

Middleborough Public Library Financial Transparency Statement

The Middleborough Public Library follows the financial guidelines and regulations established by the Town of Middleborough, the Commonwealth of Massachusetts, and the federal government. The Library is committed to transparency, accountability, and responsible stewardship of all funds under its care.

Recently, inaccurate information and subsequent questions have been raised in public forums regarding what has been described as four accounts containing substantial balances. These are the accounts that can be seen on our Endowment report that is presented to the Board at each meeting. It is important for us to present accurate information to the public and we welcome the opportunity to do so.

First, there are three accounts listed on our endowment report, but the General Fund and the Paun are listed separately for accounting purposes. While they are shown as separate funds for accounting and reporting purposes, both are held within the same Ameriprise investment account.

As reflected in the current financial report:

- General Fund: \$1,488,586.45
- Paun Fund: \$407,787.88

These two funds are combined within the Ameriprise account, which has a total balance of \$1,896,374.33 as of our last statement received on May 11, 2026.

In addition, these funds are not part of the Town's operating budget. They are trust and endowment funds that are overseen by the Board of Library Trustees, as required by the trusts. The director's involvement is limited to providing a monthly status report and is allowed to approve the use of funds for the basic operations of the library with any single expenditure subject to the spending limit stated in the Library's Investment Policy of \$2,500 per purpose. It is important to note that while the Director has this discretionary spending authority, they are not an authorized user of the checking account.

Each trust or endowment was established with specific instructions regarding how the funds may be managed and used. The Library strictly follows the terms and conditions established by the donors and governing documents for each account. To help our community better understand how library funding works, we are providing a brief overview of the trust funds and endowments that support the Middleborough Public Library. Many of these funds were established through gifts and bequests, and each has its own rules governing how the money can be used.

WILFRED M. SILVIA TRUST ("SILVIA TRUST")

The Silvia Trust's expressed purpose is to fund "the purchase of books, in such forms as may be available in the future" for the Middleborough Public Library. Every funding request must meet that purpose and be formally requested to the Silvia Trust. The Library cannot expend any funds from the Silvia Trust before the said funds have been approved and allocated by the trustees of the Silvia Trust. The Silvia Trust is overseen by a three-member board of trustees and the Town has no control over this account.

PEIRCE TRUST

The Trust is over 100 years old. It is managed by a three-member Board of Trustees. The Town has no direct control over the accounts. The Peirce Trust technically constitutes two (2) Trusts for purposes of the IRS. Since the controlling Board of Trustees—constituting three (3) members—is the same, no one delineates.

The two Trusts are:

Thomas S. Peirce Trust F/BO (“Peirce Trust – Library Account”)

This account is exclusively for the Middleborough Public Library for the procurement of materials. The exact fiscal year distribution has varied from \$9,000-\$18,000. In the past, two (2) checks were distributed: one (1) in August and one (1) check in September. In recent years, one (1) check was issued in August.

The Peirce Trustees normally will issue a check to the Library. The check is then deposited in the bank account of the Board of Library Trustees. The reason for the account going to the Trustees involves how the Trust was setup and the requirement that the funds behind under the purview of the Board of Library Trustees.

Thomas S. Peirce Trust U/WO (“Peirce Trust – Town Account”) | Town Account # 19.3280.13

This account is at the discretion of the Peirce Trust’s Board of Trustees’ discretion.

During difficult financial times (2000s), the Trustees had graciously given the Library \$25,000-\$30,000 additional funding out of this account for materials—supplementing the Town Appropriation, State Aid, and the distribution from the Peirce Trust F/BO account—to cover the revenue shortfall. In recent years, the trustees have focused on building repairs and upgrades.

This trust account is unrestricted in its purposes. The distributions are based on need. There is no “automatic” distribution. The Library must submit proposals for funding to the Peirce Trustees. The Peirce Trustees normally will issue a check to the Town and will expect the Library to deposit the check in the appropriate Town Account.

THE GENERAL TRUST

The General Trust is a pooled number of smaller bequests into one account. When this occurred is unclear, but these smaller bequests have been pooled into a single account since at least 2012. The General Trust allows a monthly distribution that does not exceed 40% of the income generated in any given month from General Trust principle (Ameriprise Account #1).

There is no restriction on how or what the General Trust may be used on.

PAUN TRUST

The Paun Trust provides a monthly distribution that does not exceed 40% of the income generated in any given month from the Paun Trust principle (Ameriprise Account #2).

The Trust may be used for materials/books solely.

IRAKLI SAVAS AND LEILA MARSDEN SAVAS FUND (“SAVAS FUND”)

The Savas Fund was established in 2019. The fund has a caveat whereby no income from the fund may be used until the principle reaches \$50,000. It is estimated that this will be in 10-12 years.

There are other smaller Trusts, including the Eunice and Alton Kramer Memorial Grant, the Camandona Library Fund, the Enoch Pratt Library Fund, and the Hullahan Trust Library Funds, all of which have balances below \$10,000 and are unrestricted regarding what it is used for.

The Library also receives State Aid, but this varies from year to year and cannot be viewed as a guaranteed source of income. State Aid is determined by a strict combination of eligibility compliance and funding formula calculations. First, both the Town and the Library must be certified by the Massachusetts Board of Library Commissioners (MBLC) by meeting multiple major statutory and regulatory baselines:

- 1 The Municipal Appropriation Requirement (MAR): The town must demonstrate financial support for the library. The town’s annual appropriation must equal at least the average of the prior three years’ library operating budgets, increase by 2.5%. If the town cuts this line without an official MAR waiver from MBLC, the library loses its certification.
- 2 Minimum Hours of Operation: The library must be open for a minimum number of hours, days, and evening hours per week based on the town’s population size. A library CANNOT reduce its hours for financial reasons and still maintain compliance. Doing so risks losing state aid eligibility.
- 3 Materials Expenditure: The library must spend a specific, reasonable percentage of its total budget directly on library materials (books, magazines, digital content, and up to 10% on direct-patron hardware like laptops/computers).
- 4 Director Certification: The library director must meet the educational and professional requirements for their population tier.

If a library falls below the 90% compliance threshold for hours or material expenditures due to local operational choices (such as defunding or hiring freezes), or if the town fails to meet its MAR, the library can lose financial aid, access to the statewide reciprocal borrowing, and loss of construction grants.

The financial spreadsheets accompanying this report contain all relevant information regarding Library finances. There are no undisclosed accounts unknown to the Town or the public. The existence, balances, and purposes of these funds are included in the Library's financial reporting and are available for review upon request. We are a municipal nonprofit and all of our records and reports are open for public review.

The Library presents a financial report at every meeting of the Board of Library Trustees. These meetings are open to the public and recorded via MCCAM and community members are welcome to attend, review financial information, and ask questions regarding Library finances and budgeting.

Unfortunately, some recent discussion has occurred through social media rather than through direct communication with Library leadership. Individuals with questions or concerns are encouraged to contact the Library Director or the Board of Library Trustees directly so that accurate information can be provided. We are always willing to answer questions and provide clarification regarding Library finances.

The Library is committed to being transparent about the funding sources that support our collections, facilities, and services. While some funds are restricted to specific purposes, others provide flexibility to address emerging needs and opportunities. Together, these trusts and endowments help strengthen the Library and enhance services for the community.

We encourage all interested residents to review the attached financial report, which we hope will clarify any confusion regarding the Library's accounts and financial practices.

If you have additional questions, please feel free to contact me at the Middleborough Public Library.

Sincerely,

Beth Paine
Library Director
Middleborough Public Library

Please see attachments.