

**MARYVILLE PUBLIC LIBRARY  
FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**MARYVILLE PUBLIC LIBRARY**

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## **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, 2021, and the related notes to the financial statements. We were not engaged to audit the financial statements of the discretely presented component unit. These financial statements 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 an opinion 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. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the discretely presented component unit.

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 on the discretely presented component unit" 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 on the Discretely Presented Component Unit**

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 on the discretely presented component unit" paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Second Century Library Endowment Fund Corporation. Accordingly, we do not express an opinion on these financial statements.

### **Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Maryville Public Library as of September 30, 2021, and the changes in financial position and the budgetary comparison for the general fund 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 management's discussion and analysis, Schedule of Changes in Net Pension Liability and Related Ratios Multiyear, Schedule of Contributions and the Notes to the Schedule of Contributions on pages 3-10 and 35-37 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Harden, Cummins, Moss & Miller, L.L.C.*

Maryville, Missouri  
March 25, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



Maryville Public Library Financial Reports for FY 2021 ending September 30, 2021

## Management Discussion and Analysis

### OVERVIEW OF ANNUAL FINANCIAL STATEMENTS

Maryville Public Library currently maintains the following four (4) individual governmental funds\*, all of which are included in the Maryville Public Library's financial statements and overseen by the Maryville Public Library Executive Board of Trustees:

1. Library Operating Fund consisting of two interest-bearing checking accounts held at Nodaway Valley Bank in Maryville. One account serves to receive real and personal property tax deposits in accordance with the library's current levy of .28 per \$100 Assessed Valuation. The other serves as an account out of which to pay the library's main operating expenditures including payroll, utilities, book purchases, and other expenses.
2. Memorials/Restricted Gifts Fund serves to hold deposits made in memory of individuals, or small monetary gifts given for specific purposes.
3. Friends of the Maryville Public Library Fund holds deposits from Friends membership dues and any other fundraising activities undertaken by members of the Friends of the Maryville Public Library. Friends funds are used to both support the library's operating funds directly in the form of an annual check, and occasionally to directly pay for expenses related to Friends-sponsored library activities such as the annual Children's Business Fair and non-resident fees for Nodaway County residents who are food stamp eligible.
4. Price and Hawkins Endowments consists of one Certificate of Deposit with a balance of \$5,490.61 as of September 10, 2021; and one checking account (Price/Hawkins Expendable Funds) with a balance of \$299.15 as of September 30, 2021. Both of these accounts are held at Bank Midwest in Maryville.

*\*NOTE: In addition to the four governmental funds listed above, the library also benefits from the Second Century Library Fund Foundation, a Type 1 501 (c)(3) Supportive Organization. In 2021, the library received a check for \$21,500 from this Foundation, which is included in the general revenue of the Library Operating Fund. The Second Century Library Fund Foundation is not audited on its own and but a summary of activities within this foundation fund is included as a separate item in these annual financial statements.*

For the purpose of allowing trustees, administration, and other stakeholders to track both the overall financial health of the organization as well as activities within individual revenue and expense items in the library's line-item annual budget, these financial statements are presented in the following three formats:

1. **Balance Sheet:** Shows current assets and liabilities. (Current assets are cash and assets expected to be converted to cash within one year. Current liabilities are liabilities obligated to be paid within one year.)
2. **Statement of Revenue, Expenditures, and Changes in Fund Balances** show categories of Revenues and Expenditures collected and spent by the organization within the fiscal year being reported.<sup>1</sup>

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<sup>1</sup> There is a difference between the Statement of Revenues, Expenses, and Changes in Fund Balances presented in these annual financial statements and the more detailed Monthly Statement of Revenues, Expenses, and Changes in Fund Balance presented at public monthly meetings of the government board in that the former encompasses all four governmental funds, while the latter is limited to the Library Operating Fund and usually accompanied by separate reports detailing restricted funds activities.

## OVERVIEW OF ANNUAL FINANCIAL STATEMENTS (continued)

3. **Statement of Net Position:** Similar to the Balance Sheet, but also includes noncurrent assets and noncurrent liabilities in addition to current assets and liabilities. Noncurrent assets can include property, equipment, and long-term investments.

Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

### SUMMARY OF SIGNIFICANT FINANCIAL ACTIVITY IN 2021

#### Library Operating Fund

Plans to make a \$20,000 payment toward maintenance of the library's 109-year old exterior were delayed to allow the Trustees more time to determine the specific mortar preparation to be used in repointing the limestone bricks. Traditional revenue sources proved to be more resilient than expected following the 2020 pandemic. Both of these outcomes contributed to a minor budget net surplus of \$7,332 in the library's cash accounts. The library's accountant recommends an adjustment adding \$4,229 to prepaid insurance, reducing building insurance expense, and lifting the year's net surplus.

Expenditures in circulation materials exceeded budget estimates, mostly from an increase in 2020 digital resource spending that came due in early FY2021. A return to participation in the state-subsidized MOREnet consortium and adjustments to FY2021 resource ordering is anticipated to reduce the risk of overspending that line item moving forward.

The table below shows how the fiscal year's net balances compared with the library's budget goals.

<b>Annual Budget Goal</b>	<b>FY2021 Actual</b>
Personnel Expenditures 60%-70%	49% <i>(Note: An additional 10% of expenditures went toward LAGERS unfunded liability (see below).</i>
Books and digital content 15%	14.8% <i>(Does not include restricted grants and donations spent on patron resources.)</i>
Unrestricted reserves balance 30%--40%	42% of regular annual revenues.

In FY2022, library management continues to recommend directing more revenue towards building maintenance and improvements, in addition to absorbing impact from the cost of personnel, materials, and other expenses increasing at a much higher rate than the 1.4% property tax revenue increase allowed by the Missouri Hancock Amendment.

Attachment 1 represents Library Operating Fund revenue and expenses in FY2021. Attachment 2 provides a comparison of 2021 actual revenue and expenses in the library's main operating fund compared with actual revenue and expenses in the four preceding years.

**Net pension liability:**

In January 2021, the Library made a third and final planned lump sum payment to reduce the library's unfunded liability balance in its MoLAGERS (Missouri Local Government Employees' Retirement System) account. As a result, in 2021's actuarial valuation, the Library's LAGERS assets exceeded our liabilities by \$16,208. (See table below.)

	LAGERS unfunded liability balance	Library required contribution rate
2017	132,109	16.4%
2018	128,951	17.4%
2019	87,804	18.4%
<b>2020</b>	<b>49,009</b>	<b>18.4%</b>
<b>2021</b>	<b>(16,208) credit balance</b>	<b>14.3%</b>
<b>2022</b>		<b>9.7%</b>

**Memorials/Restricted Gifts Account:**

With a beginning balance of \$2,951.23, this account received \$3,390.35 in deposits during FY2021. \$3,829.37 was expended from this account for programming supplies and large print memorial books. As of September 30, 2021, the Memorial/Restricted Gifts Fund balance was \$2,512.21.

**Friends Checking Account:**

The Friends of the Library received \$6,438 in membership dues and donations in FY2021. Expenditures included \$5,000 in direct library operating fund support, \$803 in library programming support, and \$27.95 in administrative costs. As of September 30, 2021, the Friends of the Library checking account balance stood at \$11,959.02.

CHANGE IN NET POSITION: Very small net gains in all cash accounts and another drop in net pension liability added against the straight-line depreciation of fixed assets as calculated by the accounting firm of Hardin, Cummins, Moss & Miller (HCMM), resulted in a reported change in net position to 970,884, an increase of more than 13% over the previous year.

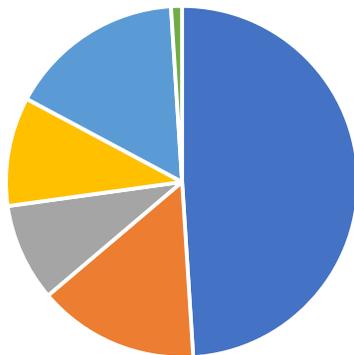
## Attachment 1

### FY 2021 Library Revenues (Operating Fund)



- Property taxes paid in Maryville (87%)
- Foundation, Friends Support, unrestricted donations (5.5%)
- Non-resident fees 1.3%
- Grants 2.6%
- State funds 1.6%
- Other 2%

### FY2021 Library Expenditures (Operating Fund)



- Personnel 49%
- Books & Digital Resources for cardholders 14.8%
- LAGERS Unfunded Liability Lump Sum Payment 9%
- Maintenance of building, grounds & equipment, utilities 10%
- Other 16.2% (i.e. Building/Liability insurance, supplies, accounting, county collector's fees)
- Added to reserves 1%

## Maryville Public Library

### Attachment 2

### FY2022 Operating Budget Approved

		<b>FY2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
		<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget Approved</b>
REVENUE						
1	Advalorem Taxes	402,337	407,864	424,487	440,927	443,000
2	MO State Aid	4,549	4,550	5,986	5,986	5,986
3	Non Resident Fee	6,726	9,018	11,200	6,420	4,500
4	Fines	3,443	3,157	2,462	1,377	1,000
5	Copies, Bags, Rentals	7,699	4,247	1,928	2,249	2,000
6	Sale/Donated Books	2,824	6,402	1,560	3,534	2,000
7	Miscellaneous ILL fee, fax fees	1,783	639	544	453	500
8	Foundation	10,000	0	30,000	21,500	26,706
9	Community Room Fees	855	720	660	0	0
10	Interest on Investments	433	547	769	578	500
11	<b>Total Revenues</b>	<b>429,049</b>	<b>437,144</b>	<b>479,596</b>	<b>483,024</b>	<b>486,192</b>
12	<i>[Spending out of RESERVES]</i>	0	0	0	0	60,000
EXPENSE						
	<i>Personnel Services</i>					
13	Payroll Expenses	157,927	162,288	167,565	172,008	195,562

14	FICA (around 7.7% of payroll)	12,209	12,514	12,909	13,154	15,058
15	Group Insurance/Employee	24,550	22,516	23,093	29,583	35,949(estimated 7% increase in medical, plus dental and life insurance)
16	Health Incentive	228	156	0	0	0
17	Retirement/LAGERS	15,323	21,085	23,619	24,568	19,565 (14.3% of eligible wages)
18	Longevity	1,158	1,139	1,210	1,200	1,272
19	Tuition Reimbursement benefit		443	1,600	1,545	0
20	<b>Total Personnel Services</b>	<b>211,395</b>	<b>220,141</b>	<b>229,996</b>	<b>242,058</b>	<b>267,406</b> (55% of General Revenues)
	<i>Commodities</i>					
21	Circulation Materials (includes electronic resources for patron use)	60,405	54,690	72,704	71,271	72,929 (15% of regular revenue)
22	General Supplies (Book processing supplies, programming supplies, janitorial supplies, office furniture, etc.)	8,608	6,651	10,914	13,383	16,000
23	<b>Total Commodities</b>	<b>69,013</b>	<b>61,341</b>	<b>83,618</b>	<b>84,654</b>	<b>88,929</b>
	<i>Contractual Services</i>					

24	Utilities	11,420	10,360	9,081	9,855	12,000
25	Co. Tax Collection Fee... (estimate: 4.5% of tax income)	17,808	18,142	18,627	19,286	19,890
26	Independent Audit	3,300	0	3,300	9,000	5,000
27	Building Maintenance	13,061	16,553	8,562	31,917	16,500
28	Other Contractual Services (i.e. snow removal, landscaping, network support, ILS, copier/printer support)  Beanstack, public performers, etc.	14,613	12,846	11,513	14,999	13,500
29	Bookkeeping	1,800	0	4,150	2,450	2,500
30	ILL Postage	25	0	17	16	25
31	Postage and Delivery	716	475	509	849	1,000
32	Printing and Advertising	1,094	1,096	2,799	1,432	7,126
33	Telephone	2,781	2,707	2,597	3,082	4,000
34	Internet Provider	1,100	1,207	1,189	1,199	1,200
35	Programming (Contract based costs)	?	0	0	0	0
36	Travel/Registration	1,352	375	526	168	500
37	<b>Total Contractual Services</b>	<b>67,245</b>	<b>63,761</b>	<b>62,870</b>	<b>94,253</b>	<b>83,241</b>

	<i>Other Charges</i>					
38	Other Charges	367	2,118	643	723	1,000
39	Dues and Subscriptions	388	165	245	185	500
40	Insurance (Building & Workman's Comp)	12,814	13,534	16,459	18,003	20,000
41	Licenses/Permits/Bk chgs.	690	338	2,349	865	500
42	MO Sales Tax	390	468	375	269	400
43	<b>Total Other Charges</b>	<b>14,649</b>	<b>16,623</b>	<b>20,071</b>	<b>20,045</b>	<b>22,400</b>
44	<b>Total Expense</b>	<b>362,302</b>	<b>361,866</b>	<b>441,010</b>	<b>431,025</b>	<b>461,976</b>
	<i>Other Income (Expense)</i>					
45	Donations (Unrestricted)	664	978	1,252	1,252	500
46	Donations- Restricted	0	0	0	0	0
47	Restricted Expenditures	0	0	0	0	0
48	Athletes & Entertainers Tax income	2,039	2,080	2,431	2,407	2408
49	A&E Tax Expenditures	(2,039)	(0)	0	(2,409)	(2,408)
50	Grant income	118	16,552	15,322	12,971 (includes 2,500 in extra state funds)	10,000

51	Grant expenditures	(797)	(19,709)	(21,250)	(8,903)	(15,000)
52	Capital Outlay	(13,246)	(0)	0	0	(90,000) (Limestone repairs, etc.)
53	Total Other Income (Expense)	<b>(13,261)</b>	<b>(99)</b>	<b>(3,375)</b>	<b>5,318</b>	<b>(94,500)</b>
54	Transfer to Restricted [Friends Funds]	9,000	7,000	(286)	5,000	12,642
55	Debt Service/Liability	0	(45,000)	(45,000)	(45,000)	0
56	<u>Excess of revenues over expenses: See Item 12</u>	74,086	0	34,380	7,332	(57,842)

57	Fund Balance, unreserved, September 30, 2018	94,073
58	Fund Balance, unreserved, September 30, 2019	176,252
59	Fund Balance, unreserved, October 1, 2020 as adjusted	196,171
60	Fund balance, unreserved, September 30, 2021	203,490
61	<b>Estimated fund balance, September 30, 2022</b>	<b>145,648</b>

**Draft FY 2022 Budget Proposal Notes:**

REVENUE

**Item 1: Ad Valorem Tax Revenue:**

Total Estimated FY22 Ad Valorem Tax Revenue: \$443,000

Includes:

\$401,572 (Assessed Valuation in City X new max levy of .002740)

\$2,000 Penalties & Interest (a little less than 4% lower than average of last three years)

\$24,000 Merchants Surtax (budgeted 4% lower than current year)

\$7,210 (Kawasaki PILOT Personal Property)

\$4,943 (Kawasaki PILOT Real Estate)

\$5,000 Delinquent Taxes (a very conservative estimate compared to average of last three years).

Assessed Valuation in the City of Marvillie increased around 3.5% (6.5% counting new construction). However, the Missouri Hancock Amendment will limit the library's tax revenue

increase to the local rate of inflation calculated at 1.4%. In addition, the Missouri State Auditor's office has recently retracted the HB 506 authorized one-time inflation-based adjustment it offered in 2018. The final result rolls back the library's levy rate from .2852 to .2740.

**Item 8: Foundation Support:** \$26,706 in Foundation support is based on the most recent portfolio value of the Second Century Library Fund Foundation. According to the Foundation's Policy, it's the September 30,2021 portfolio balance that will determine what the Library can request in support for FY2022.

**Item 12: Reserves Spending:** This budget allows for \$60,000 to be spent in reserves, intended to help pay for the repairs to the library building's limestone exterior.

**Item 13: Payroll Expenses:** This accommodates the scheduled increase in Missouri State Minimum Wage, all other scheduled pay increases, and Extra Duty Pay for the addition of a part-time Adult Programming Assistant and an assistant to help with a National Registry Listing.

**Item 15: Group Insurance Employee Benefits:** This line item anticipates a 7% increase in health insurance premiums for the three full time eligible library staff members, and the estimated cost of \$1,700 per year to provide dental insurance, and basic life insurance for three full-time staff.

**Item 17: Retirement (LAGERS):** Monthly required contribution rates to support LAGERS has dropped due to the lump sum payments made the last three years to decrease that liability.

**Item 20: Total Personnel Expenditures:** The library's target expenditure for personnel is 60%-70% of general revenue/expenditures. However, this budget limits total personnel expenditures to 55% in order to accommodate the increase in capital expenditures for repairs to the library building.

**Item 22: General Supplies:** This line item was increased to support more adult programming, and for any equipment needed for a phone system upgrades.

**Item 27: Building Maintenance:** This estimate includes at least \$3,500 for a Facility Condition Assessment and assumes no major building projects in FY2022 other than the limestone repairs accounted for in Capital Outlay. Unless revenue exceeds expectations, or local fundraising occurs, additional major building projects may require the library to either spend reserves down below 30% of general expenses, or make cuts in other areas of the budget.

**Item 32: Printing/Advertising:** This line item expense was increased to support the library's 2021-22 Goals and Objectives.

#### OTHER

**Item 52: Capital Outlay:** Allows for \$90,000 to be spent toward Capital Improvement Projects such as repairs to limestone, new windows, or a roof replacement.

**Item 54:** This budget calls for \$12,642 in support from the Friends Checking Account, an increase from previous years. As of July 31, 2021, the Friends account balance is \$17,099.02

**Item 61: Unrestricted Reserves Balance, Estimated for September 30, 2022:** Spending \$60,000 in reserves is anticipated to lower the library's unrestricted reserves balance to \$146,171, which is just above the minimum target of 30% of general revenue/expenditures.

#### *ADDITIONAL NOTES:*

*This document reflects Maryville Public Library's main operating budget and does not include separate funds such as the library's Memorial/Restricted Gifts Fund, nor details of the Friends of the Library checking account or the Second Century Library Fund Foundation.*

For more information on those funds, contact the director at [director@maryvillepubliclibrary.org](mailto:director@maryvillepubliclibrary.org).

## **FINANCIAL STATEMENTS**

**Maryville Public Library  
Statement of Net Position  
September 30, 2021**

<b>Assets</b>	
Cash and cash equivalents	\$ 265,645
Receivables, net	5,945
Prepaid Insurance	12,003
Property, plant and equipment	633,336
Restricted assets-cash and certificates of deposit	12,503
Net pension asset	113,104
	1,042,536
<b>Deferred Outflows of Resources</b>	
Deferred outflows	24,469
<b>Liabilities</b>	
Accrued expenses	20,822
	20,822
<b>Deferred Outflows of Resources</b>	
Deferred inflows	75,299
<b>Net Position</b>	
Invested in capital assets	633,336
Restricted	
Nonexpendable	4,500
Expendable	8,003
Unrestricted	325,045
	\$ 970,884
	\$ 970,884

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

**Maryville Public Library  
Statement of Activities  
For the Year Ended September 30, 2021**

		<u>Program Revenues</u>		<u>Net Revenue and Change in Net Assets</u>
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
General Government	\$ (402,880)	\$ 14,019	\$ 45,564	\$ (343,297)
Depreciation	<u>(25,222)</u>	<u>-</u>	<u>-</u>	<u>(25,222)</u>
Total Governmental Activities	<u>\$ (428,102)</u>	<u>\$ 14,019</u>	<u>\$ 45,564</u>	<u>(368,519)</u>
General Revenues:				
Property taxes				440,931
Intergovernmental				8,393
Unrestricted investment earnings				<u>590</u>
Total general revenues				<u>449,914</u>
Change in net position				81,395
Net assets, beginning of year				<u>889,489</u>
Net assets, end of year				<u>\$ 970,884</u>

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

**Maryville Public Library  
Balance Sheet - Governmental Fund  
September 30, 2021**

<b>Assets</b>		
Cash and cash equivalents	\$	265,645
Receivables, net		5,945
Prepaid insurance		12,003
Restricted assets:		
Cash and certificates of deposit		12,503
Total Assets	\$	296,096
<b>Liabilities</b>		
Accrued expenses	\$	20,822
Total Liabilities		20,822
<b>Fund Balances</b>		
Nonspendable		16,502
Spendable		
Restricted		8,003
Unrestricted		
Unassigned		250,769
Total Fund Balance		275,274
Total Liabilities and Fund Balances	\$	296,096

**Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
September 30, 2021**

Total Governmental Fund Balances	\$	275,274
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.		633,336
Certain items are not a financial resource and, therefore are not reported in the governmental funds. These consist of :		
Net deferred inflows, pension related		(50,830)
Net pension asset		113,104
Net Position of Governmental Activities	\$	970,884

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, 2021**

**Revenues:**

Property taxes	\$	440,931
Intergovernmental		8,393
Fines		1,377
Gifts		32,594
Interest		590
Grants		12,970
Copier		1,566
Other		11,076
		509,497
 Total revenues		509,497

**Expenditures:**

Current:

Salaries		173,209
Payroll taxes		13,154
Health insurance		29,582
Pension expense		69,567
General insurance		13,974
Professional fees		9,314
Other charges		56,208
Books, materials and binding		72,941
Travel and conferences		168
Equipment maintenance		55
Office supplies		10,255
Building maintenance		8,473
Utilities		12,937
Capital Outlay		
Building		23,389
Equipment and furnishings		3,995
		497,221

Total expenditures		497,221
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Excess (deficiency) of revenues over (under) expenditures		12,276
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Fund balances, beginning of year		262,998
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Fund balances, end of year	\$	275,274
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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, 2021**

Net Change in Governmental Fund Balances	\$	12,276
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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.		2,162
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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 contributions paid exceeded the pension benefits earned.		66,957
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		81,395
Change in net position of governmental activities	\$	81,395

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, 2021**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>				
Property taxes	\$ 420,000	\$ 433,000	\$ 440,931	\$ 7,931
Intergovernmental	-	8,393	8,393	-
Fines	1,000	1,000	1,377	377
Gifts	32,000	32,000	32,594	594
Interest	500	500	590	90
Grants	10,000	12,792	12,970	178
Copier	3,000	2,000	1,566	(434)
Other	6,500	5,000	11,076	6,076
<b>Total Revenues:</b>	<b>473,000</b>	<b>494,685</b>	<b>509,497</b>	<b>14,812</b>
<b>Expenditures:</b>				
Current:				
Salaries	176,750	176,600	173,209	3,391
Payroll taxes	13,525	13,525	13,154	371
Health insurance	32,000	32,000	29,582	2,418
Employee retirement	70,000	70,000	69,567	433
General insurance	17,000	17,000	13,974	3,026
Professional fees	3,300	8,300	9,314	(1,014)
Other charges	52,450	52,137	56,208	(4,071)
Books, materials and binding	72,825	67,825	72,941	(5,116)
Travel and conferences	1,000	400	168	232
Equipment maintenance	-	-	55	(55)
Office supplies	10,525	12,425	10,255	2,170
Building maintenance	10,125	27,500	8,473	19,027
Utilities	13,500	13,500	12,937	563
Capital Outlay:				
Buildings	-	20,000	23,389	(3,389)
Equipment and furnishings	-	-	3,995	(3,995)
<b>Total expenditures</b>	<b>473,000</b>	<b>511,212</b>	<b>497,221</b>	<b>13,991</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>(16,527)</b>	<b>12,276</b>	<b>28,803</b>
Fund balances, beginning of year	262,998	262,998	262,998	-
Fund balances, end of year	<b>\$ 262,998</b>	<b>\$ 246,471</b>	<b>\$ 275,274</b>	<b>\$ 28,803</b>

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

**Second Century Library Endowment Fund Corporation**  
**Statement of Financial Position**  
**Unaudited**  
**September 30, 2021**

**Assets**

Cash and cash equivalents	\$	21,250
Investments		549,902
		<hr/>
Total Assets	\$	571,152
		<hr/> <hr/>

**Net assets**

Net assets without donor restrictions	\$	571,152
		<hr/>
Total Net assets	\$	571,152
		<hr/> <hr/>

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, 2021**

**Revenue**

Contributions	\$ 1,000
Investment earnings	21,029
Realized gain (loss) on investments	29,458
Unrealized gain (loss) on investments	30,952

Total revenue	<u>82,439</u>
---------------	---------------

**Expenses**

Program	
Library support	21,500
General and Administrative	
Investment fees	4,231

Total expenses	<u>25,731</u>
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Change in net assets	56,708
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Net assets without donor restrictions, beginning of year	<u>514,444</u>
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Net assets without donor restrictions, end of year	<u><u>\$ 571,152</u></u>
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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, 2021**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 56,708
Adjustments to reconcile change in net assets cash provided by (used by) operating activities:	
Unrealized (gain) loss on investments	(30,952)
(Gain) loss on sale of investments	(29,458)
	<hr/>
Total Adjustments	(60,410)
	<hr/>
Net cash provided by (used in) operating activities	(3,702)
	<hr/>
<b>Cash flows from investing activities</b>	
Purchases of investments	(71,923)
Proceeds from the sale of investments	84,498
	<hr/>
Net cash provided by (used in) investing activities	12,575
	<hr/>
Net increase (decrease) in cash and cash equivalents	8,873
Cash and cash equivalents at beginning of year	12,377
	<hr/>
Cash and cash equivalents at end of year	<u>\$ 21,250</u>

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

**Maryville Public Library**  
**Notes to Financial Statements**  
**September 30, 2021**

**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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements. 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, 2021**

**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, 2021**

**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 \$5,945, are shown net of the allowance for uncollectible taxes of \$1,869, at September 30, 2021.

**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. 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 pay period accumulating 23.18 days per year for employees with 6 to 9 years of employment and up to eight hours per pay period 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, 2021, was approximately \$18,000.

**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, 2021**

**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	\$ 8,003
Restricted, nonexpendable net position	<u>4,500</u>
Total restricted net position	<u>\$12,503</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, 2021**

**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	\$ 12,002
Price fund principal	<u>4,500</u>
Total nonspendable	16,502
Spendable	
Restricted by donor and grantor requirements	8,003
Unrestricted	
Unassigned	<u>250,769</u>
Total fund balance	<u>\$275,274</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, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**N. Date of Management's Review**

Management has evaluated subsequent events through March 25, 2022, 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, 2021, the carrying amount of deposits, including certificates of deposit, was \$278,006, and the bank balance was \$280,828.

The cash and certificates of deposits balances were as follows:

Restricted cash	\$ 8,003
Restricted certificates of deposit	<u>4,500</u>
Total restricted cash and certificates of deposit	12,503
Unrestricted cash on hand	142
Unrestricted cash on deposit	<u>265,503</u>
Cash and certificates of deposits	<u>\$278,148</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, 2021, 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, 2020 on which the 2020 levy was based, was \$136,162,751. The corresponding levy was .28 per \$100 assessed valuation.

**Maryville Public Library  
Notes to Financial Statements  
September 30, 2021**

**NOTE 4: PLANT, PROPERTY AND EQUIPMENT**

A summary of changes in plant, property and equipment at September 30, 2021, is as follows:

	Balance, October 1, 2020	Additions	Dispositions	Balance, September 30, 2021
Equipment and furnishings	\$ 107,167	\$ 3,995	\$ -	\$ 111,162
Building	1,081,980	23,389	-	1,105,369
Other	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>2,250</u>
Total	1,191,397	27,384	-	1,218,781
Less accumulated depreciation	<u>(560,223)</u>	<u>(25,222)</u>	<u>-</u>	<u>(585,445)</u>
Total	<u>\$ 631,174</u>	<u>\$ 2,162</u>	<u>\$ -</u>	<u>\$ 633,336</u>

Depreciation expense of the library, which is reported in the government-wide financial statements, totaled \$25,222.

**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](http://www.molagers.org).

**Maryville Public Library  
Notes to Financial Statements  
September 30, 2021**

**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 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 and receive a reduced allowance.

	<u>2021 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, 2021 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>3</u>
	<u>4</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 9.7% of annual covered payroll.

**Net Pension Liability.** The employer's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2021.

**Maryville Public Library  
Notes to Financial Statements  
September 30, 2021**

**NOTE 5: EMPLOYEES RETIREMENT SYSTEM (continued)**

**Actuarial assumptions.** The total pension liability in the February 28, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation, 2.25% price inflation
Salary Increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above-described tables.

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	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Alpha	15.00%	3.67%
Cash/Leverage	-25.00%	-0.29%

**Maryville Public Library  
Notes to Financial Statements  
September 30, 2021**

**NOTE 5: EMPLOYEES RETIREMENT SYSTEM (continued)**

**Discount rate.** The discount rate used to measure the total pension liability is 7.00%. 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, 2020	<u>\$460,889</u>	<u>\$423,575</u>	<u>\$ 37,314</u>
Changes for the year:			
Service cost	12,691	-	12,691
Interest	33,277	-	33,277
Difference between expected and actual experience	7,698	-	7,698
Change of Assumptions	(21,446)	-	(21,446)
Contributions – employer	-	69,403	(69,403)
Contributions – employee	-	-	-
Net investment income	-	116,709	(116,709)
Benefit payments, including refunds	(16,547)	(16,547)	-
Administrative expense	-	(411)	411
Other changes (Net transfer)	-	(3,063)	3,063
Net changes	<u>15,673</u>	<u>166,091</u>	<u>(150,418)</u>
Balance at June 30, 2021	<u>\$476,562</u>	<u>\$589,666</u>	<u>\$ (113,104)</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 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
<u>\$(51,375)</u>	<u>\$(113,104)</u>	<u>\$(165,015)</u>

**Maryville Public Library  
Notes to Financial Statements  
September 30, 2021**

**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, 2021, the employer recognized pension expense of \$2,610. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>Of Resources</u>	Deferred Inflows <u>of Resources</u>	<u>Total</u>
Differences in experience	\$22,588	\$ (3,180)	\$ 19,408
Differences in assumptions	1,861	(18,061)	(16,200)
Contributions subsequent to the Measurement date*	<u>-</u>	<u>(54,058)</u>	<u>(54,058)</u>
Total	<u>\$24,449</u>	<u>\$ (75,299)</u>	<u>\$ (50,850)</u>

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

Year ended:	
2022	\$( 6,603)
2023	(11,418)
2024	(12,298)
2025	(17,953)
2026	(1,850)
Thereafter	<u>(728)</u>
Total	<u>\$(50,850)</u>

**Payable to the Pension Plan**

Maryville Public Library had no outstanding payable to the pension plan required for the year ended September 30, 2021.

**Maryville Public Library**  
**Notes to Financial Statements**  
**September 30, 2021**

**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) vary by type of insurance coverage. 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, 2021.

Total assessments to the Library for the year ended September 30, 2021, were \$18,003.

**Maryville Public Library  
Notes to Financial Statements  
September 30, 2021**

**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 financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United State of America and, accordingly, reflect all significant receivables, payables and other liabilities.

In accordance with the implementation of ASU 2016-14, Not-for-profit Entities (Topic 958)-Presentation of Financial Statements for Not-for-profit Entities, the Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions or with donor restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**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 without donor restrictions or as with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets released from restrictions.

**Maryville Public Library**  
**Notes to Financial Statements**  
**September 30, 2021**

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

**D. Contributed Support (continued)**

Long-lived assets acquired with gifts of cash restricted for those acquisitions are reported as without donor restrictions or as with donor restrictions 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 with donor restrictions 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.

**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**

The Organization reports its investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities. Investment income is recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting period in which they occur.

**Maryville Public Library  
Notes to Financial Statements  
September 30, 2021**

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

**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.

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

September 30, 2021		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Mutual funds		
Exchange traded funds	\$ 62,692	\$ 62,692
Equity funds	282,830	282,830
Fixed income funds	<u>204,380</u>	<u>204,380</u>
Total investments	<u>\$549,902</u>	<u>\$549,902</u>

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**

**Maryville Public Library**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios Multiyear**  
**September 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
1. Service Cost	\$ 12,691	\$ 11,907	\$ 8,714	\$ 7,448	\$ 7,203	\$ 6,935	\$ 6,784
2. Interest on Total Pension Liability	33,277	30,856	28,625	27,690	25,897	24,092	23,084
3. Changes of Benefit Terms	0	0	0	0	0	0	0
4. Difference between expected and actual experience of the Total Pension Liability	7,698	6,716	8,110	(6,984)	7,081	(3,781)	(754)
5. Changes of Assumptions	(21,446)	0	0	0	0	12,925	0
6. Benefit payments, including refunds of employee contributions	<u>(16,547)</u>	<u>(16,401)</u>	<u>(16,088)</u>	<u>(15,686)</u>	<u>(15,459)</u>	<u>(15,338)</u>	<u>(15,245)</u>
7. Net change in total pension liability	15,673	33,078	29,361	12,468	24,722	24,833	13,869
8. Total pension liability – beginning	<u>460,889</u>	<u>427,811</u>	<u>398,450</u>	<u>385,982</u>	<u>361,260</u>	<u>336,427</u>	<u>322,558</u>
9. Total pension liability – ending	<u>476,562</u>	<u>460,889</u>	<u>427,811</u>	<u>398,450</u>	<u>385,982</u>	<u>361,260</u>	<u>336,427</u>
1. Contributions – employer	69,403	69,063	65,555	14,046	11,611	10,528	9,469
2. Contributions – employee	0	0	0	0	0	0	0
3. Net investment income	116,709	4,780	19,312	31,185	27,487	(554)	4,641
4. Benefit payments, including refunds of employee contributions	<u>(16,547)</u>	<u>(16,401)</u>	<u>(16,088)</u>	<u>(15,686)</u>	<u>(15,459)</u>	<u>(15,338)</u>	<u>(15,245)</u>
5. Pension Plan Administrative Expense	(411)	(538)	(483)	(342)	(253)	(252)	(280)
6. Other (Net Transfer)	<u>(3,063)</u>	<u>1,455</u>	<u>1,299</u>	<u>902</u>	<u>2,226</u>	<u>3,264</u>	<u>(6,451)</u>
7. Net change in plan fiduciary net position	166,091	58,359	69,595	30,105	25,612	(2,352)	(7,866)
8. Plan fiduciary net position – beginning	<u>423,575</u>	<u>365,216</u>	<u>295,621</u>	<u>265,516</u>	<u>239,904</u>	<u>242,256</u>	<u>250,122</u>
9. Plan fiduciary net position – ending	<u>589,666</u>	<u>423,575</u>	<u>365,216</u>	<u>295,621</u>	<u>265,516</u>	<u>239,904</u>	<u>242,256</u>
<b>C. Net pension liability/(asset)</b>	<b><u>\$ (113,104)</u></b>	<b><u>\$ 37,314</u></b>	<b><u>\$ 62,595</u></b>	<b><u>\$ 102,829</u></b>	<b><u>\$ 120,466</u></b>	<b><u>\$ 121,356</u></b>	<b><u>\$ 94,171</u></b>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	123.73%	91.90%	85.37%	74.19%	68.79%	66.41%	72.01%
<b>E. Covered-employee payroll</b>	\$131,035	\$125,594	\$117,325	\$78,344	\$78,863	\$73,650	\$71,785
<b>F. Net pension liability as a percentage of covered employee payroll</b>	(89.32)%	29.71%	53.35%	131.25%	152.75%	164.77%	131.18%

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

<b>Fiscal Year</b>	<b>Actuarially Determined Contribution</b>	<b>Contribution In Relation</b>	<b>Contribution Deficiency</b>	<b>Covered Employee Payroll</b>	<b>Contribution As Percentage</b>
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
2019	30,236.11	21,299.94	8,936.17	122,413.63	17.40
2020	32,691.06	23,869.65	8,821.41	129,726.17	18.40
2021	24,547.21	24,547.21	0.00	133,408.86	18.40

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

**Valuation Date:** February 28, 2021

**Notes:** The roll-forward of total pension liability from February 28, 2021 to June 30, 2021 reflects expected service cost and interest reduced by actual benefit payments.

**Methods and Assumptions Used to Determine Contribution Rates:**

<b>Actuarial Cost Method</b>	Entry Age Normal and Modified Terminal Funding
<b>Amortization Method</b>	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.
<b>Remaining Amortization Period</b>	Multiple bases from 11 to 16 years
<b>Asset Valuation Method</b>	5-Year smoothed market; 20% corridor
<b>Inflation</b>	2.75% wage inflation; 2.25% price inflation
<b>Salary Increases</b>	2.75% to 6.75% including wage inflation
<b>Investment Rate of Return</b>	7.00%, net of investment
<b>Retirement Age</b>	Experience-based table of rates that are specific to the type of eligibility condition.
<b>Mortality</b>	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above-described tables.
<b>Other Information:</b>	None