

**MARYVILLE PUBLIC LIBRARY
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

R

A

F

T

MARYVILLE PUBLIC LIBRARY

TABLE OF CONTENTS

| | Page No. |
|---|-------------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS: | |
| Statement of Net Position | 3 |
| Statement of Activities | 4 |
| Balance Sheet – Governmental Fund and Reconciliation of Total Governmental Fund Balances to Net position of Governmental Activities | 5 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund | 6 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities | 7 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Governmental Fund | 8 |
| Second Century Library Endowment Fund Corporation Statement of Financial Position | 9 |
| Second Century Library Endowment Fund Corporation Statement of Activities | 10 |
| Second Century Library Endowment Fund Corporation Statement of Cash Flows | 11 |
| Notes to Financial Statements | 12 |
| REQUIRED SUPPLEMENTARY INFORMATION: | |
| Schedule of Changes in Net Pension Liability and Related Ratios | 27 |
| Schedule of Contributions | 28 |
| Notes to the Schedule of Contributions | 29 |

MEMBERS

MICHAEL F. TURNER, CPA
JUDY J. MARTIN, CPA
DARYL R. WEIDNER, CPA
SUSAN L. REED, CPA
LINETTE M. PAGE, CPA
JENNIFER A. LOVELL, CPA
CLINT B. WILLIAMS, CPA
LOREN D. BILLINGTON, CPA
MARK A. BENDER, CPA
SARA A. BENDER, CPA

FOUNDERS

KENNETH E. HARDEN, CPA (1920-2000)
W. G. CUMMINS, CPA (1919-1981)
BOB R. MOSS, CPA (1926-2009)
WALTER T. MILLER, CPA (1930-2005)

HARDEN, CUMMINS, MOSS & MILLER, L.L.C. CERTIFIED PUBLIC ACCOUNTANTS

105 N MAIN, SUITE 201 (660) 562-2141 FAX (660) 562-6292 MARYVILLE, MISSOURI 64468

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Maryville Public Library
Maryville, MO 64468

We have audited the accompanying financial statements of Maryville Public Library, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Except for the matter described in the "Basis for Disclaimer of Opinion" paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Disclaimer of Opinion

The financial statements of Second Century Library Endowment Fund Corporation (Foundation) have not been audited, and we were not engaged to audit the Foundation's financial statements as part of our audit of the Library's basic financial statements. The Foundation's financial activities are included in the Library's financial statements as a discretely presented component unit.

Disclaimer of Opinion

Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the discretely presented financial statements of Second Century Library Endowment Fund Corporation.

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities of the Maryville Public Library as of September 30, 2018, and the changes in financial position and the budgetary comparison for the general fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in ~~Net Pension Liability~~ and Related Ratios Multiyear, Schedule of Contributions and the Notes to the Schedule of Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of confirmation by the Retirement System administration regarding the methods of measurement and presentation of the supplementary information. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Maryville, Missouri
November 12, 2019

**Maryville Public Library
Statement of Net Position
September 30, 2018**

| Assets | | |
|--|--|------------|
| Cash and cash equivalents | | \$ 197,061 |
| Receivables, net | | 3,109 |
| Prepaid Insurance | | 7,772 |
| Property, plant and equipment | | 679,365 |
| Restricted assets-cash and certificates of deposit | | 14,435 |
| Deferred outflow, net | | 3,091 |
| | | 904,833 |
| Total Assets | | 904,833 |
| Liabilities | | |
| Accrued expenses | | 10,822 |
| | | 10,822 |
| Total Liabilities | | 10,822 |
| Net pension liability | | 102,829 |
| | | 102,829 |
| Net Position | | |
| Invested in capital assets | | 679,365 |
| Restricted | | |
| Nonexpendable | | 4,500 |
| Expendable | | 11,946 |
| Unrestricted | | 95,371 |
| | | 95,371 |
| Total Net Position | | \$ 791,182 |

The accompanying notes are an integral part of these financial statements.

**Maryville Public Library
Statement of Activities
For the Year Ended September 30, 2018**

| Functions/Programs | Expenses | Charges for Services | Capital Grants and Contributions | Net Revenue and Change in Net Assets |
|----------------------------------|---------------------|-------------------------|--|--|
| | | | | Governmental Activities |
| Governmental Activities: | | | | |
| General Government | \$ (375,765) | \$ 20,087 | \$ 29,187 | \$ (326,491) |
| Depreciation | (25,803) | - | - | (25,803) |
| Total Governmental Activities | <u>\$ (401,568)</u> | <u>\$ 20,087</u> | <u>\$ 29,187</u> | <u>(352,294)</u> |
| General Revenues: | | | | |
| Property taxes | | | | 405,576 |
| Intergovernmental | | | | 4,549 |
| Unrestricted investment earnings | | | | 448 |
| Total general revenues | | | | <u>410,573</u> |
| Change in net position | | | | 58,279 |
| Net assets, beginning of year | | | | <u>732,903</u> |
| Net assets, end of year | | | | <u>\$ 791,182</u> |

The accompanying notes are an integral part of these financial statements.

**Maryville Public Library
Balance Sheet - Governmental Fund
September 30, 2018**

| Assets | |
|----------------------------------|-------------------|
| Cash and cash equivalents | \$ 197,061 |
| Receivables, net | 3,109 |
| Prepaid Insurance | 7,772 |
| Restricted assets: | |
| Cash and certificates of deposit | 14,435 |
| Total Assets | \$ 222,377 |

| Liabilities | |
|--------------------------|---------------|
| Accrued expenses | 10,822 |
| Total Liabilities | 10,822 |

| Fund Balances | |
|--|-------------------|
| Nonspendable | 12,272 |
| Spendable | |
| Restricted | 11,946 |
| Unrestricted | |
| Unassigned | 187,337 |
| Total Fund Balance | 211,555 |
| Total Liabilities and Fund Balances | \$ 222,377 |

**Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
September 30, 2018**

| | |
|---|-------------------|
| Total Governmental Fund Balances | \$ 211,555 |
| Amounts reported in governmental activities in the statement of net assets are different because: | |
| Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds. | 679,365 |
| Certain items are not a financial resource and, therefore are not reported in the governmental funds. These consist of : | |
| Net deferred outflows, pension related | 3,091 |
| Net pension liability | (102,829) |
| Net Position of Governmental Activities | \$ 791,182 |

The accompanying notes are an integral part of these financial statements.

Maryville Public Library
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund
For The Year Ended September 30, 2018

Revenues:

| | | |
|-------------------|----|---------|
| Property taxes | \$ | 405,575 |
| Intergovernmental | | 4,549 |
| Fines | | 3,444 |
| Gifts | | 12,389 |
| Interest | | 448 |
| Grants | | 118 |
| Copier | | 3,927 |
| Contributions | | 16,680 |
| Other | | 12,716 |
| | | 459,846 |
| Total revenues | | 459,846 |

Expenditures:

Current:

| | | |
|------------------------------|--|---------|
| Salaries | | 159,085 |
| Payroll taxes | | 12,210 |
| Health insurance | | 24,549 |
| Pension expense | | 15,552 |
| General insurance | | 12,814 |
| Professional fees | | 3,300 |
| Other charges | | 41,720 |
| Books, materials and binding | | 62,950 |
| Travel and conferences | | 1,351 |
| Equipment maintenance | | 390 |
| Office supplies | | 9,320 |
| Building maintenance | | 13,061 |
| Utilities | | 14,201 |
| Capital outlay: | | |
| Building | | 2,798 |
| Equipment and furnishings | | 10,058 |
| | | 383,359 |
| Total expenditures | | 383,359 |

| | | |
|---|--|--------|
| Excess (deficiency) of revenues over (under) expenditures | | 76,487 |
|---|--|--------|

| | | |
|--|--|---------|
| Fund balances, beginning of year, after adjustment | | 135,068 |
|--|--|---------|

| | | |
|----------------------------|----|---------|
| Fund balances, end of year | \$ | 211,555 |
|----------------------------|----|---------|

The accompanying notes are an integral part of these financial statements.

**Maryville Public Library
 Reconciliation of the Statement of Revenues,
 Expenditures and Changes in Fund Balances of the Governmental Fund
 to the Statement of Activities
 For the Year Ended September 30, 2018**

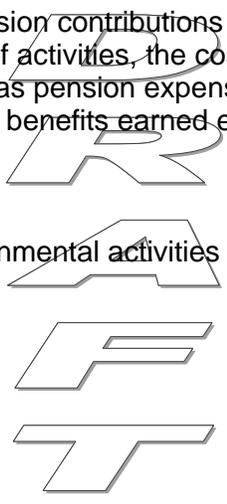
| | | |
|--|----|--------|
| Net Change in Governmental Fund Balances | \$ | 76,487 |
|--|----|--------|

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

| | | |
|--|--|----------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | | (15,725) |
|--|--|----------|

| | | |
|--|--|---------|
| Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount the cost of pension benefits earned exceeded the pension contributions. | | (2,483) |
|--|--|---------|

| | | |
|---|----|--------|
| Change in net position of governmental activities | \$ | 58,279 |
|---|----|--------|



The accompanying notes are an integral part of these financial statements.

Maryville Public Library
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Governmental Fund
For The Year Ended September 30, 2018

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|---|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Property taxes | \$ 380,000 | \$ 397,000 | \$ 405,575 | \$ 8,575 |
| Intergovernmental | 1,200 | 4,549 | 4,549 | - |
| Fines | 3,000 | 3,000 | 3,444 | 444 |
| Gifts | 10,500 | 10,500 | 29,069 | 18,569 |
| Interest | 300 | 300 | 448 | 148 |
| Grants | 2,000 | 118 | 118 | - |
| Copier | 4,500 | 5,000 | 3,927 | (1,073) |
| Other | 8,300 | 9,200 | 12,716 | 3,516 |
| Total Revenues: | 409,800 | 429,667 | 459,846 | 30,179 |
| Expenditures: | | | | |
| Current: | | | | |
| Salaries | 163,809 | 164,527 | 159,085 | 5,442 |
| Payroll taxes | 12,883 | 12,883 | 12,210 | 673 |
| Health insurance | 26,650 | 26,650 | 24,549 | 2,101 |
| Employee retirement | 18,428 | 18,428 | 15,552 | 2,876 |
| General insurance | - | - | 12,814 | (12,814) |
| Professional fees | 3,300 | 3,300 | 3,300 | - |
| Other charges | 52,675 | 53,438 | 41,720 | 11,718 |
| Books, materials and binding | 57,000 | 60,000 | 62,950 | (2,950) |
| Travel and conferences | 1,500 | 1,500 | 1,351 | 149 |
| Equipment maintenance | - | - | 390 | (390) |
| Office supplies | 8,525 | 9,025 | 9,320 | (295) |
| Building maintenance | 8,000 | 16,550 | 13,061 | 3,489 |
| Utilities | 14,500 | 14,500 | 14,201 | 299 |
| Capital Outlay: | | | | |
| Buildings | - | - | 2,798 | (2,798) |
| Equipment and furnishings | 25,000 | 21,000 | 10,058 | 10,942 |
| Total expenditures | 392,270 | 401,801 | 383,359 | 18,442 |
| Excess (deficiency) of revenues over (under) expenditures | 17,530 | 27,866 | 76,487 | 48,621 |
| Transfers in (out) | 10,000 | 10,000 | - | (10,000) |
| Fund balances, beginning of year | 135,068 | 135,068 | 135,068 | - |
| Fund balances, end of year | <u>\$ 162,598</u> | <u>\$ 172,934</u> | <u>\$ 211,555</u> | <u>\$ 38,621</u> |

The accompanying notes are an integral part of these financial statements.

Second Century Library Endowment Fund Corporation
Statement of Financial Position
Unaudited
September 30, 2018

| Assets | |
|---------------------------|-------------|
| Cash and cash equivalents | \$ 5,041 |
| Investments | 489,238 |
| | <hr/> |
| Total Assets | \$ 494,279 |
| | <hr/> <hr/> |
| Net assets | |
| Unrestricted net assets | \$ 494,279 |
| | <hr/> |
| Total Net assets | \$ 494,279 |
| | <hr/> <hr/> |

DRAFT

The accompanying notes are an integral part of these financial statements.

Second Century Library Endowment Fund Corporation
Statement of Activities
Unaudited
For The Year Ended September 30, 2018

| | | |
|--|----|-------------|
| Revenue | | |
| Contributions | \$ | 2,000 |
| Investment earnings | | 14,905 |
| Realized gain (loss) on investments | | 2,103 |
| Unrealized gain (loss) on investments | | 18,433 |
| | | <hr/> |
| Total revenue | | 37,441 |
| | | <hr/> |
| Expenses | | |
| Program | | |
| Library support | | 10,480 |
| General and Administrative | | |
| Investment fees | | 3,648 |
| | | <hr/> |
| Total expenses | | 14,128 |
| | | <hr/> |
| Change in net assets | | 23,313 |
| Unrestricted net assets, beginning of year | | 470,966 |
| | | <hr/> |
| Unrestricted net assets, end of year | \$ | 494,279 |
| | | <hr/> <hr/> |

DRAFT

The accompanying notes are an integral part of these financial statements.

Second Century Library Endowment Fund Corporation
Statement of Cash Flows
Unaudited
For The Year Ended September 30, 2018

| | |
|--|-----------------|
| Cash flows from operating activities | |
| Change in net assets | \$ 23,313 |
| Adjustments to reconcile change in net assets cash provided by (used by) operating activities: | |
| Unrealized (gain) loss on investments | (18,433) |
| (Gain) loss on sale of investments | (2,103) |
| | <hr/> |
| Total Adjustments | (20,536) |
| | <hr/> |
| Net cash provided by (used in) operating activities | 2,777 |
| | <hr/> |
| Cash flows from investing activities | |
| Purchases of investments | (26,810) |
| Proceeds from the sale of investments | 24,870 |
| | <hr/> |
| Net cash provided by (used in) investing activities | (1,940) |
| | <hr/> |
| Net increase (decrease) in cash and cash equivalents | 837 |
| Cash and cash equivalents at beginning of year | 4,204 |
| | <hr/> |
| Cash and cash equivalents at end of year | <u>\$ 5,041</u> |

DRAFT

The accompanying notes are an integral part of these financial statements.

Maryville Public Library
Notes to Financial Statements
September 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Maryville Public Library (the Library), a political subdivision, was formed in 1904 as a tax-exempt organization for the purpose of providing library services to residents of Maryville, Missouri. As required by accounting principles generally accepted in the United States of America, the financial statements herein present the financial position, results of operations and changes in fund balances of the Maryville Public Library and its discretely presented component unit, for which the Library is considered to be financially accountable.

The Second Century Library Endowment Fund Corporation (Foundation) is a legally separate, tax-exempt component unit of the Library. The Foundation was organized as a fund-raising organization for the benefit of the Maryville Public Library. As a nonprofit organization, the Foundation reports under the Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation differs from GASB revenue recognition and presentation. No modifications have been made to the Foundation's separately presented financial statements for these differences.

The Foundation's significant disclosures are summarized in Note 8.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Library.

The Library's statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Maryville Public Library
Notes to Financial Statements
September 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Grants, entitlements and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the Library receives cash.

Fund Accounting

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library uses only governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The following is the Library's Governmental Fund Type:

The General Fund is the principal operating fund of the Library and accounts for all financial transactions not accounted for in other funds. The general operating expenditures, fixed charges and capital improvement costs that are not paid for through other funds are financed through revenues received by the General Fund.

D. Cash and Cash Equivalents

The Library considers cash and cash equivalents to consist of checking, savings accounts, money market accounts and certificates of deposit with an initial maturity of three months or less.

E. Restricted Assets

Restricted assets are cash and cash equivalents and investments whose use is limited by donor or grantor requirements.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Taxes Receivable

Taxes receivable are stated at the amount expected to be collected. Personal property taxes outstanding for more than two years are estimated to be uncollectible and included as an allowance for uncollectible taxes. After five years, the outstanding balances are written off. Real estate taxes receivable are always considered to be collectible. Taxes receivable of \$3,109, are shown net of the allowance for uncollectible taxes of \$1,869, at September 30, 2018.

G. Property, plant and equipment

Capital assets generally result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position, but are not reported as an asset in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The Library does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed.

H. Compensated Absences

Paid time off (PTO) benefits are granted to employees based on position, length of service and hours worked. For full time employees that work 38 hours or more a week earn PTO at the rate of six hours and fifteen minutes per bi-weekly pay period for a total of 20.31 days per year for employees with 1 to 5 years of employment. This benefit increases for length of service up to seven hours and eight minutes per day accumulating 23.18 days per year for employees with 6 to 9 years of employment and up to eight hours per day accumulating for 26 days per year for employees over 10 years of employment. PTO may be accrued up to 480 hours for full-time employees. Part time employees are eligible to earn PTO after three full continuous years of employment, but are not allowed to carry over time. Accrued PTO, included in accrued expenses at September 30, 2018, was approximately \$11,000.

I. Pensions

For 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 Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. 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.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Net position

The government-wide financial statements utilize a net asset presentation. Net position are classified in the following components:

Investment in fixed assets, net of related debt - This component of net position consists of fixed assets, net of accumulated depreciation, and reduced by the outstanding balances of any notes or other borrowings that are attributable to the acquisition, construction or improvement of these assets.

Restricted net position - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

The following net asset balances have been restricted by donors for specific uses by the Library. The restricted nonexpendable net positions are to be held in perpetuity, with earnings available for use. The restricted expendable net positions are available for expenditure as specified by the donor. The restricted expendable and nonexpendable net positions are as follows:

| | |
|--|------------------|
| Restricted, expendable net position | \$ 11,946 |
| Restricted, nonexpendable net position | <u>4,500</u> |
| Total restricted net position | <u>\$ 16,446</u> |

When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the District's policy is to apply restricted assets first.

Unrestricted net position - This component of net position consists of net position that do not meet the definition of "restricted" or "investment in fixed assets, net of related debt."

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Fund Balances

The fund balance of the governmental fund financial statements is comprised of two categories, nonspendable and spendable. The nonspendable fund balance is amounts that cannot be spent because they are not in spendable form or are legally required to be maintained intact. The spendable fund balance is further classified as restricted, committed or assigned by the Board of Directors or unassigned based upon the extent by which the Library must observe constraints on the use of resources. The nonspendable and spendable fund balances are as follows:

| | |
|--|------------------|
| Nonspendable | |
| Prepaid expenses | \$ 7,772 |
| Price fund principal | <u>4,500</u> |
| Total nonspendable | 12,272 |
| Spendable | |
| Restricted by donor and grantor requirements | 11,946 |
| Unrestricted | |
| Unassigned | <u>187,337</u> |
| Total fund balance | <u>\$211,555</u> |

It is management's policy to first apply assigned resources when an expenditure is incurred for which both assigned and unassigned fund balances are available.

L. Budgetary Data

The reported budgetary data represents the approved budget as adopted by the Board of Directors. The Board of Directors follows these outlined procedures in establishing the budgetary data reflected in the financial statements:

- 1) In August or September, the Library Director submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following October 1.
- 2) Prior to October 1, the budget is approved by the Board of Directors.
- 3) The budgeted expenditures cannot legally be exceeded unless the amounts are subsequently amended by the Board of Directors. The Library is a political subdivision of the State of Missouri and, therefore, is subject to the regulations of the Revised Statutes of Missouri.
- 4) Appropriations lapse at the end of each fiscal year.

M. Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures during the reporting period. Actual results could differ from those estimates.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Date of Management's Review

Management has evaluated subsequent events through November 12, 2019, the date on which the financial statements were available to be issued.

NOTE 2: CASH AND CERTIFICATES OF DEPOSIT

Although the Library does not have an investment policy, it follows Missouri State Statutes, which authorize the Library, with certain restrictions, to deposit funds in open accounts, time deposits and certificates of deposit. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the Library or a disinterested third party and must be of the kind prescribed by State Statutes and approved by the State.

At September 30, 2018, the carrying amount of deposits, including certificates of deposit, was \$211,354, and the bank balance was \$221,450.

The cash and certificates of deposits balances were as follows:

| | |
|---|------------------|
| Restricted cash | \$ 9,935 |
| Restricted certificates of deposit | <u>4,500</u> |
| Total restricted cash and certificates of deposit | 14,435 |
| Unrestricted cash on hand | 142 |
| Unrestricted cash on deposit | <u>196,919</u> |
| Cash and certificates of deposits | <u>\$211,496</u> |

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its deposits. As of September 30, 2018, the Library's deposits were fully collateralized.

NOTE 3: ASSESSED VALUATION AND TAX LEVY

The Library's property tax is levied each November on the assessed value as of the prior January 1 for all property located in the City of Maryville. Assessed valuations are established by the county assessor. The assessed value for property located in the City of Maryville, Missouri, as of January 1, 2018, on which the 2018 levy was based, was \$131,470,094. The corresponding levy was .28 per \$100 assessed valuation.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 4: PLANT, PROPERTY AND EQUIPMENT

A summary of changes in plant, property and equipment at September 30, 2018, is as follows:

| | Balance, October 1, 2017 | Additions | Dispositions | Balance, September 30, 2018 |
|-------------------------------|--------------------------------|-------------------|--------------|-----------------------------------|
| Equipment and furnishings | \$ 107,167 | \$ - | \$ - | \$ 107,167 |
| Building | 1,071,902 | 10,078 | - | 1,081,980 |
| Other | <u>2,250</u> | <u>-</u> | <u>-</u> | <u>2,250</u> |
| Total | 1,181,319 | 10,078 | - | 1,191,397 |
| Less accumulated depreciation | | | | |
| Total | <u>(486,229)</u> | <u>(25,803)</u> | <u>-</u> | <u>(512,032)</u> |
| | <u>\$ 695,090</u> | <u>\$(15,725)</u> | <u>\$ -</u> | <u>\$ 679,365</u> |

Depreciation expense of the library, which is reported in the government-wide financial statements, totaled \$25,803.

NOTE 5: EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

Plan description. The Maryville Public Library defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Maryville Public Library participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 5: EMPLOYEES RETIREMENT SYSTEM (continued)

Benefits provided. LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

| | <u>2018 Valuation</u> |
|-----------------------|-----------------------|
| Benefit Multiplier: | 1.50% |
| Final Average Salary: | 5 Years |
| Member Contributions: | 0% |

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees covered by benefit terms. At June 30, 2017 the following employees were covered by the benefit terms:

| | |
|--|----------|
| Inactive employees or beneficiaries currently receiving benefits | 1 |
| Inactive employees entitled to but not yet receiving benefits | 0 |
| Active employees | <u>2</u> |
| | <u>3</u> |

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. Employer contribution rates are 16.4% (general) of annual covered payroll.

Net Pension Liability. The employer's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 5: EMPLOYEES RETIREMENT SYSTEM (continued)

Actuarial assumptions. The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 3.25% wage inflation, 2.5% price inflation |
| Salary Increase | 3.25% to 6.55% including inflation |
| Investment rate of return | 7.25% |

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|------------------|-------------------|--|
| Equity | 43.00% | 5.29% |
| Fixed Income | 26.00% | 2.93% |
| Real Assets | 21.00% | 3.31% |
| Strategic Assets | 10.00% | 5.73% |

Maryville Public Library
Notes to Financial Statements
September 30, 2018

NOTE 5: EMPLOYEES RETIREMENT SYSTEM (continued)

Discount rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|--|-----------------------------------|---------------------------------------|---------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
| Balance at June 30, 2017 | <u>\$385,982</u> | <u>\$265,516</u> | <u>\$120,466</u> |
| Changes for the year: | | | |
| Service cost | 7,448 | - | 7,448 |
| Interest | 27,690 | - | 27,690 |
| Difference between expected and actual experience | (6,984) | - | (6,984) |
| Change of Assumptions | - | - | - |
| Contributions – employer | - | 14,046 | (14,046) |
| Contributions – employee | - | - | - |
| Net investment income | - | 31,185 | (31,185) |
| Benefit payments, including refunds | (15,686) | (15,686) | - |
| Administrative expense | - | (342) | 342 |
| Other changes (Net transfer) | - | 902 | (902) |
| Net changes | <u>12,468</u> | <u>30,105</u> | <u>(17,637)</u> |
| Balance at June 30, 2018 | <u>\$398,450</u> | <u>\$295,621</u> | <u>\$102,829</u> |

Sensitivity of the net pension liability to changes in the discount rate. The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

| 1% Decrease 6.25% | Current Single Discount Rate Assumption 7.25% | 1% Increase 8.25% |
|----------------------|---|----------------------|
| <u>\$155,820</u> | <u>\$102,829</u> | <u>\$58,818</u> |

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 5: EMPLOYEES RETIREMENT SYSTEM (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2017, the employer recognized pension expense of \$20,244. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows Of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences in experience | \$ 4,975 | \$ (8,394) |
| Differences in assumptions | 7,393 | - |
| Excess (deficit) investment returns | - | (5,844) |
| Contributions subsequent to the Measurement date* | <u>4,961</u> | <u>-</u> |
| Total | <u>\$17,329</u> | <u>\$ (14,238)</u> |

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending September 30, 2017.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| | |
|--------------|------------------------|
| Year ended: | |
| 2019 | \$ 7,915 |
| 2020 | 342 |
| 2021 | (3,269) |
| 2022 | (1,165) |
| 2023 | (324) |
| Thereafter | <u>(408)</u> |
| Total | <u>\$ 3,091</u> |

Payable to the Pension Plan

Maryville Public Library had no outstanding payable to the pension plan required for the year ended September 30, 2018.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 6: RISK MANAGEMENT POOL

The Library is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a not-for-profit association formed by political subdivisions of the State of Missouri organized to operate as a group self-insurer. The purpose of the self-insurance pool is to seek the prevention or lessening of casualty and property losses to member political subdivisions and injuries to persons or employees which might result in claims being made against such subdivisions. MIRMA provides property, liability, and workers' compensation coverage to its participating members. The Maryville Public Library has no direct control over budgeting, financing, the governing body or management selection.

MIRMA is fully funded by its member participants. Funds are used to pay losses within specific risk retention limits shared equally by all members, purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers, purchase services such as claims administration and data processing, and pay administrative expenses. Coverage obtained by the Maryville Public Library through the Association includes property, crime, general liability, workers' compensation, and public officials' professional liability. Per occurrence coverage limits provided by the Association (the Association's self-insured retention limits combined with excess insurance contract limits) are \$2,500,000 per occurrence, \$5,000,000 annual aggregate for liability claims, \$100,000 for employee fidelity, \$2,000,000 for employers liability for workers' compensation claims, no aggregate for statutory workers' compensation claims and 100% replacement cost up to 120% of listed value, not to exceed \$100,000,000 of any one property loss. Losses from individual claims in excess of these limits remain the responsibility of the respective entities.

Additionally, the Articles of the Association provide for supplemental assessments in the event the annual assessment is not sufficient to meet obligations. No supplemental assessments were required by the Association during fiscal year ending June 30, 2018.

Total assessments to the Library for the year ended September 30, 2018, were \$12,614.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

**NOTE 7: SECOND CENTURY LIBRARY ENDOWMENT FUND CORPORATION
ACCOUNTING POLICIES AND DISCLOSURES**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of the Second Century Library Endowment Fund Corporation (the Foundation) have been prepared on the accrual basis of accounting.

B. Basis of Presentation

The Foundation's financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth in FASB ASC 958-210-45-1. Accordingly, the net assets of the Foundation are reported in each of the following three classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated amounts, are legally unrestricted, and are reported as part of the unrestricted class.

C. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

D. Contributed Support

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributed support is reported as unrestricted or as restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Long-lived assets acquired with gifts of cash restricted for those acquisitions are reported as unrestricted or as temporarily restricted depending on whether there is an explicit, donor-imposed time requirement as to how long the assets must be maintained. Long-lived assets are reported as permanently restricted only if the Foundation must maintain the assets in perpetuity or if the donor explicitly restricted the proceeds from any future disposition of the assets to reinvestment in long-lived assets.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

**NOTE 7: SECOND CENTURY LIBRARY ENDOWMENT FUND CORPORATION
ACCOUNTING POLICIES AND DISCLOSURES (continued)**

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Income Taxes

The Foundation is exempt from federal and state income taxes under Internal Revenue Service Code Section 501(c) (3) as a public charity.

**NOTE 8: SECOND CENTURY LIBRARY ENDOWMENT FUND CORPORATION
INVESTMENTS**

Investments are stated at fair value and consist of equity and fixed income mutual funds. Fair values and unrealized appreciation (depreciation) at September 30, 2018 is summarized as follows:

| | Cost | Unrealized Gain | Unrealized (Loss) | Fair Market Value |
|--------------------|-------------------|--------------------|----------------------|----------------------|
| Mutual Funds: | | | | |
| Equity funds | \$ 198,212 | \$69,566 | \$ (2,727) | \$ 265,051 |
| Fixed income funds | <u>231,777</u> | <u>-</u> | <u>(7,589)</u> | <u>224,188</u> |
| Total investments | <u>\$ 429,989</u> | <u>\$69,566</u> | <u>\$(10,316)</u> | <u>\$ 489,239</u> |

The fair values of the above investments are based on quoted market prices of the shares held by the Foundation at year-end. Investments in mutual funds represent a custodial credit risk to the Foundation, because the funds could fluctuate in value due to market changes.

Fair value measurements

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs are not available.

**Maryville Public Library
Notes to Financial Statements
September 30, 2018**

NOTE 9: SECOND CENTURY LIBRARY ENDOWMENT FUND CORPORATION INVESTMENTS (continued)

The following presents the Foundation's fair value hierarchy for the investments measured at fair value on a recurring basis:

| September 30, 2018 | | |
|--------------------|------------|--|
| Fair Value | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) |
| Mutual funds | \$489,239 | \$489,239 |

Level 1: The fair value of investments is based on quoted net asset values of the shares held by the Foundation at year-end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Foundation management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

REQUIRED SUPPLEMENTARY INFORMATION

D

R

A

F

T

Maryville Public Library
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios Multiyear
September 30, 2018

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|------------------|------------------|
| A. Total Pension Liability | | | | |
| 1. Service Cost | \$ 7,448 | \$ 7,203 | \$ 6,935 | \$ 6,784 |
| 2. Interest on Total Pension Liability | 27,690 | 25,897 | 24,092 | 23,084 |
| 3. Changes of Benefit Terms | 0 | 0 | 0 | 0 |
| 4. Difference between expected and actual experience of the Total Pension Liability | (6,984) | 7,081 | (3,781) | (754) |
| 5. Changes of Assumptions | 0 | 0 | 12,925 | 0 |
| 6. Benefit payments, including refunds of employee contributions | <u>(15,686)</u> | <u>(15,459)</u> | <u>(15,338)</u> | <u>(15,245)</u> |
| 7. Net change in total pension liability | 12,468 | 24,722 | 24,833 | 13,869 |
| 8. Total pension liability – beginning | <u>385,982</u> | <u>361,260</u> | <u>336,427</u> | <u>322,558</u> |
| 9. Total pension liability – ending | <u>398,450</u> | <u>385,982</u> | <u>361,260</u> | <u>336,427</u> |
| B. Plan fiduciary net position | | | | |
| 1. Contributions – employer | 14,046 | 11,611 | 10,528 | 9,469 |
| 2. Contributions – employee | 0 | 0 | 0 | 0 |
| 3. Net investment income | 31,185 | 27,487 | (554) | 4,641 |
| 4. Benefit payments, including refunds of employee contributions | <u>(15,686)</u> | <u>(15,459)</u> | <u>(15,338)</u> | <u>(15,245)</u> |
| 5. Pension Plan Administrative Expense | (342) | (253) | (252) | (280) |
| 6. Other (Net Transfer) | <u>902</u> | <u>2,226</u> | <u>3,264</u> | <u>(6,451)</u> |
| 7. Net change in plan fiduciary net position | 30,105 | 25,612 | (2,352) | (7,866) |
| 8. Plan fiduciary net position – beginning | <u>265,516</u> | <u>239,904</u> | <u>242,256</u> | <u>250,122</u> |
| 9. Plan fiduciary net position – ending | <u>295,621</u> | <u>265,516</u> | <u>239,904</u> | <u>242,256</u> |
| C. Net pension liability/(asset) | <u>\$102,829</u> | <u>\$120,466</u> | <u>\$121,356</u> | <u>\$ 94,171</u> |
| D. Plan fiduciary net position as a percentage of the total pension liability | 74.19% | 68.79% | 66.41% | 72.01% |
| E. Covered-employee payroll | \$78,344 | \$78,863 | \$73,650 | \$71,785 |
| F. Net pension liability as a percentage of covered employee payroll | 131.25% | 152.75% | 164.77% | 131.18% |

D
R
A
F
T

**Maryville Public Library
 Required Supplementary Information
 Schedule of Contributions
 Last 10 Fiscal Years**

| Fiscal Year | Actuarially Determined Contribution | Contribution In Relation | Contribution Deficiency | Covered Employee Payroll | Contribution As Percentage |
|--------------------|--|---------------------------------|--------------------------------|---------------------------------|-----------------------------------|
| 2009 | 5,339.53 | 5,339.54 | (0.01) | 67,589.06 | 7.90 |
| 2010 | 5,818.25 | 5,818.25 | 0.00 | 69,264.73 | 8.40 |
| 2011 | 11,140.34 | 6,627.81 | 4,512.53 | 70,508.49 | 9.40 |
| 2012 | 12,949.65 | 7,440.66 | 5,508.99 | 71,545.09 | 10.40 |
| 2013 | 13,420.84 | 8,052.49 | 5,368.35 | 70,635.82 | 11.40 |
| 2014 | 14,553.91 | 9,160.76 | 5,393.15 | 73,877.51 | 12.40 |
| 2015 | 14,836.74 | 9,698.18 | 5,138.56 | 72,374.44 | 13.40 |
| 2016 | 15,908.46 | 10,805.66 | 5,102.80 | 75,039.66 | 14.40 |
| 2017 | 16,773.20 | 11,903.46 | 4,869.74 | 77,295.50 | 15.40 |
| 2018 | 22,884.62 | 15,835.92 | 7,048.70 | 96,559.88 | 16.40 |

**D
 R
 A
 F
 T**

**Maryville Public Library
Required Supplementary Information
Notes to the Schedule of Contributions**

Valuation Date: February 28, 2018

Notes: The roll-forward of total pension liability from February 28, 2018 to June 30, 2018 reflects expected service cost and interest reduced by actual benefit payments and administrative expenses.

Methods and Assumptions Used to Determine Contribution Rates:

| | | |
|--------------------------------------|---|---|
| Actuarial Cost Method | | Entry Age Normal and Modified Terminal Funding |
| Amortization Method |  | A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years. |
| Remaining Amortization Period |  | Multiple bases from 12 to 20 years |
| Asset Valuation Method |  | 5-Year smoothed market; 20% corridor |
| Inflation | | 3.25% wage inflation; 2.50% price inflation |
| Salary Increases |  | 3.25% to 6.55% including wage inflation |
| Investment Rate of Return | | 7.25%, net of investment and administrative expenses |
| Retirement Age |  | Experience-based table of rates that are specific to the type of eligibility condition. |
| Mortality | | The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables. |
| Other Information: | | None |