

**MARYVILLE PUBLIC LIBRARY
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

MARYVILLE PUBLIC LIBRARY

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INDEPENDENT AUDITORS' REPORT

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

Unmodified and Disclaimer of Opinions

We have audited the accompanying financial statements of Maryville Public Library, as of and for the year ended September 30, 2023, 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.

Disclaimer of Opinion

We do not express an opinion on the financial statements of the discretely presented component unit of the Maryville Public Library. 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.

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, 2023, and the changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

Basis for Unmodified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Maryville Public Library, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion.

Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. However, because of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the discretely presented component unit.

We are required to be independent of the Maryville Public Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

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

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 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
April 3, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Maryville Public Library Financial Reports for FY 2023 ending September 30, 2023

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 .2740 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 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. Along with Foundation Funds, Friends funds are overseen by the Maryville Public Library Executive Board of Trustees.*
4. Price and Hawkins Endowments consists of one Certificate of Deposit with a balance of \$5,496.01 as of September 12, 2023; and one checking account (Price/Hawkins Expendable Funds) with a balance of \$239.60 as of September 30, 2023. 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 2023, the library received a check for \$19,975 from this Foundation, which is included in the general revenue of the Library Operating Fund. In September of 2021, the Friends/Foundation Board merged with the Maryville Public Library Executive Board of Trustees. The new bylaws of each organization now states: " The FFMPL Board of Directors shall be interlocked and the same as the Maryville Public Library (MPL) Executive Board of Trustees, a public body. The MPL Executive Board of Trustees shall oversee and administer the Second Century Library Endowment Fund Foundation and the Friends of the Library Checking Account."*

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.¹

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.

¹ *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.*

SUMMARY OF SIGNIFICANT FINANCIAL ACTIVITY IN 2023

Library Operating Fund

From the previous year, the library's levy rate stayed the same at .274 per \$100 of valuation.

A deposit of \$4,180 transferred from a 2022 ARPA Grant funds remaining in the Memorials/Restricted Gifts fund covered 209 nonresident library card fees for Nodaway County Kids outside of the library taxing district. The funds were applied to non-resident fee income. Despite some disagreement in the Missouri House of Representatives over public library collection and programming policies, Missouri State Funding for libraries—usually comprising around 1-2% of the Library’s annual income—increased around 80% in 2023, after several years of relative stagnation.

A Facade Improvement Grant in the amount of \$50,000 was deposited to Grant Income to help offset the Library’s Limestone repair work at the cost of \$108,920 in capital outlay. A \$500 Walmart Community grant was also deposited to Grant income, but only \$491 was spent on that grant before the turn of the fiscal year.

Left unspent in 2023 was an extra \$21,850 added to the 2023 budget to cover unexpected capital expenditures. Combined with the factors listed above and slight underspending in several budget line items, the FY2023 budget spent only \$5,239 in reserves compared with the original estimate of \$52,886.

The unreserved fund balance was left at \$245,586 as of Sept. 30, 2023. In line with the new Capital Projects Fund Policy described below, in October 2023, the Library rolled over \$104,695 in Unrestricted Reserves to the Capital Projects Fund, leaving \$140,891 (the minimum 30% of total regular operating expenditures) in Unrestricted Reserves.

The Library holds one PayPal account to accept patron online payments. On September 18, 2023 the Library’s PayPal account balance of \$676.99 was deposited to the Operating Fund-Interest Checking Account. In October, \$23.79 was transferred to Friends Checking for membership dues, and \$174.61 was transferred to the Memorials Fund for a memorial contribution.

In February 2023, Library Trustees adopted a rolling 3-year plan for the maintenance of the facility and grounds that plans for around 17% of the library’s regular operating costs to be budgeted for building and grounds repair, maintenance, and improvement. In the summer of 2023, Library Trustees voted to create a new Capital Projects Fund in which to roll over unrestricted reserves in excess of 30% of the previous year’s regular operating expenditures. These two new policies are intended to accommodate increased spending on facility and grounds needs in the coming years.

The table below shows how the fiscal year's net balances compared with the library's FY 2023 budget goals.

October 1, 2022 Budget Estimate	FY2023 Actual
Personnel Expenditures 56%	52%
Books and digital content 15%	14.8% <i>(Does not include restricted funds spent on patron resources.)</i>
Unrestricted reserves balance Sept. 30 estimate: 52% Annual goal: 30%--40%	52% of regular annual expenses After Oct. 2023 transfer: 30%

In FY2024, library management recommends directing the surplus unrestricted reserves toward building maintenance priorities identified in the library's recent Facility Condition Assessment.

Attachment 1 represents Library Operating Fund revenue and expenses in FY2023. Attachment 2 provides a comparison of 2023 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 (asset):

	LAGERS Actuarial unfunded liability balance*	Library required contribution rate
2021	(16,208) credit balance	14.3%
2022	(24,638) credit balance	9.7%
2023	(29,177) credit balance	9.5%

*Reflects February 28, 2023 LAGERS Actuarial Valuation.

Memorials/Restricted Gifts Account:

With a beginning October 2022 balance of \$16,358.60, this account received \$10,151 in deposits during FY2023 representing program sponsorships and memorial gifts. \$9,664.49 was expended from this account, including \$4,180 for non-resident library card fees paid by leftover ARPA grant funds. As of September 30, 2023, the Memorial/Restricted Gifts Fund balance was \$16,845.11

Friends Checking Account:

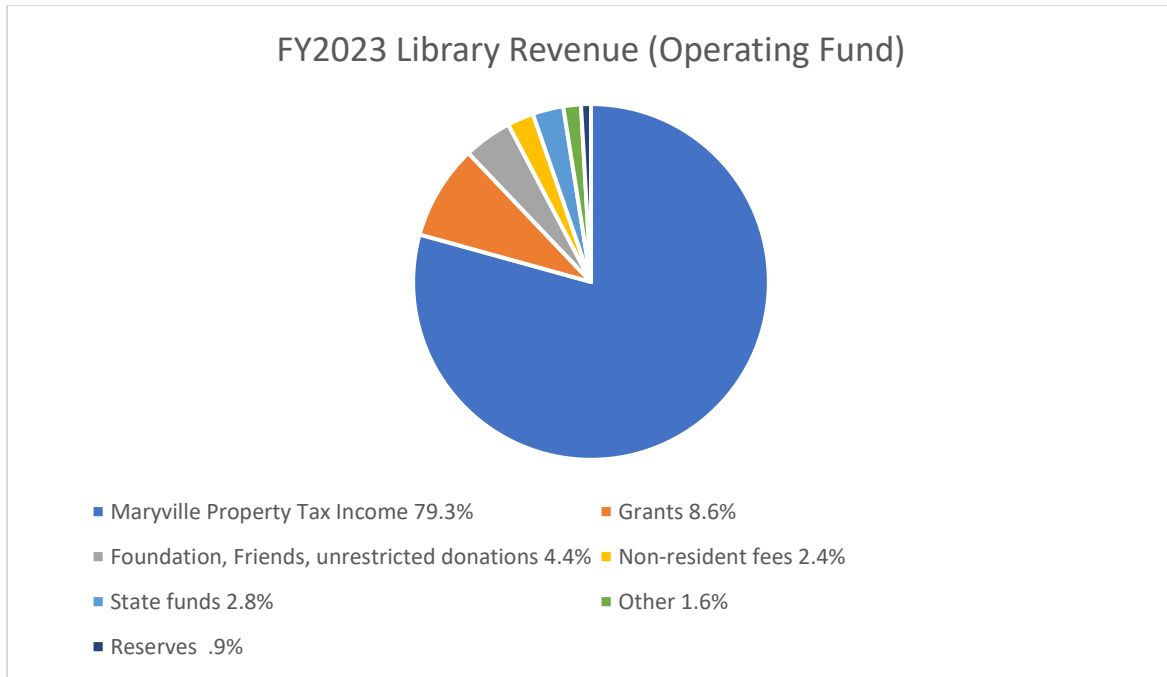
After an October 1, beginning balance of \$5,552.02, \$3,589 in membership dues and donations were deposited in the 4th quarter of 2022, and \$4,324 were deposited January through September 2023. Expenditures included \$4,000 in direct library operating fund support, \$612 to cover non-resident library card fees for food-stamp eligible adults, \$162 for children's programming t-shirts, \$186.34 for children's giveaway books, and \$178.19 for mailing-related expenses. As of September 29, 2023, the Friends of the Library checking account balance stood at \$8,326.49.

CHANGE IN NET POSITION: Spending on capital assets, a net positive asset in the pension account, and an increase in the Restricted Gifts fund all contributed to a reported change in net position to \$1,048,606 as reported in the following audited financial statements, showing an increase of around 8% from the previous year.

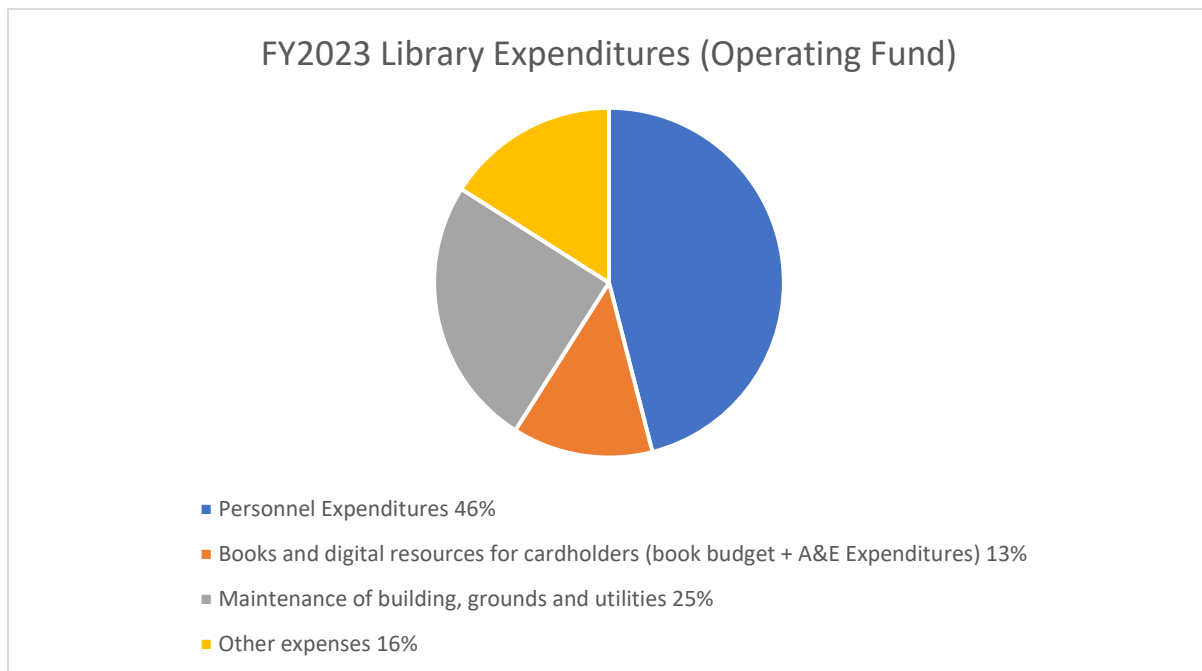
Second Century Library Fund Foundation:

The portfolio value of the library's foundation fund investments rose from \$443,895.72 on October 1, 2022 to \$473,404.99 on Sept. 30, 2023. Cash transactions included one check in the amount of \$19,975 dated July 17, 2023 to support the library's operating budget, one October 2022 deposit in the amount of \$500 from the Michael Graham Trust, one deposit of \$500 from a Walmart Community Grant, a transfer of that \$500 to Library Operating Fund to cover grant expenses and \$3,594.76 deducted for financial management fees.

Attachment 1



Attachment 2



Attachment 3

FY2024 Budget Adopted

		2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Adopted
REVENUE						
1	Advalorem Taxes	424,487	440,927	451,100	466,390	478,000
2	MO State Aid	5,986	5,986	5,986	7,516	7,515
3	Non Resident Fee	11,200	6,420	14,736	13,807	7,000
4	Fines	2,462	1,377	1,700	1,135	1,000
5	Copies, Bags, Rentals	1,928	2,249	2,262	3,401	1,500
6	Sale/Donated Books	1,560	3,534	2,470	3,852	3,500
7	Miscellaneous ILL fee, fax fees	544	453	386	657	500
8	Foundation	30,000	21,500	23,150	19,975	20,000
9	Community Room Fees	660	0	0	0	0
10	Interest on Investments	769	578	540	552	550
11	Total Revenues	479,596	483,024	502,330	517,285	519,565
12	<i>[Spending out of RESERVES]</i>	0	0	0	5,239	0

EXPENSE						
	<i>Personnel Services</i>					
13	Payroll Expenses	167,565	172,008	189,600	200,834	201,723
14	FICA (around 7.7% of payroll)	12,909	13,154	14,598	16,595	15,532
15	Group Insurance/Employee	23,093	29,583	32,980	38,078	41,885 (10% increase)
17	Retirement/LAGERS	23,619	24,568	20,074 (14.3% of eligible wages)	14,534	14,693 (9.5% of eligible wages)
18	Longevity	1,210	1,200	1,271	1,458	1,536
19	Tuition Reimbursement benefit	1,600	1,545	0	0	0
20	Total Personnel Services	229,996	242,058	258,523	271,499 (52.4 % of general revenues)	275,369 (53% of general revenues)
	<i>Commodities</i>					

21	Circulation Materials (includes electronic resources for patron use)	72,704	71,271	59,767	67,415 (With A&E income, adds up to 14.8% of regular revenue)	51,957 (10% of general revenue. More book exp.in Items 48 and 50)
22	General Supplies (Book processing supplies, programming supplies, janitorial supplies, office furniture, etc.)	10,914	13,383	10,373	13,856	16,200
23	Total Commodities	83,618	84,654	70,140	81,271	68,157
	<i>Contractual Services</i>					
24	Utilities	9,081	9,855	11,539	13,831	19,000
25	Co. Tax Collection Fee... (estimate: 4.5% of tax income)	18,627	19,286	19,257	19,779	21,510
26	Independent Audit	3,300	9,000	5,000	5,500	6,500
27	Building Maintenance	8,562	31,917	29,083	23,322	46,871

28	Other Contractual Services (i.e., network support, ILS, copier/printer support) public performers, etc.	11,513	14,999	14,139	13,784	8,791 (Snow removal and landscaping costs are now in line item 27)
29	Bookkeeping	4,150	2,450	880	2,825	3,000
30	ILL Postage	17	16	0	0	20
31	Postage and Delivery	509	849	513	1,330	1,000
32	Printing and Advertising	2,799	1,432	4,669	4,552	7,000
33	Telephone	2,597	3,082	3,329	3,757	4,800
34	Internet Provider	1,189	1,199	1,200	1,104	1,300
35	Programming (Contract based costs)	0	0	0	(under other contractual services)	0
36	Travel/Registration	526	168	532	1,356	1,500
37	Total Contractual Services	62,870	94,253	90,141	91,140	121,292
	<i>Other Charges</i>					

38	Other Charges	643	723	1,514	1,360	1,700
39	Dues and Subscriptions	245	185	185	215	300
40	Insurance (Building & Workman's Comp)	16,459	18,003	20,170	22,347	24,000 (increase partly offset by drop in payroll expenses)
41	Licenses/Permits	2,349	865	316	1,677	2,622 (Includes QB Online, Google Workspace, SurveyMonkey, Canva)
42	MO Sales Tax	375	269	864	129	600
43	Total Other Charges	20,071	20,045	23,049	25,728	29,222
44	Total Expense	<u>441,010</u>	<u>431,025</u>	<u>441,853</u>	<u>469,638</u>	<u>494,040</u>
	<i>Other Income (Expense)</i>					
45	Donations (Unrestricted)	1,252	1,252	4,626	2,026	1,000
46	Donations- Restricted	0	0	0		0

47	Restricted Expenditures	0	0	0		0
48	MO State Aid Expenditures				Not separated in 2023	(7,515) (Books, e-resources)
49	Athletes & Entertainers Tax income	2,431	2,407	3,169	9,193	9,000
50	A&E Tax Expenditures	0	(2,409)	(3,168)	(9,194)	(9,000) (Books, e-resources)
51	Grant income	15,322	12,971 (includes 2,500 in extra state funds)	0 (ARPA grant deposited in Restricted Funds)	50,500	6,000
52	Grant expenditures	(21,250)	(8,903)	(306)	(491)	(12,000)
53	Capital Outlay	0	0	0	(108,920)	(12,000)
54	Total Other Income (Expense)	(3,375)	5,318	4,321	(5,239)	(24,515)

55	Transfer to Restricted [Friends Funds]	(286)	5,000	12,642	4,000	4,000 (Friends Support)
56	Debt Service/Liability	(45,000)	(45,000)	0	0	
57	<u>Excess of</u> <u>revenues</u> <u>over expenses:</u> <u>See Item 12</u>	34,380	7,332	77,440	(61,544)	5,010
58	Transfer to Capital Projects Fund					(104,695) Actual amount transferred 10/11/2023

59	Fund Balance, unreserved, September 30, 2018	94,073
60	Fund Balance, unreserved, September 30, 2019	176,252
61	Fund Balance, unreserved, October 1, 2020 as adjusted	196,171
62	Fund balance, unreserved, September 30, 2021	203,490
63	Fund balance, unreserved, September 30, 2022	328,245
64	Fund balance, unreserved, Oct. 1, 2022 as adjusted	250,825
65	<i>Estimated unrestricted fund balance September 30, 2023</i>	245,586
66	<i>Estimated unrestricted fund balance September 30, 2024</i>	145,901

REVENUE

Items 1-11: The estimated increase in Ad Valorem Tax Revenue reflects around 3.5% growth in Assessed Valuation from the year prior, while regional inflation numbers suggest 4% in inflation. The Foundation support estimate is based on the June 30 portfolio value.

EXPENSES

Items 13-20: Personnel Expenditures: While health insurance is expected to increase, overall expenditures in personnel have been reduced to save up for more building maintenance expenditures in the future. This budget supports the addition of a new Assistant Director employee on October 1, but does not support any increases in operating hours at this time.

Item 21: Circulation materials: This item has been reduced to shift more funding toward future capital outlay projects. It remains at a minimum of 10% of regular revenue, but it is hoped that Missouri State Funding (Items 48 and 50) as well as Memorials and Restricted gifts will continue to be available to purchase books and electronic patron resources beyond this budget.

Item 24: The line item for Utilities has been increased in line with historical rises, with an additional \$4,500 to cover increases associated with Evergy's new peak hour billing rate.

Item 27 Building Maintenance: Includes \$2,311 in elevator maintenance, \$2,460 in Janitorial support, \$1,400 in landscape maintenance, \$2,800 in snow removal, \$5,800 in roof/drainage inspection and repairs, \$2,300 for a new basement circuit and dehumidifier, \$3,800 for sidewalk grate repair, \$3,000 for brick maintenance inside the roof parapet, and \$18,000 for new handrails on the west and north entrances (\$5K), basement air ventilation (\$10K), and landscaping consult/tree removal (\$5K) and Miscellaneous regular repairs (\$3K)

Item 48 is a new line item: To track State expenditures more closely, this budget separates MO State Aid expenditures from other operating expenses.



Items 51 and 52 Grants: To allow for some matching grant opportunities, this budget accommodates a 50% matching grant (\$10,000) for \$20,000 in eligible expenditures.

Item 53 Capital Outlay: This budget allows for an estimated \$5,550 to seal open sidewalk seams, and \$6,438 for Chimney Cap Repairs.

Item 58 is a new line item: Under the proposed Capital Projects Fund Policy, this budget allows for a transfer of up to \$120,116 from operating funds/unrestricted reserves to the new Capital Projects Fund. This number is calculated as follows: (Line item 44 (FY2022 Total Operating Expenses of \$488,616) x .30, deducted from Line item 64: Estimated Unrestricted funds Sept. 30, 2023)

Item 65 Estimated Fund Balance: With an anticipated transfer of \$120,116 from Unrestricted Reserves to Capital Projects Fund and an estimated \$10,010 in operating budget surplus at the end of FY2024, the unrestricted reserves balance on September 30, 2024 is estimated at 146,595 (29.9% of FY2024's Total Estimated Operating Expenditures (Line 44).

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

FINANCIAL STATEMENTS

**Maryville Public Library
Statement of Net Position
September 30, 2023**

Assets	
Cash and cash equivalents	\$ 336,178
Receivables, net	5,945
Prepaid Insurance	12,003
Property, plant and equipment	685,366
Restricted assets-cash and certificates of deposit	26,841
Net pension asset	62,893
	<hr/>
Total Assets	1,129,226
	<hr/>
Deferred Outflows of Resources	
Deferred outflows	35,064
	<hr/>
Liabilities	
Accrued expenses	22,793
	<hr/>
Total Liabilities	22,793
	<hr/>
Deferred inflows of Resources	
Deferred inflows	11,699
	<hr/>
Net Position	
Invested in capital assets	685,366
Restricted	
Nonexpendable	4,500
Expendable	22,341
Unrestricted	417,591
	<hr/>
Total Net Position	\$ 1,129,798
	<hr/> <hr/>

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

**Maryville Public Library
Statement of Activities
For the Year Ended September 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net Revenue and Change in Net Assets
		Charges for Services	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ (484,857)	\$ 22,744	\$ 90,565	\$ (371,548)
Depreciation	<u>(30,980)</u>	<u>-</u>	<u>-</u>	<u>(30,980)</u>
Total Governmental Activities	\$ <u>(515,837)</u>	\$ <u>22,744</u>	\$ <u>90,565</u>	<u>(402,528)</u>
General Revenues:				
Property taxes				466,498
Intergovernmental				16,709
Unrestricted investment earnings				<u>514</u>
Total general revenues				<u>483,721</u>
Change in net position				81,193
Net assets, beginning of year				<u>1,048,605</u>
Net assets, end of year				\$ <u>1,129,798</u>

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

**Maryville Public Library
Balance Sheet - Governmental Fund
September 30, 2023**

Assets	
Cash and cash equivalents	\$ 336,178
Receivables, net	5,945
Prepaid insurance	12,003
Restricted assets:	
Cash and certificates of deposit	26,841
	<hr/>
Total Assets	\$ 380,967
	<hr/>
Liabilities	
Accrued expenses	22,793
	<hr/>
Total Liabilities	22,793
	<hr/>
Fund Balances	
Nonspendable	16,503
Spendable	
Restricted	22,341
Unrestricted	
Unassigned	319,330
	<hr/>
Total Fund Balance	358,174
	<hr/>
Total Liabilities and Fund Balances	\$ 380,967
	<hr/>

**Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
September 30, 2023**

Total Governmental Fund Balances	\$ 358,174
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.	685,366
Certain items are not a financial resource and, therefore are not reported in the governmental funds. These consist of :	
Net deferred inflows, pension related	23,365
Net pension asset	62,893
	<hr/>
Net Position of Governmental Activities	\$ 1,129,798
	<hr/>

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, 2023

Revenues:

Property taxes	\$ 466,498
Intergovernmental	16,709
Fines	1,135
Gifts	40,065
Grants	50,500
Copier	2,317
Other	19,292
Interest	514
	<hr/>
Total revenues	597,030
	<hr/>

Expenditures:

Current:

Salaries	202,293
Payroll taxes	16,594
Health insurance	38,077
Pension expense	14,537
General insurance	22,347
Professional fees	5,500
Other charges	64,566
Books, materials and binding	69,353
Supplies	14,505
Building maintenance	23,321
Utilities	17,588
Travel and conferences	1,356
Capital Outlay	
Building	31,500
	<hr/>

Total expenditures	521,537
	<hr/>

Excess (deficiency) of revenues over (under) expenditures	75,493
	<hr/>

Fund balances, beginning of year	282,681
	<hr/>

Fund balances, end of year	\$ 358,174
	<hr/> <hr/>

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, 2023**

Net Change in Governmental Fund Balances	\$	75,493
--	----	--------

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.

520

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.

5,180

Change in net position of governmental activities	\$	81,193
---	----	--------

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, 2023

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 463,000	\$ 462,000	\$ 466,498	\$ 4,498
Intergovernmental	9,814	16,708	16,709	1
Fines	1,000	1,000	1,135	135
Gifts	22,803	20,975	40,065	19,090
Interest	550	550	514	(36)
Grants	60,000	60,000	50,500	(9,500)
Copier	1,700	1,700	2,317	617
Other	7,800	12,602	19,292	6,690
Total Revenues:	566,667	575,535	597,030	21,495
Expenditures:				
Current:				
Salaries	213,458	212,058	202,293	9,765
Payroll taxes	16,324	16,216	16,594	(378)
Health insurance	36,073	38,077	38,077	-
Employee retirement	13,981	14,628	14,537	91
General insurance	21,780	22,147	22,347	(200)
Professional fees	6,000	6,000	5,500	500
Other charges	58,467	70,808	64,566	6,242
Books, materials and binding	75,450	66,605	69,353	(2,748)
Travel and conferences	2,000	2,000	1,356	644
Supplies	17,025	17,020	14,505	2,515
Building maintenance	25,000	26,600	23,321	3,279
Utilities	18,150	18,150	17,588	562
Capital Outlay:				
Buildings	130,770	130,770	31,500	99,270
Total expenditures	634,478	641,079	521,537	119,542
Excess (deficiency) of revenues over (under) expenditures	(67,811)	(65,544)	75,493	141,037
Transfers in (out)	(4,000)	(4,000)	-	4,000
Fund balances, beginning of year	282,681	282,681	282,681	-
Fund balances, end of year	\$ 210,870	\$ 213,137	\$ 358,174	\$ 145,037

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

Second Century Library Endowment Fund Corporation
Statement of Financial Position
Unaudited
September 30, 2023

Assets

Cash and cash equivalents	\$ 19,882
Certificates of Deposit	40,000
Investments	413,811
	<hr/>
Total Assets	\$ 473,693
	<hr/> <hr/>

Net assets

Net assets without donor restrictions	\$ 473,693
	<hr/>
Total Net assets	\$ 473,693
	<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, 2023

Revenue

Contributions	\$ 1,000
Investment earnings	15,988
Realized gain (loss) on investments	(10,959)
Unrealized gain (loss) on investments	31,883

Total revenue	37,912
---------------	--------

Expenses

Program	
Library support	20,475
General and Administrative	
Investment fees	3,595

Total expenses	24,070
----------------	--------

Change in net assets	13,842
----------------------	--------

Net assets without donor restrictions, beginning of year	459,851
--	---------

Net assets without donor restrictions, end of year	\$ 473,693
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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, 2023

Cash flows from operating activities

Change in net assets	\$ 13,842
Adjustments to reconcile change in net assets cash provided by (used by) operating activities:	
Unrealized (gain) loss on investments	(31,883)
(Gain) loss on sale of investments	10,959
	<hr/>
Total Adjustments	(20,924)
	<hr/>
Net cash provided by (used in) operating activities	(7,082)
	<hr/>

Cash flows from investing activities

Purchase of Certificates of Deposit	(40,000)
Purchases of investments	(118,244)
Proceeds from the sale of investments	169,255
	<hr/>
Net cash provided by (used in) investing activities	11,011
	<hr/>
Net increase (decrease) in cash and cash equivalents	3,929
Cash and cash equivalents at beginning of year	15,953
	<hr/>
Cash and cash equivalents at end of year	\$ 19,882
	<hr/> <hr/>

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

Maryville Public Library
Notes to Financial Statements
September 30, 2023

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 7.

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, 2023

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.

**Maryville Public Library
Notes to Financial Statements
September 30, 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Restricted Assets

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

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, 2023.

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. Improvements costing \$5,000 or more 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, 2023, was approximately \$19,000.

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, 2023**

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 capital 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	\$ 22,341
Restricted, nonexpendable net position	<u>4,500</u>
Total restricted net position	<u>\$ 26,841</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 capital assets, net of related debt."

Maryville Public Library
Notes to Financial Statements
September 30, 2023

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	\$ 12,003
Price fund principal	<u>4,500</u>
Total nonspendable	16,503
Spendable	
Restricted by donor and grantor requirements	22,341
Unrestricted	
Unassigned	<u>319,330</u>
Total fund balance	<u>\$358,174</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, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Date of Management's Review

Management has evaluated subsequent events through April 3, 2024, 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, 2023, the carrying amount of deposits, including certificates of deposit, was \$362,880, and the bank balance was \$364,644.

The cash and certificates of deposits balances were as follows:

Restricted cash	\$ 22,341
Restricted certificates of deposit	<u>4,500</u>
Total restricted cash and certificates of deposit	26,841
Unrestricted cash on hand	140
Unrestricted cash on deposit	<u>336,038</u>
Cash and certificates of deposits	<u>\$363,019</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, 2023, 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 for property located in the City of Maryville, Missouri, as of January 1, 2023 on which the 2023 levy was based. Property taxes are due on or before December 31.

Maryville Public Library
Notes to Financial Statements
September 30, 2023

NOTE 4: PLANT, PROPERTY AND EQUIPMENT

A summary of changes in plant, property and equipment at September 30, 2023, is as follows:

	Balance, October 1, 2022	Additions	Dispositions	Balance, September 30, 2023
Equipment and furnishings	\$ 74,178	\$ -	\$ -	\$ 74,178
Building	1,159,704	31,500	-	1,191,204
Other	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>2,250</u>
Total	1,236,132	31,500	-	1,267,632
Less accumulated depreciation	<u>(551,286)</u>	<u>(30,980)</u>	<u>-</u>	<u>(582,266)</u>
Total	<u>\$ 684,846</u>	<u>\$ 520</u>	<u>\$ -</u>	<u>\$ 685,366</u>

Depreciation expense of the library, which is reported in the government-wide financial statements, totaled \$30,980.

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, 2023

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>2023 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, 2023 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 9.6% of annual covered payroll.

Net Pension Liability. The employer's net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2023.

Maryville Public Library
Notes to Financial Statements
September 30, 2023

NOTE 5: EMPLOYEES RETIREMENT SYSTEM (continued)

Actuarial assumptions. The total pension liability in the February 28, 2023 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, 2023

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, 2022	<u>\$511,208</u>	<u>\$594,066</u>	<u>\$ (82,858)</u>
Changes for the year:			
Service cost	13,431	-	13,431
Interest	35,636	-	35,636
Difference between expected and actual experience	8,441	-	8,441
Change of Assumptions	-	-	-
Contributions – employer	-	15,406	(15,406)
Contributions – employee	-	-	-
Net investment income	-	20,762	(20,762)
Benefit payments, including refunds	(17,753)	(17,753)	-
Administrative expense	-	(609)	609
Other changes (Net transfer)	-	1,984	(1,984)
Net changes	<u>39,755</u>	<u>19,790</u>	<u>19,965</u>
Balance at June 30, 2023	<u>\$550,963</u>	<u>\$613,856</u>	<u>\$ (62,893)</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>\$6,583</u>	<u>\$(62,893)</u>	<u>\$(121,510)</u>

Maryville Public Library
Notes to Financial Statements
September 30, 2023

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, 2023, the employer recognized pension expense of \$9,357. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows of Resources	Total
Differences in experience	\$18,757	\$ (408)	\$ 18,349
Differences in assumptions	-	(11,291)	(11,291)
Excess (deficit) investment returns	12,279	-	12,279
Contributions subsequent to the Measurement date*	<u>3,732</u>	<u>-</u>	<u>3,732</u>
Total	<u>\$34,768</u>	<u>\$ (11,699)</u>	<u>\$ 23,069</u>

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

Year ended:	
2024	\$ 6,068
2025	(3,319)
2026	12,786
2027	5,698
2028	1,597
Thereafter	<u>239</u>
Total	<u>\$ 23,069</u>

Payable to the Pension Plan

Maryville Public Library had no outstanding payable to the pension plan required for the year ended September 30, 2023.

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.

**Maryville Public Library
Notes to Financial Statements
September 30, 2023**

NOTE 6: RISK MANAGEMENT POOL

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, 2023.

Total assessments to the Library for the year ended September 30, 2023, were \$22,147.

**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.

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.

**Maryville Public Library
Notes to Financial Statements
September 30, 2023**

**NOTE 8: SECOND CENTURY LIBRARY ENDOWMENT FUND CORPORATION
ACCOUNTING POLICIES AND DISCLOSURES (continued)**

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.

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.

Maryville Public Library
Notes to Financial Statements
September 30, 2023

NOTE 9: 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.

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, 2023		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Exchange traded funds	\$ 61,150	\$ 61,150
Mutual funds		
Equity funds	201,814	201,814
Fixed income funds	<u>150,847</u>	<u>150,847</u>
Total investments	<u>\$413,811</u>	<u>\$413,811</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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
1. Service Cost	\$13,431	\$12,860	\$ 12,691	\$ 11,907	\$ 8,714	\$ 7,448	\$ 7,203	\$ 6,935	\$ 6,784
2. Interest on Total Pension Liability	35,636	33,2214	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	0	0
4. Difference between expected and actual experience of the Total Pension Liability	8,441	5,642	7,698	6,716	8,110	(6,984)	7,081	(3,781)	(754)
5. Changes of Assumptions	0	0	(21,446)	0	0	0	0	12,925	0
6. Benefit payments, including refunds of employee contributions	<u>(17,753)</u>	<u>(17,070)</u>	<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	39,755	34,646	15,673	33,078	29,361	12,468	24,722	24,833	13,869
8. Total pension liability – beginning	<u>511,208</u>	<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>	<u>322,558</u>
9. Total pension liability – ending	<u>550,963</u>	<u>511,208</u>	<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	15,406	20,853	69,403	69,063	65,555	14,046	11,611	10,528	9,469
2. Contributions – employee	0	0	0	0	0	0	0	0	0
3. Net investment income	20,762	378	116,709	4,780	19,312	31,185	27,487	(554)	4,641
4. Benefit payments, including refunds of employee contributions	(17,753)	(17,070)	(16,547)	(16,401)	(16,088)	(15,686)	(15,459)	(15,338)	(15,245)
5. Pension Plan Administrative Expense	(609)	(442)	(411)	(538)	(483)	(342)	(253)	(252)	(280)
6. Other (Net Transfer)	<u>1,984</u>	<u>681</u>	<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	19,790	4,400	166,091	58,359	69,595	30,105	25,612	(2,352)	(7,866)
8. Plan fiduciary net position – beginning	<u>594,066</u>	<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>	<u>250,122</u>
9. Plan fiduciary net position – ending	<u>613,856</u>	<u>594,066</u>	<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>
C. Net pension liability/(asset)	<u>\$(62,893)</u>	<u>\$(82,858)</u>	<u>\$(113,104)</u>	<u>\$ 37,314</u>	<u>\$ 62,595</u>	<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	111.42%	116.21%	123.73%	91.90%	85.37%	74.19%	68.79%	66.41%	72.01%
E. Covered-employee payroll	\$141,431	\$135,526	\$131,035	\$125,594	\$117,325	\$78,344	\$78,863	\$73,650	\$71,785
F. Net pension liability as a percentage of covered employee payroll	(44.47)%	(61.14)%	(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**

Fiscal Year	Actuarially Determined Contribution	Contribution In Relation	Contribution Deficiency	Covered Employee Payroll	Contribution As Percentage
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
2022	19,724.84	19,724.92	(0.08)	137,936.11	14.30
2023	15,141.20	15,141.18	0.02	156,094.78	9.70

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

Valuation Date: February 28, 2023

Notes: The roll-forward of total pension liability from February 28, 2023 to June 30, 2023 reflects expected service cost and interest reduced by actual benefit payments.

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 9 to 15 years
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary Increases	2.75% to 6.75% including wage inflation
Investment Rate of Return	7.00%, net of investment 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, 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.
Other Information:	None