$28,999,967, respectively, of the balance was assigned, with \$24,937,532 and \$20,753,967, respectively, assigned to capital improvement projects and \$9,828,000 and \$8,246,000, respectively, assigned to cash flow requirements. Nonspendable totals for the years ended June 30, 2025 and 2024, were \$195,523 and \$169,916, respectively.

Over the years, the Library administration, with the approval of the Board of Commissioners, has prudently used or committed the money from the assigned fund balances to alleviate summer cash flow problems and provide funds for capital improvement projects. The Library does not have legal authority to raise tax dollars for capital improvement projects through bond issues as most other local government entities do. Therefore, the money in the assigned fund balances provides opportunities for the Library to improve and maintain its facilities.

In compliance with Governmental Accounting Standards Board Statement (GASB) No. 68, the Library recognized a net pension (asset) liability of approximately \$0, \$(4,248,000), and \$3,470,000 at June 30, 2025, 2024, and 2023, respectively. The Library terminated the defined benefit plan effective June 30, 2024, and settled the obligation in 2025. See Note 6 to the financial statements.

In compliance with GASB Statement No. 75, the Library recognized a net other postemployment benefit (OPEB) liability of approximately \$2,618,000, \$2,107,000, and \$2,036,000 at June 30, 2025, 2024, and 2023, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management’s discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Library:

The first statements are *government-wide financial statements* that provide information about the Library’s overall financial status.

The remaining statements are *fund financial statements* that focus on individual parts of the Library, reporting the Library’s operations in more detail than the government-wide statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

OVERVIEW OF THE FINANCIAL STATEMENTS, CONTINUED

The Library has three kinds of funds—governmental funds, proprietary funds, and fiduciary funds.

Governmental funds encompass two funds: the General Fund and the Gifts and Grants Fund.

General Fund: Represents unrestricted resources that are available for ongoing general library operations. This is the Library's primary operating fund. It includes income from special services, such as copy services, lost book fees, overdue fines, and other miscellaneous services.

Gifts and Grants Fund: Includes all gifts and grants. Gifts and grants include funds provided by intergovernmental grants and other third parties' gifts and grants. All of these funds are generally restricted as to use. Therefore, each fund accounts for its receipts and disbursements of the restricted functions.

The proprietary fund is the Library's insurance fund, an internal service fund. The insurance fund is used to maintain the Library's health and dental self-insurance plan.

Fiduciary funds are reported in the fiduciary fund financial statements but are excluded from government-wide reporting. They include the Pension Fund, the Flex Benefit Fund, and the Defined Contribution Fund. Fiduciary fund financial statements report assets that cannot be used to fund the Library's general operations.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the Library's financial statements.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information, such as a comparative statement between budgeted and actual resources and appropriations, and the schedule of funding progress for the defined benefit pension plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

THE LIBRARY AS A WHOLE

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<i>Statements of Net Position</i>			
Assets:			
Current	\$ 64,008,621	54,598,089	52,000,099
Capital assets, net	14,007,946	14,327,367	14,664,398
Net pension asset	-	4,247,713	-
Total assets	<u>78,016,567</u>	<u>73,173,169</u>	<u>66,664,497</u>
Deferred outflows of resources related to the pension plan and OPEB	985,085	1,608,135	3,724,294
Liabilities:			
Current, restated	3,711,656	3,470,992	2,075,886
Net pension liability	-	-	3,470,108
Total OPEB liability	<u>2,617,966</u>	<u>2,107,415</u>	<u>2,036,300</u>
Total liabilities, restated	<u>6,329,622</u>	<u>5,578,407</u>	<u>7,582,294</u>
Deferred inflows of resources related to the pension plan and OPEB	367,947	1,225,104	1,760,504
Net position:			
Net investment in capital assets	14,007,946	14,327,367	14,664,398
Restricted	59,639	240,387	227,537
Unrestricted, restated	<u>58,236,498</u>	<u>53,410,039</u>	<u>46,154,058</u>
Total net position, restated	<u>\$ 72,304,083</u>	<u>67,977,793</u>	<u>61,045,993</u> *
<i>Changes in Net Position</i>			
Beginning net position, restated	\$ 67,977,793	59,999,524	53,505,324 *
Revenues:			
Property taxes	52,225,119	49,373,076	45,994,890
State aid	201,759	200,195	198,514
Charges for services	5,378,327	4,270,824	3,820,651
Operating grants and contributions	56,810	193,697	153,319
Loss from disposals, net	(39,050)	(3,305)	(14,299)
Investment earnings, net	2,199,703	2,415,106	1,476,268
Other	20,246	9,073	7,901
Total revenues	<u>60,042,914</u>	<u>56,458,666</u>	<u>51,637,244</u>
Expenses:			
Public library services, restated	32,022,458	30,165,697	26,464,581
Administrative services	18,353,705	13,189,807	12,409,677
Depreciation—unallocated	5,340,461	5,124,893	5,222,317
Total expenses	<u>55,716,624</u>	<u>48,480,397</u>	<u>44,096,575</u>
Changes in net position, restated	<u>4,326,290</u>	<u>7,978,269</u>	<u>7,540,669</u>
Ending net position, restated	<u>\$ 72,304,083</u>	<u>67,977,793</u>	<u>61,045,993</u> *

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

THE LIBRARY AS A WHOLE, CONTINUED

*In fiscal year 2025, the Library changed its method of accounting for compensated absences due to the adoption of GASB Statement No. 101, *Compensated Absences* (GASB 101). The Library accounted for the change in accounting principles in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100), by restating the financial statements for all prior periods presented in the basic financial statements (as of and for the years ended June 30, 2025 and 2024). As required by GASB 100, information presented in Management's Discussion and Analysis for periods prior to July 1, 2023, has not been restated for the adoption of GASB 101.

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS

As financial information is accumulated on a continuous and consistent basis, financial statements and expenditure reports for governmental funds are presented to the Board of Commissioners each month for its acknowledgement.

For the years ended June 30, governmental fund balances changed as follows:

				Total
		General	Gifts and Grants	Governmental
		Fund	Fund	Funds
<u>2025</u>				
Revenues		\$ 54,842,416	56,346	54,898,762
Expenditures		(45,083,125)	(237,094)	(45,320,219)
Net increase (decrease)		<u>\$ 9,759,291</u>	<u>(180,748)</u>	<u>9,578,543</u>
<u>2024</u>				
Revenues		\$ 52,040,416	193,231	52,233,647
Expenditures		(49,811,139)	(180,381)	(49,991,520)
Net increase		<u>\$ 2,229,277</u>	<u>12,850</u>	<u>2,242,127</u>
<u>2023</u>				
Revenues		\$ 47,741,267	152,851	47,894,118
Expenditures, restated		(39,953,063)	(193,541)	(40,146,604)
Net increase (decrease)		<u>\$ 7,788,204</u>	<u>(40,690)</u>	<u>7,747,514</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

FINANCIAL ANALYSIS OF THE LIBRARY'S FUNDS, CONTINUED

General Fund

The Library is primarily funded by a 5.2 mill ad valorem (property) tax. For the year ended June 30, 2025, the Oklahoma County's assessed property value had an increase of 5.96% versus 7.40% for the year ended June 30, 2024. Actual tax collections increased 6.73% for the year ended June 30, 2025, over the year ended June 30, 2024, as compared to a 7.2% increase in the year ended June 30, 2024, over the previous year. Investment income for the Library decreased to \$2,193,714 in the year ended June 30, 2025, from \$2,406,810 in investment income in the year ended June 30, 2024. The decrease was primarily due to a reduction in interest rates in 2024 and 2025.

Major expenditure categories decreased in 2025 from 2024, showing an overall decrease of \$4,728,014, or 9.49%. Within categories, personnel services decreased 20.7% compared to the previous year's increase of 28.8%. Maintenance and operations expenses increased, totaling a 14.50% change. Capital outlays increased 8.90%.

Gifts and Grants Fund

During the years ended June 30, 2025 and 2024, \$56,346 and \$193,231, respectively, of gifts and grants funds were received. For the year ended June 30, 2025, the largest contributor was the Friends of the Library, which gave 2 grants totaling \$30,000. For the year ended June 30, 2024, the largest contributor was the Friends of the Library, which gave 4 grants totaling \$83,183.

Proprietary Fund

	Insurance Fund		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues	\$ 4,820,586	3,625,030	3,241,152
Expenses	<u>(5,310,477)</u>	<u>(4,165,483)</u>	<u>(3,576,883)</u>
Net decrease	<u>\$ (489,891)</u>	<u>(540,453)</u>	<u>(335,731)</u>

The total insurance premium contributed by both the employer and the employees to this fund was \$4,814,689 in the year ended June 30, 2025, versus \$3,616,892 and \$3,188,746 in the years ended June 30, 2024 and 2023, respectively. Claims expense for 2025 was \$5,310,477 compared to \$4,165,483 and \$3,576,883 for 2024 and 2023, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget for the year ended June 30, 2025, was \$94,614,688, an increase of \$4,890,179, or 5.45%, over the June 30, 2024, budget of \$89,724,509. The biggest contributors to the increase in the year ended June 30, 2025, budget over the previous year was a 5.96% increase in ad valorem.

Actual results compared to budgeted results were as follows:

	<u>Budgeted</u>	Actual on a <u>Budgeted Basis</u>
<u>2025</u>		
Revenues	<u>\$ 47,295,088</u>	<u>54,814,201</u>
Expenditures	<u>\$ 59,849,157</u>	<u>44,923,122</u>
<u>2024</u>		
Revenues	<u>\$ 44,628,799</u>	<u>51,808,314</u>
Expenditures	<u>\$ 60,724,542</u>	<u>49,627,918</u>
<u>2023</u>		
Revenues	<u>\$ 41,545,947</u>	<u>47,701,315</u>
Expenditures, restated	<u>\$ 50,334,237</u>	<u>39,943,068</u>

CAPITAL ASSETS AND LONG-TERM DEBT

The Library's investment in depreciable capital assets, net of accumulated depreciation, at June 30, 2025 and 2024, was \$13,734,820 and \$14,054,241, respectively. Of the total depreciable capital assets at June 30, 2025 and 2024, 47.09% and 41.9%, respectively, consisted of furniture, equipment, vehicles, and buildings, while the remaining 52.91% and 58.1%, respectively, consisted of books and materials. Non-depreciable assets at both June 30, 2025 and 2024, represented land owned by the Library in the amount of \$273,126.

The Library has no long-term debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET

The Library's primary revenue is ad valorem (property) tax. Barring a voter-approved change in the mill levy, the annual growth in the Oklahoma County's property values is the most important factor in the Library's revenue outlook. Currently, the Library collects 5.2 mills of the assessed property values. With voters' approval, the number of mills could increase to 6.0 mills.

The Library expects a 5.62% growth in the tax revenue for the next year as the Oklahoma County Assessor has certified a 5.62% growth in property values for the fiscal year ended June 30, 2026, as opposed to 5.96% in the year ended June 30, 2025. The Library expects investment income to decrease in the fiscal year ended June 30, 2026, due to a 25-basis-point reduction in the Federal Reserve's benchmark interest rate in September 2025, with expectations of future reductions in the benchmark interest rate totaling 75-basis-points through June 2026. Real estate prices are rising as new construction and population growth continue, so the Library expects continued incremental growth in revenue for the foreseeable future.

For the year ended June 30, 2026, the Board of Commissioners has approved a General Fund budget of \$108,238,777, versus \$94,614,688 for the year ended June 30, 2025. Of the total budget amount for the years ended June 30, 2026 and 2025, \$61,369,932 and \$59,642,156, respectively, was for operating costs; \$220,000 and \$207,000, respectively, was for capital projects; and \$46,648,845 and \$34,765,532, respectively, was for other assigned funds.

CONTACTING THE LIBRARY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Metropolitan Library Commission of Oklahoma County, comply with finance-related laws and regulations, and demonstrate the Library's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Library's Business Office at 300 Park Avenue, Oklahoma City, OK 73102.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

STATEMENTS OF NET POSITION—GOVERNMENT-WIDE

<i>June 30,</i>	<i>2025</i>	<i>2024</i>
Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents	\$ 17,407,368	3,498,502
Investments	42,244,689	47,128,144
Ad valorem taxes receivable, net of allowance for uncollectible taxes of \$827,064 and \$794,713 for June 30, 2025 and 2024, respectively	4,007,321	3,597,655
Accounts receivable	113,721	163,872
Prepaid expenses	235,522	209,916
Total current assets	64,008,621	54,598,089
Noncurrent assets:		
Capital assets:		
Nondepreciable capital assets	273,126	273,126
Depreciable capital assets, net	13,734,820	14,054,241
Total capital assets	14,007,946	14,327,367
Net pension asset	-	4,247,713
Total noncurrent assets	14,007,946	18,575,080
Total assets	78,016,567	73,173,169
Deferred outflows of resources:		
Deferred amounts related to the pension plan and OPEB	985,085	1,608,135
Liabilities and Deferred Inflows of Resources		
Current liabilities:		
Accounts payable and accrued expenses	1,472,263	1,512,998
Compensated absences payable, restated	2,239,393	1,957,994
Total current liabilities, restated	3,711,656	3,470,992
Noncurrent liabilities:		
Total OPEB liability—amount due in more than 1 year	2,617,966	2,107,415
Total liabilities, restated	6,329,622	5,578,407
Deferred inflows of resources:		
Deferred amounts related to the pension plan and OPEB	367,947	1,225,104
Net Position		
Net investment in capital assets	14,007,946	14,327,367
Restricted	59,639	240,387
Unrestricted, restated	58,236,498	53,410,039
Total net position, restated	\$ 72,304,083	67,977,793

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

STATEMENTS OF ACTIVITIES—GOVERNMENT-WIDE

Year Ended June 30, 2025

	Revenues				Net (Expenses) Revenues/ Changes in Net Position
	<u>Expenses</u>	Charges for <u>Services</u>	Operating Grants and <u>Contributions</u>	Capital Grants and <u>Contributions</u>	
Government activities:					
Public library services	\$ (32,022,458)	479,778	56,810	-	(31,485,870)
Administrative services	(18,353,705)	4,898,549	-	-	(13,455,156)
Depreciation—unallocated	<u>(5,340,461)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,340,461)</u>
	<u><u>\$ (55,716,624)</u></u>	<u><u>5,378,327</u></u>	<u><u>56,810</u></u>	<u><u>-</u></u>	<u><u>(50,281,487)</u></u>
General revenues:					
Property taxes, levied for general purposes					52,225,119
State aid					201,759
Loss on disposals of capital assets					(39,050)
Investment income, net					2,199,703
Other					20,246
Total general revenues					<u>54,607,777</u>
Changes in net position					4,326,290
Net position, beginning of year, restated					<u>67,977,793</u>
Net position, end of year					<u><u>\$ 72,304,083</u></u>

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

STATEMENTS OF ACTIVITIES—GOVERNMENT-WIDE, CONTINUED

Year Ended June 30, 2024

	Revenues				Net (Expenses) Revenues/ Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Government activities:					
Public library services, restated	\$ (30,165,697)	432,708	193,697	-	(29,539,292)
Administrative services	(13,189,807)	3,838,116	-	-	(9,351,691)
Depreciation—unallocated	<u>(5,124,893)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,124,893)</u>
	<u><u>\$ (48,480,397)</u></u>	<u><u>4,270,824</u></u>	<u><u>193,697</u></u>	<u><u>-</u></u>	<u><u>(44,015,876)</u></u>
General revenues:					
Property taxes, levied for general purposes					49,373,076
State aid					200,195
Loss on disposals of capital assets					(3,305)
Investment income, net					2,415,106
Other					9,073
Total general revenues					<u>51,994,145</u>
Changes in net position, restated					7,978,269
Net position, beginning of year, restated					<u>59,999,524</u>
Net position, end of year, restated					<u><u>\$ 67,977,793</u></u>

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

BALANCE SHEETS—GOVERNMENTAL FUNDS

June 30, 2025

	<u>General Fund</u>	<u>Gifts and Grants Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash	\$ 16,382,878	65,912	16,448,790
Investments	42,244,689	-	42,244,689
Ad valorem taxes receivable, net of allowance	4,007,321	-	4,007,321
Accounts receivable	-	-	-
Prepaid expenses	195,523	-	195,523
 Total assets	 \$ 62,830,411	 65,912	 62,896,323
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 647,333	6,273	653,606
Accrued salaries	561,816	-	561,816
Total liabilities	1,209,149	6,273	1,215,422
 Deferred inflows of resources:			
Accrued property taxes not available for spending	3,288,855	-	3,288,855
 Total liabilities and deferred inflows of resources	 4,498,004	 6,273	 4,504,277
Fund balances:			
Nonspendable	195,523	-	195,523
Restricted	-	59,639	59,639
Assigned	34,765,532	-	34,765,532
Unassigned	23,371,352	-	23,371,352
Total fund balances	58,332,407	59,639	58,392,046
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 62,830,411	 65,912	 62,896,323

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

BALANCE SHEETS—GOVERNMENTAL FUNDS, CONTINUED

June 30, 2024

	<u>General Fund</u>	<u>Gifts and Grants Fund</u>	<u>Total Governmental Funds</u>
Assets			
Cash	\$ 1,633,951	242,935	1,876,886
Investments	47,128,144	-	47,128,144
Ad valorem taxes receivable, net of allowance	3,597,655	-	3,597,655
Accounts receivable	18,835	-	18,835
Prepaid expenses	169,916	-	169,916
 Total assets	 \$ 52,548,501	 242,935	 52,791,436
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 570,415	2,548	572,963
Accrued salaries	478,731	-	478,731
Total liabilities	1,049,146	2,548	1,051,694
 Deferred inflows of resources:			
Accrued property taxes not available for spending	2,926,239	-	2,926,239
 Total liabilities and deferred inflows of resources	 3,975,385	 2,548	 3,977,933
Fund balances:			
Nonspendable	169,916	-	169,916
Restricted	-	240,387	240,387
Assigned	28,999,967	-	28,999,967
Unassigned	19,403,233	-	19,403,233
Total fund balances	48,573,116	240,387	48,813,503
 Total liabilities, deferred inflows of resources, and fund balances	 \$ 52,548,501	 242,935	 52,791,436

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**RECONCILIATIONS OF THE BALANCE SHEETS—GOVERNMENTAL FUNDS TO
THE STATEMENTS OF NET POSITION—GOVERNMENT-WIDE**

June 30,

2025

2024

Reconciliation of Fund Balances to Net Position

Total fund balances—governmental funds	\$ 58,392,046	48,813,503
Amounts reported for governmental activities in the statements of net position are different because:		
Certain assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets, net of accumulated depreciation	14,007,946	14,327,367
Property taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	3,288,855	2,926,239
Net position of Internal Service Fund separately reported as proprietary fund.	855,457	1,345,348
Compensated absences in governmental activities are not financial expenditures and therefore are not reported as a liability in governmental funds, restated.	(2,239,393)	(1,957,994)
Deferred outflows related to the pension plan and OPEB are not financial resources and therefore are not reported in the funds.	985,085	1,608,135
Deferred inflows related to the pension plan and OPEB are not due and payable in the current period and therefore are not reported in the funds.	(367,947)	(1,225,104)
The net pension (asset)/liability and total OPEB liability are not due and payable in the current period and therefore are not reported in the funds.	(2,617,966)	2,140,299
Net position of governmental activities, restated	<u>\$ 72,304,083</u>	<u>67,977,793</u>

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES—GOVERNMENTAL FUNDS**

Year Ended June 30, 2025

	<u>General Fund</u>	<u>Gifts and Grants Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 51,862,503	-	51,862,503
Collections on book fines and copy services	479,778	-	479,778
Gifts and grants	464	56,346	56,810
State revenue	201,759	-	201,759
Investment income, net	2,193,714	-	2,193,714
Gain on disposals	20,246	-	20,246
Other	83,952	-	83,952
Total revenues	54,842,416	56,346	54,898,762
Expenditures:			
Personnel services	25,672,291	980	25,673,271
Maintenance and operations:			
Contractual services	7,357,001	173,899	7,530,900
Commodities	1,300,969	38,464	1,339,433
Capital outlays	10,752,864	23,751	10,776,615
Total expenditures	45,083,125	237,094	45,320,219
Net changes in fund balances	9,759,291	(180,748)	9,578,543
Fund balances, beginning of year	48,573,116	240,387	48,813,503
Fund balances, end of year	\$ 58,332,407	59,639	58,392,046

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES—GOVERNMENTAL FUNDS, CONTINUED**

Year Ended June 30, 2024

	<u>General Fund</u>	<u>Gifts and Grants Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 48,769,781	-	48,769,781
Collections on book fines and copy services	432,709	-	432,709
Gifts and grants	466	193,231	193,697
State revenue	200,195	-	200,195
Investment income, net	2,406,810	-	2,406,810
Gain on disposals	9,073	-	9,073
Other	221,382	-	221,382
Total revenues	52,040,416	193,231	52,233,647
Expenditures:			
Personnel services	32,374,911	-	32,374,911
Maintenance and operations:			
Contractual services	6,304,572	96,832	6,401,404
Commodities	1,257,147	57,276	1,314,423
Capital outlays	9,874,509	26,273	9,900,782
Total expenditures	49,811,139	180,381	49,991,520
Net changes in fund balances	2,229,277	12,850	2,242,127
Fund balances, beginning of year	46,343,839	227,537	46,571,376
Fund balances, end of year	\$ 48,573,116	240,387	48,813,503

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**RECONCILIATIONS OF NET CHANGES IN GOVERNMENTAL FUND BALANCES TO
GOVERNMENTAL ACTIVITIES CHANGES IN NET POSITION**

<i>Years Ended June 30,</i>	<i>2025</i>	<i>2024</i>
Net changes in fund balances—total governmental funds	\$ 9,578,543	2,242,127
Amounts reported for governmental activities in the statements of activities are different because:		
Governmental funds report capital outlays as expenditures while government-wide activities report depreciation expense to allocate those expenditures over the lives of the assets:		
Depreciation expense	(5,340,461)	(5,124,893)
Capital additions	5,060,090	4,791,188
	<hr/>	<hr/>
	(280,371)	(333,705)
Disposals of capital assets are not considered to be expenditures in the governmental funds. Receipts of funds from the sale of capital assets are considered revenue in the governmental funds. They are, however, recorded as an overall loss in the statements of activities.	(39,050)	(3,305)
Compensated absences are not considered to be expenditures in the governmental funds. They are, however, recorded as expenses in the statements of activities.	(281,399)	(25,996)
Because some property taxes will not be collected for several months after the Library's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are instead counted as deferred revenues. They are, however, recorded as revenues in the statements of activities.	362,616	573,674
The statements of activities include net activity of the Internal Service Fund, which is shown as a proprietary fund in the fund financial statements.	(489,891)	(540,453)
In the statements of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as an element of pension and OPEB expense. The fund financial statements report pension and OPEB contributions as expenditures.	(4,524,158)	6,065,927
Changes in net position of governmental activities, restated	<hr/>	<hr/>
	\$ 4,326,290	7,978,269

See Independent Auditors' Report.
See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

STATEMENTS OF NET POSITION—PROPRIETARY FUND

<i>June 30,</i>	<i>2025</i>	<i>2024</i>
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Governmental Activities—
Internal Service Fund

Assets

Current assets:

Cash and cash equivalents	\$ 958,578	1,621,615
Stop-loss reimbursement receivable	113,721	145,037
Prepaid expenses	40,000	40,000
Total assets	<u>1,112,299</u>	<u>1,806,652</u>

Liabilities

Claims payable	<u>256,842</u>	<u>461,304</u>
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Net Position

Unrestricted	\$ <u>855,457</u>	<u>1,345,348</u>
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See Independent Auditors' Report.
See accompanying notes to financial statements.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION—PROPRIETARY FUND

<i>Years Ended June 30,</i>	<i>2025</i>	<i>2024</i>
	Governmental Activities—	
	Internal Service Fund	
Operating revenues:		
Insurance premiums	<u>\$ 4,814,689</u>	<u>3,616,892</u>
Operating expenses:		
Claims	<u>5,310,477</u>	<u>4,165,483</u>
Net operating loss	<u>(495,788)</u>	<u>(548,591)</u>
Non-operating revenues:		
Interest income	<u>5,897</u>	<u>8,138</u>
Changes in net position	<u>(489,891)</u>	<u>(540,453)</u>
Net position, beginning of year	<u>1,345,348</u>	<u>1,885,801</u>
Net position, end of year	<u>\$ 855,457</u>	<u>1,345,348</u>

See Independent Auditors' Report.
See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

STATEMENTS OF CASH FLOWS—PROPRIETARY FUND

Increase (Decrease) in Cash and Cash Equivalents

<i>Years Ended June 30,</i>	2025	2024
Governmental Activities— Internal Service Fund		
Cash flows from operating activities:		
Cash received from other fund for services	\$ 4,814,689	3,616,892
Receipts from reinsurance	164,125	364,275
Payments of claims	(5,647,748)	(4,398,098)
Other (payments) receipts	-	(40,000)
Net cash used in operating activities	<u>(668,934)</u>	<u>(456,931)</u>
Cash flows from investing activities:		
Interest on investments	5,897	8,138
Net cash provided by investing activities	<u>5,897</u>	<u>8,138</u>
Net decrease in cash and cash equivalents	(663,037)	(448,793)
Cash and cash equivalents, beginning of year	<u>1,621,615</u>	<u>2,070,408</u>
Cash and cash equivalents, end of year	\$ 958,578	1,621,615
Reconciliation of net operating loss to net cash used in operating activities:		
Net operating loss	\$ (495,788)	(548,591)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Decrease (increase) in receivables	31,316	(16,959)
Increase in prepaid expenses	-	(40,000)
(Decrease) increase in claims payable	<u>(204,462)</u>	<u>148,619</u>
Net cash used in operating activities	\$ (668,934)	(456,931)

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

STATEMENTS OF FIDUCIARY NET POSITION—FIDUCIARY FUNDS

June 30, 2025

Pension (and Other Employee Benefit) Trust Funds				
	Pension Fund	Flex Benefit Fund	Defined Contribution Fund	Total
Assets				
Cash	\$ -	23,713	-	23,713
Investments:				
Mutual funds	- -	35,468,775	35,468,775	
Guaranteed interest account	- -	4,712,028	4,712,028	
Total investments	- -	40,180,803	40,180,803	
Total assets	- -	23,713	40,180,803	40,204,516
Liabilities				
Employee benefits payable	- -	- -	- -	- -
Total liabilities	- -	- -	- -	- -
Net Position				
Net position restricted for pensions and insurance	\$ -	23,713	40,180,803	40,204,516

See Independent Auditors' Report.
See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

STATEMENTS OF FIDUCIARY NET POSITION—FIDUCIARY FUNDS, CONTINUED

June 30, 2024

	Pension (and Other Employee Benefit) Trust Funds			
	Pension Fund	Flex Benefit Fund	Defined Contribution Fund	Total
Assets				
Cash	\$ 1,255	22,980	-	24,235
Receivables (unsettled trades and accrued income)	77,269	-	-	77,269
Investments:				
Government money market funds	11,348,283	-	-	11,348,283
Corporate bonds	1,785,407	-	-	1,785,407
Municipal bonds	82,528	-	-	82,528
Mortgage-backed securities	42,129	-	-	42,129
U.S. Treasury obligations	1,686,460	-	-	1,686,460
Mutual funds	4,395,259	-	31,918,224	36,313,483
Guaranteed interest account	-	-	3,643,580	3,643,580
Total investments	<u>19,340,066</u>	<u>-</u>	<u>35,561,804</u>	<u>54,901,870</u>
Total assets	<u>19,418,590</u>	<u>22,980</u>	<u>35,561,804</u>	<u>55,003,374</u>
Liabilities				
Employee benefits payable	-	-	-	-
Total liabilities	-	-	-	-
Net Position				
Net position restricted for pensions and insurance	<u>\$ 19,418,590</u>	<u>22,980</u>	<u>35,561,804</u>	<u>55,003,374</u>

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION—
FIDUCIARY FUNDS**

Year Ended June 30, 2025

	Pension (and Other Employee Benefit) Trust Funds			
	Pension Fund	Flex Benefit Fund	Defined Contribution Fund	Total
Additions				
Contributions:				
Employer	\$ -	-	1,649,955	1,649,955
Employee	- -	119,279	1,258,859	1,378,138
Total contributions	- -	119,279	2,908,814	3,028,093
Investment income:				
Interest	37,750	72	121,908	159,730
Dividends	225,117	-	-	225,117
Net increase in fair value of investments	80,499	-	3,695,831	3,776,330
Total investment income	343,366	72	3,817,739	4,161,177
Direct investment expenses	(40,000)	-	-	(40,000)
Net investment income	303,366	72	3,817,739	4,121,177
Total additions	303,366	119,351	6,726,553	7,149,270
Deductions				
Benefits paid/Distributions out of the funds	19,692,632	118,618	2,088,664	21,899,914
Administrative expense	29,324	-	18,890	48,214
Total deductions	19,721,956	118,618	2,107,554	21,948,128
Net (decrease) increase in net position	(19,418,590)	733	4,618,999	(14,798,858)
Net position restricted for pensions and insurance, beginning of year	19,418,590	22,980	35,561,804	55,003,374
Net position restricted for pensions and insurance, end of year	\$ -	23,713	40,180,803	40,204,516

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION—
FIDUCIARY FUNDS, CONTINUED**

Year Ended June 30, 2024

	Pension (and Other Employee Benefit) Trust Funds			
	Pension Fund	Flex Benefit Fund	Defined Contribution Fund	Total
Additions				
Contributions:				
Employer	\$ 6,538,984	-	1,507,426	8,046,410
Employee	18,488	125,467	856,205	1,000,160
Total contributions	6,557,472	125,467	2,363,631	9,046,570
Investment income:				
Interest	145,982	63	125,000	271,045
Dividends	206,154	-	-	206,154
Net increase in fair value of investments	1,312,913	-	4,215,552	5,528,465
Total investment income	1,665,049	63	4,340,552	6,005,664
Direct investment expenses	(56,404)	-	-	(56,404)
Net investment income	1,608,645	63	4,340,552	5,949,260
Total additions	8,166,117	125,530	6,704,183	14,995,830
Deductions				
Benefits paid	1,010,249	125,558	2,783,979	3,919,786
Administrative expense	26,744	-	13,274	40,018
Total deductions	1,036,993	125,558	2,797,253	3,959,804
Net increase (decrease) in net position	7,129,124	(28)	3,906,930	11,036,026
Net position restricted for pensions and insurance, beginning of year	12,289,466	23,008	31,654,874	43,967,348
Net position restricted for pensions and insurance, end of year	\$ 19,418,590	22,980	35,561,804	55,003,374

See Independent Auditors' Report.

See accompanying notes to financial statements.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Metropolitan Library Commission of Oklahoma County's (the "Library") financial statements are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The Library is a corporate body for public purposes created under Title 65 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. There are no component units included within the reporting entity.

Under the Oklahoma Metropolitan Library Act (the "Act"), the Library is governed by the Board of Commissioners. Effective July 31, 2007, Section 554 of the Act was amended, increasing the number of the Board of Commissioners voting members from 19 to 27. The Board of Commissioners members include: 13 voting members who are appointees of the City of Oklahoma City; 1 voting member who is an appointee of the Oklahoma County Commissioners; 1 voting member each from the cities of Bethany, Choctaw, Del City, Edmond, Harrah, Jones, Luther, Midwest City, Nicoma Park, the Village, and Warr Acres; and 2 ex-officio members—the Mayor of Oklahoma City and the Chairman of the Oklahoma County Commissioners, for a total of 27 voting members. The Board of Commissioners also includes one nonvoting member, the Librarian, who conducts Library operations.

Basis of Presentation

The Library's basic financial statements include both government-wide (reporting the Library as a whole) and the fund financial statements (reporting the Library's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Library does not have any activities classified as business-type activities. Internal Service Fund activity is eliminated in the fund financial statements to avoid "doubling up" revenues and expenses. Fiduciary funds are excluded from the government-wide and fund financial statements, but are reported separately in the fiduciary fund financial statements.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Presentation, Continued

Government-Wide Financial Statements

In the government-wide statements of net position, the Library's governmental activities are reported using the accrual basis of accounting. The Library's net position is reported in three parts—net investment in capital assets, restricted, and unrestricted. Revenues are recognized when earned and expenses are recognized when incurred.

The government-wide statements of activities report both the gross and net cost of the Library's public library and administrative services. The public library and administrative services are also supported by general government revenues. The statements of activities reduce gross expenses (including depreciation) by related revenues, operating grants and contributions, and capital grants and contributions. Revenues must be directly associated with the public library and administrative services. Charges for services include charges and fees to customers for fines and charges for services provided. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

All interfund transactions between governmental funds and internal service funds are eliminated in the government-wide statements.

The net costs are normally covered by general revenue (property taxes, state aid, other taxes, etc.).

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

Fund Financial Statements

Fund financial statements report detailed information about the Library. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Nonmajor funds, if any, are aggregated and presented in a single column.

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectable within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Presentation, Continued

Fund Financial Statements, Continued

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

Fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans. Employer and participant contributions are recognized in the period in which the contributions are due and the Library has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the plan.

The Library reports the following major governmental funds:

General Fund

The *General Fund* is the primary operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund

Gifts and Grants Fund—The Library accounts for resources received from various gifts and grants. These resources are restricted to, or designated for, specific purposes by a grantor.

Additionally, the Library reports the following fund types:

Proprietary Fund

Internal Service Fund—Revenues and expenses related to services provided to the Library for employee insurance are accounted for in the Internal Service Fund, the insurance fund.

Fiduciary Funds

Pension (and Other Employee Benefit) Trust Funds—The Pension Fund, the Flex Benefit Fund, and the Defined Contribution Fund are used to report assets held in trust for members and beneficiaries of the plans, and the assets cannot be used to support the Library's operating programs.

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The government-wide financial statements are presented on the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements.

Revenues are recognized when earned and expenses are recognized when a liability is incurred. Property taxes are recognized as revenue in the year in 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 fiduciary fund financial statements are in conformity with the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25* and GASB Statement No. 75, *Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

Modified Accrual

The fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectable within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, are recognized when due.

Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more and all books and materials are reported at historical cost or estimated historical cost, net of accumulated depreciation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	15–30 years
Furniture and fixtures	7 years
Computer equipment	4 years
Vehicles	5 years
Books and materials	5 years

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Compensated Absences

The Library accrues a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences* and is reported in the government-wide financial statements. The liability is calculated using the pay rates in effect as of the financial statement date and includes employer-related payroll taxes and employer contributions to the Metropolitan Library System Defined Contribution Plan. The liability includes leave that is: i) attributable to services already rendered; ii) more likely than not to be used for time off or otherwise paid; and iii) measurable as of the financial statement date.

The Library's compensated absences include vacation leave, sick leave, and floating holiday leave.

Vacation Leave: Full-time and eligible part-time employees earn vacation leave based on years of service. Accrued vacation leave is carried forward and may be used for time off or paid out upon separation from employment. Full-time employees are entitled to carry up to a maximum of 240 hours of vacation leave. Eligible part-time employees are entitled to carry a maximum amount of vacation leave hours that are prorated based on the maximum hours of vacation leave allowable for full-time employees. The liability includes all earned and unused vacation leave.

Sick Leave: Full-time and eligible part-time employees earn annual sick leave. Unused sick leave is accumulated and may be carried forward but may not be paid out upon separation. Full-time employees can accrue no more than 960 hours of sick leave. Eligible part-time employees can accrue no more than a prorated amount of sick leave hours based on the maximum sick leave hours allowed for full-time employees. The Library estimates that 41% of earned and unused sick leave will be used based on historical trends.

Floating Holiday Leave: Unused floating holiday leave is forfeited on December 31 of each year. The Library estimates that all earned and unused floating holiday leave will be used.

Annual Budget

The Library is required by state law to prepare an annual budget. The Oklahoma County Excise Board formally approves an annual budget for the General Fund.

Cash and Cash Equivalents

The Library considers all cash on-hand, demand deposits, money market checking, and certificates of deposit held at an individual bank which are subject to early withdrawal penalties, no matter what the maturity period, to be cash and cash equivalents.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments held at June 30, 2025 and 2024, with original maturities greater than 1 year are stated at fair value.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investment Earnings

Investment earnings principally consist of interest income and fair market value adjustments as the investments are presented at fair value. Investment earnings for the years ended June 30 were as follows:

	<u>2025</u>	<u>2024</u>
Interest income	\$ 2,199,703	1,799,589
Fair market value adjustments	-	615,517
Investment income, net	<u>\$ 2,199,703</u>	<u>2,415,106</u>

Advertising Costs

All costs associated with advertising are expensed as incurred.

Property Tax Revenues

The Library is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within Oklahoma County. The County Assessor, upon receipt of the certification of tax levies from the Oklahoma County Excise Board, extends the tax levies on the tax roll for submission to the County Treasurer prior to October 1. The County Treasurer must commence tax collection within 15 days of receipt of the tax rolls. The first half of taxes are due prior to January 1. The second half are due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 1. Second half taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has 2 years to redeem the property by paying the taxes and penalty owed. If at the end of 2 years the owner has not done so, the purchaser is issued a deed to the property. The Oklahoma County Assessor's Office bills and collects the property taxes and remits to the Library its share.

Property Taxes Receivable

Property taxes receivable by the Library include uncollected taxes assessed as of October 1, 2024 and 2023, and earlier. The Library considers prior years' experience in estimating uncollectable property taxes. The balance in the allowance account was \$827,064 and \$794,713 as of June 30, 2025 and 2024, respectively. No provision has been made in the other funds for uncollectable amounts. All property taxes earned at year-end but not yet received are included in receivables reported on the government-wide statements. During the years ended June 30, 2025 and 2024, the Library wrote off \$96,097 and \$55,974, respectively, of property taxes receivable as an uncollectable amount which related to the property taxes receivable of 2018 and earlier years. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Any remaining property taxes due are deferred until they become available.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property Taxes Receivable, Continued

Changes in the allowance for the years ended June 30 were as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 794,713	858,303
Provision added to allowance during the year	121,560	(15,391)
Charge-offs	(96,097)	(55,974)
Recoveries	<u>6,888</u>	<u>7,775</u>
Balance, end of year	<u>\$ 827,064</u>	<u>794,713</u>

Deferred Inflows and Outflows of Resources

Fund Financial Statements

Deferred inflows of resources represent the portion of property taxes receivable that will be collected this year but are not available soon enough to pay current period expenditures and are deferred.

Government-Wide Financial Statements

Deferred inflows and outflows of resources represent amounts associated with the pension plan and other postemployment benefit (OPEB), as applicable, for differences between expected and actual experience, differences between projected and actual earnings on Pension Fund investments, and changes in assumptions. Notes 6 and 7 detail the components of these items.

State Revenues

The Library receives revenue from the State of Oklahoma (the "State") and the Oklahoma Department of Libraries to administer certain library materials.

Interfund Transfers

During the course of normal operations, the Library has transactions between funds, including expenditures and transfers of resources to provide services and purchase assets. Transactions that are normal and recurring between funds are recorded as operating transfers.

Interfund transfers were used to transfer grant receipts from the Gifts and Grants Fund to the General Fund. For the purpose of the statements of activities, all interfund transfers between individual governmental funds have been eliminated.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Contributed Facilities and Services

The Library operates 19 branches located in government-owned buildings and receives certain services without charge. The estimated fair rental values of the premises and services are not reported in the accompanying statements of revenues, expenditures, and changes in fund balances.

Grants

The Library records income from grants in the period received or to the extent of expenses paid prior to reimbursement by a grant.

Income Taxes

The Library was established under the provisions of the Oklahoma Constitution and as such is exempt from income taxes under the Internal Revenue Code as a unit of government.

Prepaid Expenses

The Library uses the consumption method to record prepaid expenses. Prepaid expenses are payments in advance of the receipt of goods or services in exchange transactions and are usually made for insurance and rent. Prepaid expenses are reported as financial resources at the time of prepayment, and expenditures for prepaid services are recognized when the related services are received.

Pensions

Defined Benefit Pension Plan—For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Metropolitan Library System Pension Plan (the “Plan”) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Defined Contribution Plan—The Library also has a defined contribution plan. The defined contribution plan is discussed in Notes 2 and 6.

Other Postemployment Benefits (OPEB)

The Library participates in a self-insurance health plan, which is a non-trusted single-employer plan that provides for employee and dependent healthcare coverage from the date of retirement, provided the participant was covered by the health insurance plan before retiring. In conjunction with the adoption of GASB 75, the Library has reflected a total OPEB liability, OPEB expense, deferred outflows of resources, and deferred inflows of resources related to OPEB in the accompanying government-wide financial statements. See Note 7 for additional information on OPEB.

See Independent Auditors’ Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Restricted Resources

The Library records gifts and grants as restricted when the donor specifies a restriction on the timing or use of the gift or grant. Expenses are allocated first to the restricted resource. If additional expense is incurred, the expense is allocated to unrestricted funds when the restriction has been depleted.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Equity Classification

Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- (a) Net investment in capital assets—consists of capital assets, including restricted 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.
- (b) Restricted net position—consists of net position with constraints placed on the use either by (i) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (ii) law through constitutional provisions or enabling legislation.
- (c) Unrestricted net position—all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

It is the Library’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. The classifications are defined as:

- (a) Nonspendable fund balance—includes amounts that cannot be spent because they are either (i) not in spendable form or (ii) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash, including prepaid expenses.

It is the responsibility of the Library’s Chief Financial Officer to identify and report all nonspendable funds appropriately in the Library’s financial statements.

See Independent Auditors’ Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Equity Classification, Continued

Fund Financial Statements, Continued

- (b) Restricted fund balance—consists of amounts with constraints placed on the use of resources either (i) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (ii) imposed by law through constitutional provisions or enabling legislation.

It is the responsibility of the Library's Chief Financial Officer to identify and report all restricted funds appropriately in the Library's financial statements. The Library has identified the Gifts and Grants Fund as a restricted fund balance.

- (c) Committed fund balance—reflects specific purposes pursuant to constraints imposed by formal action of the Library's highest level of decision-making authority. Also, such constraints can only be removed or changed by the same form of formal action.

For purposes of the committed fund balance, the Board of Commissioners is considered the Library's highest level of decision-making authority. Funds set aside by the Board of Commissioners as committed fund balances require the passage of a resolution by a majority vote of the members of the Board of Commissioners. The passage of such a resolution must take place prior to the Library's fiscal year-end in order for it to be applicable to the Library's fiscal year-end, although it is permitted for the specific amount of the commitment to be determined after the fiscal year-end if additional information is required in order to determine the exact amount to be committed. The Board of Commissioners has the authority to remove or change the commitment of funds with a majority vote.

- (d) Assigned fund balance—reflects amounts that are constrained by the Library's intent to be used for specific purposes, but meet neither the restricted nor committed forms of constraint. Assigned funds cannot cause a deficit in the unassigned fund balance.

For purposes of the assigned fund balance, the Board of Commissioners is considered the Library's highest level of decision-making authority. Any funds that the Chief Financial Officer assigns for specific purposes must be reported to the Board of Commissioners at its next regular meeting. The assignment of funds shall be recorded in the Board of Commissioners' official meeting minutes.

- (e) Unassigned fund balance—is the residual classification for the General Fund only. Unassigned fund balance essentially consists of excess funds that have not been classified in the above four fund balance categories.

It is the Library's policy to first use the restricted fund balance prior to the use of the unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balances are available. The Library's policy for the use of the unrestricted fund balance amounts require that committed amounts be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Equity Classification, Continued

Fund Financial Statements, Continued

The Library presents its fund balance in accordance with the requirements of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The following tables show the fund balance classifications as shown on the governmental funds balance sheets in accordance with GASB 54 as of June 30:

	General Fund	Gifts and Grants Fund	Total Governmental Funds
<u>2025</u>			
Fund balances:			
Nonspendable:			
Prepaid expenses	\$ 195,523	-	195,523
Restricted:			
Grants or gifts received for special programs	-	59,639	59,639
Assigned:			
Cash flow	9,828,000	-	9,828,000
Capital improvement:			
Bethany	250,000	-	250,000
Capital Hill	90,000	-	90,000
Choctaw	100,000	-	100,000
Downtown	500,000	-	500,000
Edmond	285,000	-	285,000
Edmond II	500,000	-	500,000
Harrah	23,500	-	23,500
Jones	15,000	-	15,000
Luther	17,000	-	17,000
Midwest City	325,000	-	325,000
Nicoma Park	6,000	-	6,000
Ralph Ellison	1,000,000	-	1,000,000
Service Center	275,000	-	275,000
Southern Oaks	100,000	-	100,000
Future projects	21,451,032	-	21,451,032
Total assigned	<u>34,765,532</u>	<u>-</u>	<u>34,765,532</u>
Unassigned	23,371,352	-	23,371,352
Total fund balances	\$ 58,332,407	59,639	58,392,046

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Equity Classification, Continued

Fund Financial Statements, Continued

	General Fund	Gifts and Grants Fund	Total Governmental Funds
<u>2024</u>			
Fund balances:			
Nonspendable:			
Prepaid expenses	\$ 169,916	-	169,916
Restricted:			
Grants or gifts received for special programs	-	240,387	240,387
Assigned:			
Cash flow	8,246,000	-	8,246,000
Capital improvement:			
Bethany	250,000	-	250,000
Capital Hill	90,000	-	90,000
Choctaw	100,000	-	100,000
Downtown	500,000	-	500,000
Edmond	285,000	-	285,000
Edmond II	500,000	-	500,000
Harrah	23,500	-	23,500
Jones	15,000	-	15,000
Luther	17,000	-	17,000
Midwest City	325,000	-	325,000
Nicoma Park	6,000	-	6,000
Northwest	175,000	-	175,000
Ralph Ellison	1,000,000	-	1,000,000
Service Center	275,000	-	275,000
Southern Oaks	100,000	-	100,000
Future projects	17,092,467	-	17,092,467
Total assigned	28,999,967	-	28,999,967
Unassigned	19,403,233	-	19,403,233
Total fund balances	\$ 48,573,116	240,387	48,813,503

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded as expenditures of the applicable funds. This is an extension of the formal budgetary integration in the General Fund. Encumbrances do not represent any further constraint on the use of amounts than is already communicated by governmental fund balance classification as restricted, committed, or assigned. As of June 30, 2025 and 2024, there was approximately \$197,000 and \$828,000, respectively, of encumbrances outstanding.

Adoption of New Accounting Standard

In fiscal year 2025, the Library changed its method of accounting for compensated absences due to the adoption of GASB Statement No. 101, *Compensated Absences*. The fiscal year 2024 financials have been restated to reflect the effects of the change. The effects of the change on the fiscal year 2024 financial statements were as follows:

Government-Wide Financial Statements

	Compensated Absences Payable at <u>June 30, 2024</u>	Net Position— Unrestricted at <u>June 30, 2024</u>	Total Net Position at <u>June 30, 2024</u>
As previously reported	\$ 926,930	54,441,103	69,008,857
Effects of change	<u>1,031,064</u>	<u>(1,031,064)</u>	<u>(1,031,064)</u>
As restated	<u>\$ 1,957,994</u>	<u>53,410,039</u>	<u>67,977,793</u>
	Total Net Position at <u>July 1, 2023</u>	Public Library Services Expenses Year Ended <u>June 30, 2024</u>	Changes in Net Position Year Ended <u>June 30, 2024</u>
As previously reported	\$ 61,045,993	30,181,102	7,962,864
Effects of change	<u>(1,046,469)</u>	<u>(15,405)</u>	<u>15,405</u>
As restated	<u>\$ 59,999,524</u>	<u>30,165,697</u>	<u>7,978,269</u>

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences* (GASB 101). GASB 101 outlines the definition of compensated absences and sets forth the accounting and financial reporting for compensated absence liabilities. GASB 101 outlines that leave accrued should be measured using the employees pay rate at the financial statement date and that certain salary related payments, such as Social Security and Medicare, should be included in such measurement. The Library adopted GASB 101 on July 1, 2024. See adoption of new accounting standard above.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures* (GASB 102). GASB 102 defines circumstances where a government might have a concentration, or lack of diversity related to significant inflows or outflows of resources, or a constraint, where a limitation is imposed on a government by an external party or the highest level of decision-making authority. GASB 102 provides for how to determine if such conditions exist and, if so, the appropriate disclosures required. The Library adopted GASB 102 on July 1, 2024, which did not have a significant impact on the financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements* (GASB 103). This statement improves key components of the governmental financial reporting model to enhance effectiveness and to address certain application issues. GASB 103 prescribes changes to the MD&A, describes unusual or infrequent items, and addresses presentation issues for proprietary funds, major component units, and budgetary comparison presentations. The Library will adopt GASB 103 on July 1, 2025. The Library has not determined the impact that GASB 103 will have on the financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104). This statement requires certain types of capital assets to be separately disclosed in the capital asset note disclosures. Specifically, leases, public-private partnership assets, and Subscriptions-Based Information Technology Arrangements should be all separately disclosed. GASB 104 also prescribes specific disclosures for intangible assets and capital assets held for sale. The Library will adopt GASB 104 on July 1, 2025. The Library does not expect GASB 104 to significantly impact the financial statements.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through September 29, 2025, the date which the financial statements were available to be issued.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS

The Library's investment policies are governed by State statutes. Permissible investments include direct obligations of the U.S. government and agencies; negotiable certificates of deposit of savings and loan associations and bank and trust companies; and savings accounts or savings certificates of savings and loan associations and trust companies. Non-negotiable certificates of deposit are considered to be cash equivalents. Collateral is required for demand deposits and certificates of deposit on all amounts not covered by Federal Deposit Insurance Corporation insurance.

As a key part of the Library's activities, the Library holds investments that are measured and reported at fair value on a recurring basis. Generally accepted accounting principles establish a fair value hierarchy for the determination and measurement of fair value. This hierarchy is based on the type of valuation inputs needed to measure the fair value of an asset. The hierarchy generally is as follows:

Level 1—Unadjusted quoted prices in active markets for identical assets.

Level 2—Quoted prices for similar assets, or inputs that are observable or other forms of market corroborated inputs.

Level 3—Pricing based on best available information, including primarily unobservable inputs and assumptions market participants would use in pricing the asset.

In addition to the above three levels, if an investment does not have a readily determined fair value, the investment can be measured using net asset value (NAV) per share (or its equivalent). Investments valued at NAV are categorized as NAV and not listed as Level 1, 2, or 3. As of June 30, 2025 and 2024, the Library had no investments valued using NAV.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Fair values of investments by level are presented below. The levels are presented as of June 30, 2025 and 2024.

		Fair Value Measurements at Reporting Date Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	Amounts Measured at <u>Fair Value</u>	(Level 1)	(Level 2)	(Level 3)	
<u>June 30, 2025</u>					
<u>Investments by Fair Value Level</u>					
<i>The Library</i>					
Fixed income:					
Government money market fund	\$ 42,244,689	42,244,689	-	-	-
Total fixed income	42,244,689	42,244,689	-	-	-
Total investments measured at fair value	\$ 42,244,689	42,244,689	-	-	-
<i>Fiduciary Funds</i>					
Equities:					
Mutual funds	\$ 35,468,775	35,468,775	-	-	-
Total equities	35,468,775	35,468,775	-	-	-
Guaranteed investments:					
Guaranteed interest account*	4,712,028	-	-	-	4,712,028
Total guaranteed investments	4,712,028	-	-	-	4,712,028
Total investments measured at fair value	\$ 40,180,803	35,468,775	-	-	4,712,028

*The guaranteed investment account represents an account held by a life insurance company which pays a fixed guaranteed rate on the account. The account is generally stated at contract value as determined by the insurance company. As the value is determined by the insurance company, the investment is considered Level 3.

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

		Fair Value Measurements at Reporting Date Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
Amounts Measured at <u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>		
<u>June 30, 2024</u>					
<u>Investments by Fair Value Level</u>					
<i>The Library</i>					
Fixed income:					
Government money market fund	\$ 19,705,890	19,705,890	-	-	-
U.S. Treasury obligations	27,422,254	27,422,254	-	-	-
Total fixed income	<u>47,128,144</u>	<u>47,128,144</u>	-	-	-
Total investments measured at fair value	\$ 47,128,144	47,128,144	-	-	-
Fiduciary Funds					
Fixed income:					
Government money market funds	\$ 11,348,283	11,348,283	-	-	-
U.S. Treasury obligations	1,686,460	1,686,460	-	-	-
Corporate bonds	1,785,407	-	1,785,407	-	-
Municipal bonds	82,528	-	82,528	-	-
Mortgage-backed securities	42,129	-	42,129	-	-
Total fixed income	<u>14,944,807</u>	<u>13,034,743</u>	<u>1,910,064</u>	-	-
Equities:					
Mutual funds	36,313,483	36,313,483	-	-	-
Total equities	<u>36,313,483</u>	<u>36,313,483</u>	-	-	-
Guaranteed investments:					
Guaranteed interest account*	3,643,580	-	-	-	3,643,580
Total guaranteed investments	<u>3,643,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,643,580</u>
Total investments measured at fair value	\$ 54,901,870	49,348,226	1,910,064		3,643,580

*The guaranteed investment account represents an account held by a life insurance company which pays a fixed guaranteed rate on the account. The account is generally stated at contract value as determined by the insurance company. As the value is determined by the insurance company, the investment is considered Level 3.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Custodial Credit Risk

Custodial Credit Risk—Deposits

For deposits, custodial credit risk is the risk that in the event of the failure of a counterparty, the Library will not be able to recover the value of its deposits. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. At June 30, 2025 and 2024, the carrying amounts of the Library's cash and cash equivalents were \$17,407,368 and \$3,498,502, respectively, and the bank balances were \$17,471,183 and \$3,503,721, respectively. The difference in balances was primarily due to uncleared outstanding checks.

The fair value of investments pledged to secure deposits was approximately \$6,270,000 and \$5,690,000 at June 30, 2025 and 2024, respectively. The Library carried no uninsured or uncollateralized deposits as of June 30, 2025 or 2024.

Custodial Credit Risk—Investments

Investments are made under the custody of the Library Treasurer in accordance with investment policies complying with State statutes and Library policy.

Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Library will not be able to recover the value of its investments. Investment securities are exposed to custodial risk if they are uninsured, are not registered in the name of the Library, or are held by a counterparty or the counterparty's trust department but not in the name of the Library. While the investment policy does not specifically address custodial credit risk, all investments are held in the name of the Library.

Interest Rate Risk and Credit Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest changes. Fixed-income securities are subject to credit risk. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. The following table provides information concerning credit risk.

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Interest Rate Risk and Credit Risk, Continued

As of June 30, the Library had the following investments and maturities:

Investment Type	Moody's Credit Rating	Fair Value	Investment Maturities			%
			Less than 1	1 or More, Less than 5	5 or More	
<u>2025</u>						
Government money market fund	Aaa	\$ 42,244,689	42,244,689	⁽¹⁾	-	100%
		\$ 42,244,689	42,244,689	-	-	100%
<u>2024</u>						
Government money market fund	Aaa	\$ 19,705,890	19,705,890	⁽¹⁾	-	42%
U.S. Treasury obligations	Aaa	27,422,254	27,422,254	⁽²⁾	-	58%
		\$ 47,128,144	47,128,144	-	-	100%

⁽¹⁾ The fund's weighted average maturity (WAM) is an average of the effective maturity of all securities held in the portfolio, weighted by each security's percentage of net assets. As of June 30, 2025 and 2024, the fund WAM was 32 days and 34 days, respectively.

⁽²⁾ Maturity of the securities ranged from July 5, 2024, to August 22, 2024, as of June 30, 2024.

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Pension Fund

The cash and investments of the Pension Fund were invested in various assets with the Bank of Oklahoma and were used only for the payment of benefits to the members of the Pension Fund (see Note 6). The Plan was terminated effective June 30, 2024. In early fiscal year 2025, the Pension Fund liquidated its assets and satisfied all of its pension obligations. The composition of the Pension Fund investments at fair value as of June 30, 2024, is shown in the following table:

	<u>Fair Value</u>	Exposure as a Percentage of Total <u>Investment</u>
Cash	\$ 1,255	0%
Fixed income:		
Government money market funds	11,348,283	58%
U.S. Treasury obligations	1,686,460	9%
Corporate bonds	1,785,407	9%
Municipal bonds	82,528	0%
Mortgage-backed securities	42,129	0%
	<u>14,944,807</u>	
Equities:		
Mutual funds	4,395,259	23%
	<u>4,395,259</u>	
Receivables:		
Unsettled trades and accrued income	77,269	0%
	<u>\$ 19,418,590</u>	<u>100%</u>

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Pension Fund, Continued

Method Used to Value Investments—The Pension Fund’s investments are reported at fair value. Debt and equity securities are reported at fair value, as determined by the Plan’s custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. Net investment income (loss) includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, and investment expenses, which includes investment management and custodial fees and all other significant investment related costs.

Custodial Credit Risk—Custodial credit risk is the risk that in the event of the failure of a counterparty, the Library will not be able to recover the value of its investments. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Library, or are held by a counterparty or the counterparty’s trust department but not in the name of the Library. All cash, cash equivalents, and investments of the Pension Fund were held in the name of the Library.

Rate of Return—For the year ended June 30, 2024, the annual money-weighted rate of return on the Pension Fund’s investments, net of the Pension Fund’s investment expense, was 10.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentration of Credit Risk—The investment policy limited the concentration of equity investments to no more than 5% in any one issuer. Except as noted in the table below, no investment with a single firm exceeds 5% of the Pension Fund’s net position.

The following table presents the individual investments exceeding the 5% threshold at June 30, 2024:

<u>Classification of Investment</u>	<u>Name of Investment</u>	<u>Shares Held</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual fund	Vanguard 500 Index Fund Admiral Class	5,128	\$ 1,054,760	2,583,511
Government money market fund	Cavanal Hill GOVT Sec. MMKT	11,244,896	11,244,896	11,244,896

Foreign Currency Risk—Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Pension Fund held no foreign investments at June 30, 2024. As such, no Pension Fund investments were subject to foreign currency risk.

See Independent Auditors’ Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Pension Fund, Continued

Credit Risk—Fixed-income investments are subject to credit risk. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. The following tables provide information as of June 30, 2024, concerning credit risk:

<u>S&P 500 Rating</u>		<u>Fair Value</u>	Percentage of Total Fixed-Income Investments at <u>Fair Value</u>
AA+*	\$	13,149,172	88%
AA		46,149	0%
A+		36,379	0%
A		130,280	1%
A-		385,023	3%
BBB+		574,087	4%
BBB		422,880	3%
BBB-		<u>200,837</u>	<u>1%</u>
	\$	<u>14,944,807</u>	<u>100%</u>

*The Pension Fund had investments of \$11,348,283 as of June 30, 2024, in government money market funds. Although the funds do not specifically have S&P 500 ratings, the funds investment in U.S. government backed securities and U.S. Treasuries which have S&P 500 ratings of AA+. Therefore, the Library has included such investments in the AA+ rating category.

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) **CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED**

Pension Fund, Continued

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2024, the Pension Fund had the following fixed-income investments with maturities:

<u>Investment Type</u>	<u>Investment Maturities at Fair Value (in Years)</u>				<u>Total Fair Value</u>
	<u>Less than 1</u>	<u>1 or More, Less than 5</u>	<u>5 or More, Less than 10</u>	<u>10 or More</u>	
Government money market funds	\$ 11,348,283	-	-	-	11,348,283
U.S. Treasury obligations	290,870	1,395,590	-	-	1,686,460
Corporate bonds	549,952	1,197,181	38,274	-	1,785,407
Municipal bonds	-	82,528	-	-	82,528
Mortgage-backed securities	-	-	-	42,129	42,129
	<u>\$ 12,189,105</u>	<u>2,675,299</u>	<u>38,274</u>	<u>42,129</u>	<u>14,944,807</u>

Defined Contribution Fund

The investments of the Defined Contribution Fund are invested in mutual funds and a guaranteed interest account with Empower Annuity Insurance Company of America and may be used only for the payment of benefits to the participants of the defined contribution plan (see Note 6).

The following table presents the fair value of the defined contribution plan's investments by type at June 30:

<u>Investment Type</u>	<u>Fair Value</u>	
	<u>2025</u>	<u>2024</u>
Guaranteed interest account	\$ 4,712,028	3,643,580
Mutual funds	<u>35,468,775</u>	<u>31,918,224</u>
	<u>\$ 40,180,803</u>	<u>35,561,804</u>

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Defined Contribution Fund, Continued

Custodial Credit Risk—Custodial credit risk is the risk that in the event of the failure of a counterparty, the Library will not be able to recover the value of its investments. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Library, or are held by a counterparty or the counterparty's trust department but not in the name of the Library. While the trust agreement does not specifically address custodial credit risk, all investments are insured and collateralized.

Concentration of Credit Risk—Except as noted below, no single investment exceeds 5% of the Defined Contribution Fund's total investments. The following table presents the individual investments exceeding the 5% threshold at June 30:

<u>Classification of Investment</u>	<u>Name of Investment</u>	<u>Fair Value</u>
<u>2025</u>		
Mutual fund	American Century Equity Growth Fund	\$ 5,387,080
Mutual fund	T. Rowe Price Retirement 2040 SA	3,521,557
Guaranteed interest account	MM Guaranteed interest account	4,712,028
Mutual fund	Thornburg International Equity	2,489,967
<u>2024</u>		
Mutual fund	American Century Equity Growth Fund	\$ 5,090,569
Mutual fund	MM Select Retirement 2040	3,075,013
Mutual fund	Calvert Equity Fnd	1,892,838
Guaranteed interest account	MM Guaranteed interest account	3,643,580
Mutual fund	Thornburg International Equity	2,038,103

(3) COLLECTIONS

The Library has not capitalized existing inexhaustible collections, including research books, because the values are not readily determinable.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CAPITAL ASSETS

Capital asset activity for the years ended June 30 was as follows:

	Balance at June 30, 2024	Increases	Decreases	Balance at June 30, 2025
Capital assets not being depreciated:				
Land	\$ 273,126	-	-	273,126
Capital assets being depreciated:				
Library materials	32,959,114	3,089,352	(4,162,861)	31,885,605
Furniture and fixtures	4,729,388	278,799	(370,126)	4,638,061
Computer equipment	5,180,908	1,494,074	(1,253,666)	5,421,316
Vehicles	525,395	296,350	(127,681)	694,064
Buildings and improvements	5,412,400	-	-	5,412,400
Total capital assets being depreciated	48,807,205	5,158,575	(5,914,334)	48,051,446
Less accumulated depreciation:				
Library materials	24,799,167	3,982,567	(4,162,902)	24,618,832
Furniture and fixtures	3,093,755	349,182	(369,796)	3,073,141
Computer equipment	3,593,655	775,438	(1,168,717)	3,200,376
Vehicles	456,301	65,383	(75,384)	446,300
Buildings and improvements	2,810,086	167,891	-	2,977,977
Total accumulated depreciation	34,752,964	5,340,461	(5,776,799)	34,316,626
Total capital assets being depreciated, net	14,054,241	(181,886)	(137,535)	13,734,820
Capital assets, net	\$ 14,327,367	(181,886)	(137,535)	14,007,946

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CAPITAL ASSETS, CONTINUED

		Balance at June 30, 2023	Increases	Decreases	Balance at June 30, 2024
Capital assets not being depreciated:					
Land	\$ 273,126	—	—	—	273,126
Capital assets being depreciated:					
Library materials	32,161,155	3,216,918	(2,418,959)	32,959,114	
Furniture and fixtures	3,832,187	1,026,114	(128,913)	4,729,388	
Computer equipment	5,010,641	479,942	(309,675)	5,180,908	
Vehicles	512,565	68,214	(55,384)	525,395	
Buildings and improvements	5,412,400	—	—	5,412,400	
Total capital assets being depreciated	46,928,948	4,791,188	(2,912,931)	48,807,205	
Less accumulated depreciation:					
Library materials	23,046,867	4,171,239	(2,418,939)	24,799,167	
Furniture and fixtures	2,950,034	264,668	(120,947)	3,093,755	
Computer equipment	3,406,942	501,048	(314,335)	3,593,655	
Vehicles	491,638	20,047	(55,384)	456,301	
Buildings and improvements	2,642,195	167,891	—	2,810,086	
Total accumulated depreciation	32,537,676	5,124,893	(2,909,605)	34,752,964	
Total capital assets being depreciated, net	14,391,272	(333,705)	(3,326)	14,054,241	
Capital assets, net	\$ 14,664,398	(333,705)	(3,326)	14,327,367	

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(5) COMPENSATED ABSENCES

Compensated absences are liquidated through the General Fund and are reported as current liabilities in the statements of net position. Compensated absences activity for the years ended June 30 was as follows.

				Amounts Due Within 1 Year
	Balance at June 30, 2024	Net Change	Balance at June 30, 2025	
Compensated absences	\$ <u>1,957,994</u>	<u>281,399</u>	<u>2,239,393</u>	<u>2,239,393</u>
	Balance at June 30, 2023 (Restated)	Net Change	Balance at June 30, 2024	Amounts Due Within 1 Year (Restated)
Compensated absences	\$ <u>1,931,998</u>	<u>25,996</u>	<u>1,957,994</u>	<u>1,957,994</u>

(6) RETIREMENT PLANS

Defined Benefit Pension Plan

General Information about the Defined Benefit Pension Plan

Plan Description—Effective August 29, 2005, the Plan was frozen, and no new employees were eligible to participate. A defined contribution plan was established for new employees.

The Library terminated the plan effective June 30, 2024. As a result of the termination, the Plan document was amended to allow for a one-time option to elect a lump sum distribution. In September 2024, certain participants in the Plan, elected lump sum distributions totaling approximately \$4,114,000. In early fiscal year 2025, the Plan liquidated its assets and purchased annuities for each remaining plan participant to satisfy those pension obligations.

The Plan was a single-employer plan that covered certain full-time employees of the Library. The Plan was a defined benefit plan which provided for retirement benefits based on length of service and salary. Participants in the Plan were fully vested after three years of service. Death, early and late retirement, and deferred vested benefits were available under the Plan. Assets of the Plan were held separately and could be used only for the payment of benefits to the members of the Plan. Actuarial valuations were performed annually on July 1.

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) RETIREMENT PLANS, CONTINUED

Defined Benefit Pension Plan, Continued

General Information about the Defined Benefit Pension Plan, Continued

The Plan's membership consisted of the following as of June 30, 2024:

Retirees, disabled participants, and beneficiaries		
currently receiving benefits	23	
Terminated vested participants	4	
Active participants	11	
		<hr/>
		38
		<hr/>

Contributions—Participating employees contributed 4% of their compensation to the Plan. The Library contributed any additional amount necessary to fund normal cost and to amortize unfunded past service costs over a period of 30 years. The actuarial required contributions for 2024 were \$402,224. In anticipation of terminating the Plan, the Library contributed an additional \$6,135,870 to the Plan in 2024.

The Plan does not issue stand-alone financial statements and related required supplementary information. The information is included within these financial statements, notes to the financial statements, and the required supplementary information.

Net Pension (Asset) Liability

The Library's net pension (asset) liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

The components of the Library's net pension asset of the participating employer at June 30, 2024, were as follows:

Total pension liability	\$ 15,170,877
Plan fiduciary net position	<hr/> <u>19,418,590</u>
Library's net pension asset	\$ <u>(4,247,713)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>128.00%</u>

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) RETIREMENT PLANS, CONTINUED

Defined Benefit Pension Plan, Continued

Net Pension (Asset) Liability, Continued

Actuarial Assumptions—The total pension liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	None
Salary increases:	5%
Investment rate of return:	7%, net of pension plan investment expense

Mortality rates were based on the Society of Actuaries Generational Tables Mortality Improvement Scales MP-2021 for males and females for July 1, 2024.

The actuarial assumptions used in the July 1, 2024, valuations were based on the results of an actuarial experience study for the period July 2009 to June 2013.

The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of the Plan's investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed-income securities	4.93%
Domestic equity	8.00%
International equity	9.80%
Cash equivalents	2.40%

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) RETIREMENT PLANS, CONTINUED

Defined Benefit Pension Plan, Continued

Net Pension (Asset) Liability, Continued

Discount Rate—The discount rate used to measure the total pension liability was 7.0% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at rates equal to the differences between actuarially determined contribution rates and the member rate. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension (Asset) Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2024	\$ 15,170,877	19,418,590	(4,247,713)
Changes for the year:			
Interest	4,521,755	-	4,521,755
Net investment income	-	274,042	(274,042)
Benefit payments, including refunds of employee contributions	(4,354,341)	(4,354,341)	-
Reimbursement to the Library	(907,509)	(907,509)	-
Purchase of annuities	(14,430,782)	(14,430,782)	-
Net changes	(15,170,877)	(19,418,590)	4,247,713
Balance at June 30, 2025	\$ -	-	-

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) RETIREMENT PLANS, CONTINUED

Defined Benefit Pension Plan, Continued

Changes in the Net Pension (Asset) Liability, Continued

	Increase (Decrease)		
	Total Pension	Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2023	\$ 15,759,574	12,289,466	3,470,108
Changes for the year:			
Service cost	81,886	-	81,886
Interest	1,067,811	-	1,067,811
Differences between expected and actual experience	(728,144)	-	(728,144)
Contribution—employer	-	6,538,094	(6,538,094)
Contribution—employee	-	18,488	(18,488)
Net investment income	-	1,582,792	(1,582,792)
Benefit payments, including refunds of employee contributions	(1,010,250)	(1,010,250)	-
Net changes	(588,697)	7,129,124	(7,717,821)
Balance at June 30, 2024	\$ 15,170,877	19,418,590	(4,247,713)

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) **RETIREMENT PLANS, CONTINUED**

Defined Benefit Pension Plan, Continued

Changes in the Net Pension (Asset) Liability, Continued

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate—The following presents the net pension (asset) liability of the Library calculated using the discount rate of 7.0%, as well as what the Plan's net pension (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
<u>June 30, 2024</u>			
Net pension asset	\$ (2,846,584)	(4,247,713)	(5,452,560)

The Plan's Fiduciary Net Position—Detailed information about the Plan's fiduciary net position is available in Note 2.

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

For the years ended June 30, 2025 and 2024, the Library recognized pension expense of \$4,296,016 and \$309,612, respectively.

Pension expense was computed as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Service cost	\$ -	81,886
Interest on total pension liability	4,521,755	1,067,811
Differences in expected and actual experiences	242,270	448,036
Changes in assumptions	(10,309)	(63,513)
Employee contributions	-	(18,488)
Projected earnings on investments	(274,042)	(1,054,384)
Differences between projected earnings and actual	(183,658)	(151,736)
	<u>\$ 4,296,016</u>	<u>309,612</u>

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(6) RETIREMENT PLANS, CONTINUED

Defined Benefit Pension Plan, Continued

*Pension Expense, Deferred Outflows of Resources, and
Deferred Inflows of Resources Related to Pensions, Continued*

At June 30, 2024, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 491,916	249,646
Changes of assumptions	-	10,309
Net difference between projected and actual earnings on pension fund investments	<u>396,039</u>	<u>579,698</u>
	<u><u>\$ 887,955</u></u>	<u><u>839,653</u></u>

Defined Contribution Plan

Effective August 29, 2005, the Metropolitan Library System Defined Contribution Plan (the "Contribution Plan") was established. The Contribution Plan is intended to be a governmental plan as defined in Internal Revenue Code Section 414(d), and is to be approved and qualified by the Internal Revenue Service as satisfying the governmental plan requirements of Sections 401(a) and 501(a) and other pertinent provisions of the Internal Revenue Code of 1986. Under the Contribution Plan, the employer's contribution shall be discretionary, to be determined by the employer, and is available to all participants. During both 2025 and 2024, the Library contributed 10% of each participant's compensation. Participants are fully vested in the employer's contributions after 3 years of credited service. Participants may make voluntary contributions of 4% or 6% of compensation before tax. Participants are fully vested in the voluntary contributions. Participants may direct the Contribution Plan's trustee in the investment of their individual account balances. Normal retirement age is the latter of a participant's 65th birthday or the 5th anniversary of the first day of the plan year in which participation in the Contribution Plan commenced. For the years ended June 30, 2025 and 2024, the Library's contribution to the Contribution Plan was \$1,649,955 and \$1,507,426, respectively.

Deferred Compensation Plan

The Library offers its employees a Deferred Compensation Plan as authorized by Section 457 of the Internal Revenue Code, as amended by the Tax Reform Act of 1986, and in accordance with the provisions of Sections 1701 through 1706 of Title 74 of the Oklahoma Statutes.

The Deferred Compensation Plan is available to all Library employees. Employees may direct the investment of their contributions in available investment options offered by the Deferred Compensation Plan. All interest, dividends, and investment fees are allocated to employees' accounts. For the years ended June 30, 2025 and 2024, employee contributions to the Deferred Compensation Plan totaled approximately \$156,000 and \$134,000, respectively.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Description

The Library participates in a self-insurance health plan (see Note 8), which is a non-trusted single-employer plan that provides for employee and dependent healthcare coverage from the date of retirement, provided the participant was covered by the self-insurance health plan before retiring.

In conjunction with providing the postretirement medical benefits through the self-insurance health plan, the Library determined that an OPEB liability existed. The Library calculated the self-insurance health plan OPEB liability at June 30, 2025 and 2024, and it is reflected in the accompanying financial statements.

The self-insurance health plan provides members with postretirement medical benefits if the retiree and spouse pay the full active premium. Participants in the self-insurance health plan can elect to enroll in special coverage, and surviving spouses may continue in the self-insurance health plan. Contributions to the self-insurance health plan are made by both the participant and the Library on a “pay as you go” basis.

**OPEB Liability, OPEB Expense, Deferred Outflows of Resources, and
Deferred Inflows of Resources Related to OPEB**

At June 30, 2025 and 2024, the Library reported a liability for the self-insurance health plan OPEB. The Library used a measurement date and valuation date of July 1, 2024, and July 1, 2023, to calculate the total self-insurance health plan OPEB liability at June 30, 2025 and 2024, respectively.

As of June 30, 2025 and 2024, the Library reported the following changes in the total OPEB liability:

	<u>2025</u>	<u>2024</u>
Total OPEB liability, beginning	\$ 2,107,415	2,036,300
Changes for the year:		
Service cost	197,698	180,841
Interest	76,921	71,271
Differences between expected and actual experience	(50,499)	(390)
Changes of assumptions	443,679	(28,207)
Estimated benefit payments	(157,248)	(152,400)
Net changes	510,551	71,115
Total OPEB liability, ending	<u>\$ 2,617,966</u>	<u>2,107,415</u>

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) **OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

**OPEB Liability, OPEB Expense, Deferred Outflows of Resources, and
Deferred Inflows of Resources Related to OPEB, Continued**

For the years ended June 30, 2025 and 2024, the Library recognized OPEB expense of \$228,142 and \$162,534, respectively. At June 30, the Library reported deferred outflows of resources and deferred inflows of resources related to the self-insurance health plan OPEB liability from the following sources:

	<u>2025</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions		\$ 723,406	237,131
Differences between expected and actual experience		<u>261,679</u>	<u>130,816</u>
		<u><u>\$ 985,085</u></u>	<u><u>367,947</u></u>
	<u>2024</u>		
Changes of assumptions		\$ 393,225	289,777
Differences between expected and actual experience		<u>326,955</u>	<u>95,674</u>
		<u><u>\$ 720,180</u></u>	<u><u>385,451</u></u>

As of June 30, 2025, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,

2026	\$ 110,821
2027	112,179
2028	115,095
2029	115,095
2030	50,330
Thereafter	<u>113,618</u>
	<u><u>\$ 617,138</u></u>

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) OTHER POSTEMPLOYMENT BENEFITS, CONTINUED

Actuarial Methods and Assumptions

The total self-insurance health plan OPEB liability at June 30, 2025 and 2024, was determined based on actuarial valuations prepared using a July 1, 2024, and July 1, 2023, measurement date, respectively, using the following actuarial assumptions:

- Investment return—Not applicable, as the self-insurance health plan is unfunded, and benefits are not paid from a qualifying trust
- Mortality rates—Pub-2010 Total General Employee Data Set Headcount Weighted Mortality Table with generational projection of mortality improvements using the MP-2021 Projection Scale
- Salary scale—3% per year
- Plan participation—50% of retired employees are assumed to participate in the self-insurance health plan
- Marital assumptions—None
- Plan entry date is the date of hire
- Actuarial cost method—Entry age normal based upon salary
- Healthcare trend rate—A level 4.00%

At June 30, 2025 and 2024, the self-insurance health plan had total participants of 293 and 302, respectively, consisting of 272 and 281 active participants, respectively, 21 retirees or surviving spouses.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93% and 3.65% for June 30, 2025 and 2024, respectively. The discount rate was determined using a 20-year Municipal Bond AA rate.

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) **OTHER POSTEMPLOYMENT BENEFITS, CONTINUED**

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Trend Rate

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate—The following presents the total self-insurance health plan OPEB liability of the Library calculated using the discount rate of 3.93% and 3.65% for 2025 and 2024, respectively, as well as what the Library's total self-insurance health plan OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
<u>June 30, 2025</u>			
Total OPEB liability	\$ 2,966,104	2,617,966	2,347,496
<u>June 30, 2024</u>			
Total OPEB liability	\$ 2,387,660	2,107,415	1,889,692

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate—The following presents the total OPEB liability calculated using the healthcare trend rate of 4.00% for both 2025 and 2024, as well as what the liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease in Healthcare Trend Rate (3.00%)	Current Healthcare Trend Rate (4.00%)	1% Increase in Healthcare Trend Rate (5.00%)
<u>June 30, 2025</u>			
Total OPEB liability	\$ 2,349,744	2,617,966	2,933,464
<u>June 30, 2024</u>			
Total OPEB liability	\$ 1,891,501	2,107,415	2,361,385

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(8) SELF-INSURANCE RISK OF LOSS

The Library operates a self-insurance plan to fund its employee health benefits. The Library purchased insurance policies to limit its maximum possible benefit cost on both an employee basis and an aggregate basis. The Library has a contract with a third-party administrator to operate the self-insurance plan. For the years ended June 30, 2025 and 2024, the Library has limited its risk of loss by purchasing insurance to pay an individual's claim in excess of \$125,000 and \$120,000, respectively.

The carrying amount of liabilities for unpaid claims is equal to the amount of claims unpaid but due at year-end. This amount has been determined by the third-party administrator.

Changes in the claims liability amounts for the years ended June 30 were:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 461,304	312,685	504,896
Current year claims	5,106,015	4,314,102	3,384,672
Claim payments	<u>(5,310,477)</u>	<u>(4,165,483)</u>	<u>(3,576,883)</u>
Balance, end of year	<u>\$ 256,842</u>	<u>461,304</u>	<u>312,685</u>

(9) RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; or natural disasters for which the Library carries commercial insurance. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past 3 years.

(10) COMMITMENTS AND CONTINGENCIES

Leases

The Library leases 19 branch buildings from the area cities and Oklahoma City. As of June 30, 2025, all the branch buildings are leased for \$1 per year or no rent is charged, which are considered to be non-exchange transactions. The terms of the non-exchange transaction leases are for periods of 1 year and automatically renew each year unless written notice is given by either party of its intent not to renew. The total number of lease years varies by lease contract. Under the leases, the Library generally provides for maintenance, utilities, repairs, and liability insurance; however, certain municipalities cost share with the Library on repairs and maintenance costs. During 2024, the Almonte Shopping Center library location was being leased annually for approximately \$16,000. The Almonte Shopping Center library location lease expired in May 2024. The City of Oklahoma City reimbursed the Library for the Almonte Shopping Center library location lease, which is included in other revenues on the governmental funds statement of revenues, expenditures, and changes in fund balance and included in administrative charges for services on the government-wide statement of activities.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(10) COMMITMENTS AND CONTINGENCIES, CONTINUED

Leases, Continued

The Library's non-exchange leases do not meet the definition of a lease under GASB 87, and are therefore scoped out of the standard. The Library expenses its leases as the leases are incurred. Total lease expense for the years ended June 30, 2025 and 2024, approximated \$0 and \$16,000, respectively.

Legal

From time to time, the Library is involved in certain legal proceedings arising in the normal course of business. In the opinion of management and counsel, the ultimate disposition of such proceedings will not have a material effect on the Library's financial statements.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**SUPPLEMENTARY INFORMATION REQUIRED BY
GOVERNMENTAL ACCOUNTING STANDARDS BOARD
STATEMENT NO. 34**

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

Schedule I

BUDGETARY COMPARISON SCHEDULE—GENERAL FUND (UNAUDITED)

Year Ended June 30, 2025

	Budgeted Amounts— Original	Budgeted Amounts— Final	Actual Amounts— Modified Accrual Basis	Modified Accrual to Budgetary Basis Adjustments	Actual Amounts— Budgetary Basis	Variance with Final Budget— Positive (Negative)
Budgetary fund balance, beginning of year:						
Carryover funds	\$ 15,554,789	18,319,634	19,573,149	(632,196)	20,205,345	1,885,711
Capital reserve	28,999,967	28,999,967	28,999,967	-	28,999,967	-
	<u>44,554,756</u>	<u>47,319,601</u>	<u>48,573,116</u>	<u>(632,196)</u>	<u>49,205,312</u>	<u>1,885,711</u>
Resources (inflows):						
Property taxes	44,338,734	46,979,648	51,862,503	47,049	51,815,454	4,835,806
Collections on book fines and copy services	95,403	135,264	479,778	(18,834)	498,612	363,348
State revenue	162,158	180,176	201,759	-	201,759	21,583
Investment earnings	-	-	2,193,714	-	2,193,714	2,193,714
Other	-	-	104,662	-	104,662	104,662
Total resources (inflows)	<u>44,596,295</u>	<u>47,295,088</u>	<u>54,842,416</u>	<u>28,215</u> ⁽¹⁾	<u>54,814,201</u>	<u>7,519,113</u>
Charges to appropriations:						
Personnel services	33,614,198	35,899,489	25,672,291	83,085	25,589,206	10,310,283
Maintenance and operations:						
Contractual services	9,342,570	9,756,308	7,357,001	76,918	7,280,083	2,476,225
Commodities	1,317,018	1,222,120	1,300,969	-	1,300,969	(78,849)
Capital outlays—operations	<u>13,349,420</u>	<u>12,971,240</u>	<u>10,752,864</u>	<u>-</u>	<u>10,752,864</u>	<u>2,218,376</u>
Total charges to appropriations	<u>57,623,206</u>	<u>59,849,157</u>	<u>45,083,125</u>	<u>160,003</u> ⁽²⁾	<u>44,923,122</u>	<u>14,926,035</u>
Net changes in budgetary fund balance	(13,026,911)	(12,554,069)	9,759,291	(131,788)	9,891,079	22,445,148
Budgetary fund balance, end of year:						
Carryover funds	2,527,878	5,765,565	29,332,440	(763,984)	30,096,424	24,330,859
Capital reserve	28,999,967	28,999,967	28,999,967	-	28,999,967	-
	<u>\$ 31,527,845</u>	<u>34,765,532</u>	<u>58,332,407</u>	<u>(763,984)</u>	<u>59,096,391</u>	<u>24,330,859</u>

See Independent Auditors' Report.

METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY

Schedule I, Continued

BUDGETARY COMPARISON SCHEDULE—GENERAL FUND (UNAUDITED), CONTINUED

Year Ended June 30, 2024

	Budgeted Amounts— <u>Original</u>	Budgeted Amounts— <u>Final</u>	Actual Amounts— Modified Accrual Basis	Modified Accrual to Budgetary Basis Adjustments	Actual Amounts— Budgetary Basis	Variance with Final Budget— Positive (Negative)
Budgetary fund balance, beginning of year:						
Carryover funds	\$ 12,677,762	16,095,743	17,343,872	(681,077)	18,024,949	1,929,206
Capital reserve	<u>28,999,967</u>	<u>28,999,967</u>	<u>28,999,967</u>	<u>-</u>	<u>28,999,967</u>	<u>-</u>
	<u>41,677,729</u>	<u>45,095,710</u>	<u>46,343,839</u>	<u>(681,077)</u>	<u>47,024,916</u>	<u>1,929,206</u>
Resources (inflows):						
Property taxes	41,291,803	44,338,734	48,769,781	221,016	48,548,765	4,210,031
Collections on book fines and copy services	87,598	111,403	432,709	11,086	421,623	310,220
State revenue	178,663	178,662	200,195	-	200,195	21,533
Investment earnings	-	-	2,406,810	-	2,406,810	2,406,810
Other	<u>-</u>	<u>-</u>	<u>230,921</u>	<u>-</u>	<u>230,921</u>	<u>230,921</u>
Total resources (inflows)	<u>41,558,064</u>	<u>44,628,799</u>	<u>52,040,416</u>	<u>232,102</u> ⁽¹⁾	<u>51,808,314</u>	<u>7,179,515</u>
Charges to appropriations:						
Personnel services	31,766,283	37,036,527	32,374,911	123,221	32,251,690	4,784,837
Maintenance and operations:						
Contractual services	8,612,751	9,306,826	6,304,572	60,000	6,244,572	3,062,254
Commodities	1,277,096	1,340,141	1,257,147	-	1,257,147	82,994
Capital outlays—operations	<u>12,802,235</u>	<u>13,041,048</u>	<u>9,874,509</u>	<u>-</u>	<u>9,874,509</u>	<u>3,166,539</u>
Total charges to appropriations	<u>54,458,365</u>	<u>60,724,542</u>	<u>49,811,139</u>	<u>183,221</u> ⁽²⁾	<u>49,627,918</u>	<u>11,096,624</u>
Net changes in budgetary fund balance	(12,900,301)	(16,095,743)	2,229,277	48,881	2,180,396	18,276,139
Budgetary fund balance, end of year:						
Carryover funds	(222,539)	-	19,573,149	(632,196)	20,205,345	20,205,345
Capital reserve	<u>28,999,967</u>	<u>28,999,967</u>	<u>28,999,967</u>	<u>-</u>	<u>28,999,967</u>	<u>-</u>
	<u>\$ 28,777,428</u>	<u>28,999,967</u>	<u>48,573,116</u>	<u>(632,196)</u>	<u>49,205,312</u>	<u>20,205,345</u>

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY****BUDGETARY COMPARISON SCHEDULE—GENERAL FUND (UNAUDITED), CONTINUED**

Years Ended June 30, 2025 2024

Budget-to-actual reconciliation:

(¹) Revenues on a budgetary basis are based on cash received rather than the modified accrual basis used for financial reporting, and the Revolving Fund is not reported as part of the General Fund for budgetary purposes.	\$ 28,215	232,102
(²) Expenditures on a budgetary basis are based on cash paid rather than the modified accrual basis used for financial reporting. Under the modified accrual basis, expenditures are recorded when obligations are incurred. In addition, the Revolving Fund is not reported as part of the General Fund for budgetary purposes.	<u>(160,003)</u>	<u>(183,221)</u>
Total budget-to-actual reconciliation	<u>\$ (131,788)</u>	<u>48,881</u>

Note: Under the budgetary basis of accounting, revenues are recognized when they are received rather than when they are earned. Purchases of materials, outside services, and capital outlays are recognized as expenditures when the commitment to purchase is made (encumbered).

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**SUPPLEMENTARY INFORMATION REQUIRED BY
GOVERNMENTAL ACCOUNTING STANDARDS BOARD
STATEMENTS NO. 67 AND NO. 68**

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**SCHEDULE OF CHANGES IN NET PENSION (ASSET) LIABILITY—
DEFINED BENEFIT PENSION PLAN**

Last 10 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability										
Service cost	\$ -	81,886	121,395	135,050	156,600	172,005	203,200	257,595	331,469	379,654
Interest	4,521,755	1,067,811	1,046,834	1,029,112	1,034,745	1,765,237	1,946,001	2,030,008	2,069,330	2,058,626
Differences between expected and actual experience	-	(728,144)	68,957	(38,775)	3,792,905	164,347	(415,989)	(1,465,033)	(989,443)	(38,374)
Changes in assumptions	-	-	-	(57,669)	(56,532)	(63,444)	(59,513)	-	-	-
Benefit payments, including refunds of member contributions	(4,354,341)	(1,010,250)	(864,775)	(764,321)	(1,123,438)	(1,269,792)	(2,040,696)	(2,004,643)	(1,941,568)	(1,793,103)
Reimbursement to the Library	(907,509)	-	-	-	-	-	-	-	-	-
Purchase of annuities	(14,430,782)	-	-	-	(12,740,632)	(5,201,595)	-	-	-	-
Net change in total pension liability	(15,170,877)	(588,697)	372,411	303,397	(8,936,352)	(4,433,242)	(366,997)	(1,182,073)	(530,212)	606,803
Total pension liability—beginning	<u>15,170,877</u>	<u>15,759,574</u>	<u>15,387,163</u>	<u>15,083,766</u>	<u>24,020,118</u>	<u>28,453,360</u>	<u>28,820,357</u>	<u>30,002,430</u>	<u>30,532,642</u>	<u>29,925,839</u>
Total pension liability—ending (a)	<u>\$ -</u>	<u>15,170,877</u>	<u>15,759,574</u>	<u>15,387,163</u>	<u>15,083,766</u>	<u>24,020,118</u>	<u>28,453,360</u>	<u>28,820,357</u>	<u>30,002,430</u>	<u>30,532,642</u>
Plan fiduciary net position										
Contributions—employer	\$ -	6,538,094	1,000,000	555,520	242,915	361,946	436,022	1,005,675	624,271	767,210
Contributions—employees	-	18,488	23,672	24,815	28,302	31,614	38,545	38,028	55,251	63,791
Net investment income (loss)	274,042	1,582,792	1,192,432	(1,129,052)	3,288,815	671,463	1,670,599	2,010,720	2,593,631	398,368
Benefit payments, including refunds of member contributions and administrative expenses	(4,354,341)	(1,010,250)	(864,775)	(764,321)	(1,163,104)	(1,327,222)	(2,102,227)	(2,093,216)	(2,046,883)	(1,854,928)
Reimbursement to the Library	(907,509)	-	-	-	-	-	-	-	-	-
Purchase of annuities	(14,430,782)	-	-	-	(12,740,632)	(5,201,595)	-	-	-	-
Net change in plan fiduciary net position	(19,418,590)	7,129,124	1,351,329	(1,313,038)	(10,343,704)	(5,463,794)	42,939	961,207	1,226,270	(625,559)
Plan fiduciary net position—beginning	<u>19,418,590</u>	<u>12,289,466</u>	<u>10,938,137</u>	<u>12,251,175</u>	<u>22,594,879</u>	<u>28,058,673</u>	<u>28,015,734</u>	<u>27,054,527</u>	<u>25,828,257</u>	<u>26,453,816</u>
Plan fiduciary net position—ending (b)	<u>\$ -</u>	<u>19,418,590</u>	<u>12,289,466</u>	<u>10,938,137</u>	<u>12,251,175</u>	<u>22,594,879</u>	<u>28,058,673</u>	<u>28,015,734</u>	<u>27,054,527</u>	<u>25,828,257</u>
Plan's net pension (asset) liability (a) - (b)	<u>\$ -</u>	<u>(4,247,713)</u>	<u>3,470,108</u>	<u>4,449,026</u>	<u>2,832,591</u>	<u>1,425,239</u>	<u>394,687</u>	<u>804,623</u>	<u>2,947,903</u>	<u>4,704,385</u>

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**SCHEDULE OF NET PENSION (ASSET) LIABILITY—
DEFINED BENEFIT PENSION PLAN**

Last 10 Fiscal Years

	<u>2025 *</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability	\$ -	15,170,877	15,759,574	15,387,163	15,083,766	24,020,118	28,453,360	28,820,357	30,002,430	30,532,642
Plan fiduciary net position	_____ -	<u>19,418,590</u>	<u>12,289,466</u>	<u>10,938,137</u>	<u>12,251,175</u>	<u>22,594,879</u>	<u>28,058,673</u>	<u>28,015,734</u>	<u>27,054,527</u>	<u>25,828,257</u>
Plan's net (asset) pension liability	\$ _____ -	<u>(4,247,713)</u>	<u>3,470,108</u>	<u>4,449,026</u>	<u>2,832,591</u>	<u>1,425,239</u>	<u>394,687</u>	<u>804,623</u>	<u>2,947,903</u>	<u>4,704,385</u>
Plan fiduciary net position as a percentage of the total pension liability	_____ -	<u>128.00%</u>	<u>77.98%</u>	<u>71.09%</u>	<u>81.22%</u>	<u>94.07%</u>	<u>98.61%</u>	<u>97.21%</u>	<u>90.17%</u>	<u>84.59%</u>
Covered-employee payroll	\$ _____ -	<u>776,121</u>	<u>890,423</u>	<u>1,110,192</u>	<u>1,176,716</u>	<u>1,197,737</u>	<u>1,374,258</u>	<u>1,463,754</u>	<u>1,725,494</u>	<u>2,110,020</u>
Plan's net pension (asset) liability as a percentage of covered-employee payroll	_____ -	<u>(547.30)%</u>	<u>389.71%</u>	<u>400.74%</u>	<u>240.72%</u>	<u>118.99%</u>	<u>28.72%</u>	<u>54.97%</u>	<u>170.84%</u>	<u>222.95%</u>

*The Plan was terminated effective June 30, 2024. In early fiscal year 2025, the Plan liquidated its assets and satisfied all of its pension obligations.

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER—
DEFINED BENEFIT PENSION PLAN**

Last 10 Fiscal Years

	<u>2025 *</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ - 402,224	525,386	554,563	242,915	361,946	436,022	1,005,675	624,271	767,210	
Contributions in relation to the actuarially determined contribution	_____ - 6,538,094	1,000,000	555,520	242,915	361,946	436,022	1,005,675	624,271	767,210	
Contribution excess (deficiency)	\$ _____ - 6,135,870	474,614	957	_____ -	_____ -	_____ -	_____ -	_____ -	_____ -	
Covered-employee payroll	\$ _____ - 776,121	890,423	1,110,192	1,176,716	1,197,737	1,374,258	1,463,754	1,725,494	2,110,020	
Contributions as a percentage of covered-employee payroll	_____ - 842.41%	112.31%	50.04%	20.64%	30.22%	31.73%	68.71%	36.18%	36.36%	

*The Plan was terminated effective June 30, 2024. In early fiscal year 2025, the Plan liquidated its assets and satisfied all of its pension obligations.

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY****SCHEDULE OF INVESTMENT RETURNS—
DEFINED BENEFIT PENSION PLAN****Last 10 Fiscal Years**

	<u>2025</u> *	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	-	10.51%	10.82%	(7.67)%	20.57%	2.45%	5.91%	7.23%	9.88%	(5.51)%

*The Plan was terminated effective June 30, 2024. In early fiscal year 2025, the Plan liquidated its assets and satisfied all of its pension obligations.

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

**SUPPLEMENTARY INFORMATION REQUIRED BY
GOVERNMENTAL ACCOUNTING STANDARDS BOARD
STATEMENT NO. 75**

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 8 Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:								
Service cost	\$ 197,698	180,841	240,715	297,845	171,424	118,301	95,942	68,738
Interest	76,921	71,271	43,603	27,044	27,086	32,239	30,022	24,011
Differences between expected and actual experiences	(50,499)	(390)	131,826	309,928	17,608	(141,674)	-	90,257
Changes of assumptions	443,679	(28,207)	(249,703)	353,920	233,708	(68,024)	(36,236)	(91,638)
Estimated benefit payments	(157,248)	(152,400)	(148,800)	(193,797)	-	-	(95,271)	(95,271)
Net change in total OPEB liability	510,551	71,115	17,641	794,940	449,826	(59,158)	(5,543)	(3,903)
Total OPEB liability—beginning	<u>2,107,415</u>	<u>2,036,300</u>	<u>2,018,659</u>	<u>1,223,719</u>	<u>773,893</u>	<u>833,051</u>	<u>838,594</u>	<u>842,497</u>
Total OPEB liability—ending	<u>\$ 2,617,966</u>	<u>2,107,415</u>	<u>2,036,300</u>	<u>2,018,659</u>	<u>1,223,719</u>	<u>773,893</u>	<u>833,051</u>	<u>838,594</u>
Covered-employee payroll	<u>\$ 16,209,126</u>	<u>16,390,615</u>	<u>14,045,270</u>	<u>12,943,413</u>	<u>14,978,245</u>	<u>14,541,985</u>	<u>14,653,807</u>	<u>13,260,741</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>16.15%</u>	<u>12.86%</u>	<u>14.50%</u>	<u>15.60%</u>	<u>8.17%</u>	<u>5.32%</u>	<u>5.68%</u>	<u>6.32%</u>
Discount rate	<u>3.93%</u>	<u>3.65%</u>	<u>3.50%</u>	<u>2.16%</u>	<u>2.21%</u>	<u>3.50%</u>	<u>3.87%</u>	<u>3.58%</u>

Note to Schedule: Only the last 8 fiscal years are presented because 10-year data is not yet available.

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

**(1) DEFINED BENEFIT PENSION PLAN—ACTUARIAL ASSUMPTIONS
(SCHEDULES II THROUGH V)**

The information presented in Schedule II through Schedule V was determined as part of an actuarial valuation by an independent enrolled actuary (Newport Group) at the dates indicated. Additional information as of the July 1, 2024, valuation follows:

Actuarial cost method:	Entry age normal
Amortization method:	None
Asset valuation method:	5-year smoothed market value
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	5%
Cost-of-living adjustment	None

(2) OTHER POSTEMPLOYMENT BENEFIT PLAN—QUALIFYING TRUST

The Library's self-insurance health plan is "pay as you go" and does not accumulate assets that are administered in a qualifying trust that meets the requirements of GASB Statement No. 75.

See Independent Auditors' Report.

**METROPOLITAN LIBRARY COMMISSION OF
OKLAHOMA COUNTY**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, CONTINUED

**(3) OTHER POSTEMPLOYMENT BENEFIT PLAN—
ACTUARIAL ASSUMPTIONS (SCHEDULE VI)**

The information presented in Schedule VI was determined as part of an actuarial valuation by an independent enrolled actuary (Self-Funding Actuarial). For each fiscal year presented in the schedule the measurement date for the actuarial valuation is July 1 of the previous year. As such, the OPEB liabilities for June 30, 2025 and 2024, were determined based on actuarial valuations prepared using July 1, 2024, and July 1, 2023, measurement dates, respectively, using the following actuarial assumptions:

Mortality rates:	Pub-2010 Total General Employee Data Set Headcount Weighted Mortality Table with generational projection of mortality improvements using the MP-2021 Projection Scale
Actuarial cost method:	Entry age normal based upon salary
Plan participation:	50% of retired employees are assumed to participate
Actuarial assumptions:	
Investment rate of return	Not applicable—unfunded plan
Projected salary increases	3% per year
Discount rate	20-year Municipal Bond AA Rate: 3.93% at June 30, 2025, and 3.65% at June 30, 2024
Healthcare trend rate	A level 4%

See Independent Auditors' Report.

**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 Commissioners
Metropolitan Library Commission of
Oklahoma County

We have audited, in accordance with the auditing standards generally accepted in the United States 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, each major fund, and the aggregate remaining fund information of the Metropolitan Library Commission of Oklahoma County (the "Library") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, and have issued our report thereon dated September 29, 2025. Our report includes an explanatory paragraph disclaiming an opinion on required supplementary information.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Library's internal control over financial reporting ("internal control") as a basis for designing the 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 Library's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

(Continued)

**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, CONTINUED**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 Library'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 Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Finley & Cook, PLLC

Shawnee, Oklahoma
September 29, 2025