

SCENIC REGIONAL LIBRARY DISTRICT

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended June 30, 2021

SCENIC REGIONAL LIBRARY DISTRICT
FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
SCENIC REGIONAL LIBRARY DISTRICT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the **SCENIC REGIONAL LIBRARY DISTRICT** (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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 the modified cash basis of accounting described in Note A-3; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

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 District'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Governmental Activities

Management has not recorded capital assets in governmental activities and, accordingly, has not re-recorded depreciation expense on those assets. Accounting principles applied to such modified cash basis of accounting require that those capital assets be capitalized and depreciated, which would increase the assets and net position and may modify expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities is not reasonably determinable.

Qualified Opinion

In our opinion, except for the effect on the financial statements of the omission described above and the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and each major fund of the District as of June 30, 2021, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A-3.

Basis of Accounting

We draw attention to Note A-3 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters - Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis, supplemental information, and pension information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial relevant to the District's statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note A-3.

The management's discussion and analysis and pension information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sikich LLP

Washington, Missouri
December 13, 2021

**SCENIC REGIONAL LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

As management of the Scenic Regional Library District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2021. We encourage readers to consider the information presented here along with the District's financial statements, including the footnotes that follow this Management's Discussion and Analysis (MD&A).

FINANCIAL HIGHLIGHTS

- On a government-wide basis the liabilities of the District exceeded its assets for the most recent fiscal year by \$11,928,857. The District has a negative unrestricted net position of \$11,928,863.
- As of the close of the current fiscal year, the District's governmental funds reported an ending fund balance of \$4,931,143.
 - At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,843,392.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplemental information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position - modified cash basis presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities - modified cash basis presents information showing how the District's net position changed during the most recent fiscal year.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to re-cover all or a significant portion of their costs through user fees and charges (business-type activities).

The District has elected to utilize a modified cash basis of accounting as explained in Note A-3 of the notes to financial statements.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds. It should be noted that the District does not have any fiduciary or proprietary funds.

**SCENIC REGIONAL LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements utilize a current financial resources measurement focus as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Such information may be useful in evaluating a government's near-term financing requirements.

The District maintains two governmental funds. Information is presented separately in the governmental funds balance sheet - modified cash basis and in the governmental funds statement of revenues, expenditures, and changes in fund balances - modified cash basis for the General Fund and Debt Service Fund, all of which are considered major funds.

The District adopts an annual appropriated budget for all governmental fund. Budgetary comparison statements have been provided for budgeted funds to demonstrate legal compliance with the respective adopted budget.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental funds financial statements.

Supplemental information. This MD&A, the budgetary comparison and pension schedules represent additional financial information. Such information provides users of this report with data that supplements the government-wide financial statements, fund financial statements, and notes (referred to as "the basic financial statements").

GOVERNMENT-WIDE FINANCIAL ANALYSIS - FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

A condensed version of the statement of net position - modified cash basis follows:

Governmental activities. Governmental activities increased the District's net position by \$1,051,594. Key elements of this are as follows:

	June 30	
	2021	2020
ASSETS		
Cash and other assets	\$ 4,970,162	4,286,185
LIABILITIES		
Payroll taxes payable	39,019	26,636
Long-term liabilities	16,860,000	17,240,000
Total Liabilities	16,899,019	17,266,636
NET POSITION		
Restricted	6	8
Unrestricted	(11,928,863)	(12,980,459)
Total Net Position	\$ (11,928,857)	(12,980,451)

**SCENIC REGIONAL LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

	For The Years Ended June 30	
	2021	2020
REVENUES		
Program revenues:		
Charges for services	\$ 78,760	73,132
Operating grants and contributions	77,103	77,227
Capital grants and contributions	36,579	42,027
General revenues:		
Taxes	5,780,746	5,536,833
Investment income	26,908	25,356
Sale of capital assets	14,347	6,510
Total Revenues	6,014,443	5,761,085
EXPENSES		
Culture and recreation	4,962,849	6,330,980
Total Expenses	4,962,849	6,330,980
CHANGE IN NET POSITION	1,051,594	(569,895)
NET POSITION, JULY 1	(12,980,451)	(12,410,556)
NET POSITION, JUNE 30	\$ (11,928,857)	(12,980,451)

Change in net position. The increase in net position of \$1,051,594 was largely attributable to an increase in tax revenue and decrease in capital outlay in the current year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on inflows and balances of available expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2021, the General Fund's unassigned fund balance was \$4,843,392.

LONG-TERM DEBT

During the current year, the District's total debt decreased by \$380,000 due to the scheduled principal payments.

**SCENIC REGIONAL LIBRARY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Additional information on the District's long-term debt can be found in Note E in the notes to the basic financial statements.

SIGNIFICANT VARIANCES BETWEEN BUDGETS AND ACTUAL REVENUES AND EXPENDITURES

In the General Fund, the following significant variances occurred between budget and actual revenues and expenditures:

- Actual revenue exceeded budgeted revenue by \$222,232 due to receiving unanticipated state aid.
- Actual expenditures were under budget by \$348,238 due to salaries and employee benefits being under budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District expects revenues and expenditures in the General Fund to stay about the same in 2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Scenic Regional Library District
251 Union Plaza Drive
Union, MO 63084

SCENIC REGIONAL LIBRARY DISTRICT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 4,970,162
LIABILITIES	
Payroll taxes payable	39,019
Long-term liabilities:	
Due within one year	390,000
Due in more than one year	16,470,000
Total Liabilities	<u>16,899,019</u>
NET POSITION	
Restricted for debt service	6
Unrestricted	<u>(11,928,863)</u>
Total Net Position	<u><u>\$ (11,928,857)</u></u>

SCENIC REGIONAL LIBRARY DISTRICT
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues			Net Revenues (Expenses) And Change In Net Position	
	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS	Expenses	Services	Contributions	Contributions	
Governmental Activities					
Culture and recreation	\$ 4,962,849	78,760	77,103	36,579	(4,770,407)
General Revenues					
Taxes					5,780,746
Investment income					26,908
Sale of capital assets					14,347
Total General Revenues					5,822,001
CHANGE IN NET POSITION					1,051,594
NET POSITION, JULY 1					(12,980,451)
NET POSITION, JUNE 30					\$ (11,928,857)

See notes to financial statements

SCENIC REGIONAL LIBRARY DISTRICT
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Debt Service	Total
ASSETS			
Cash and investments	\$ 4,970,156	6	4,970,162
 LIABILITIES AND FUND BALANCES			
Liabilities			
Payroll taxes payable	\$ 39,019	-	39,019
 Fund Balances			
Restricted for debt service	-	6	6
Committed to:			
Endowment	43,745	-	43,745
Assigned for building	44,000	-	44,000
Unassigned	4,843,392	-	4,843,392
Total Fund Balances	4,931,137	6	4,931,143
Total Liabilities And Fund Balances	\$ 4,970,156	6	4,970,162

SCENIC REGIONAL LIBRARY DISTRICT
RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS
OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2021

Total Fund Balances - Governmental Funds \$ 4,931,143

Amounts reported for governmental activities in the statement of net position are different because:

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the governmental funds financial statements. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net position.

Certificates of Participation (16,860,000)

Total Net Position Of Governmental Activities \$ (11,928,857)

SCENIC REGIONAL LIBRARY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	Debt Service	Total
REVENUES			
Taxes	\$ 5,780,746	-	5,780,746
State aid	77,103	-	77,103
Grants and donations	36,579	-	36,579
Investment income	26,902	6	26,908
Charges for services	78,760	-	78,760
Total Revenues	<u>6,000,090</u>	<u>6</u>	<u>6,000,096</u>
EXPENDITURES			
Current:			
Wages	2,055,603	-	2,055,603
Books	339,687	-	339,687
Periodicals	22,502	-	22,502
Electronic materials	329,139	-	329,139
Reciprocal lenders agreements	49,778	-	49,778
Utilities	146,320	-	146,320
Rent	24,504	-	24,504
Insurance	67,716	-	67,716
Repairs and maintenance	181,221	-	181,221
Supplies	55,933	-	55,933
Postage	10,198	-	10,198
Employee insurance	284,816	-	284,816
Employee retirement	244,667	-	244,667
Automotive	8,048	-	8,048
Professional fees	83,863	-	83,863
Travel and dues	16,224	-	16,224
Automation	46,573	-	46,573
Miscellaneous	53,603	-	53,603
Programs	36,779	-	36,779
Capital outlay	227,129	-	227,129
Debt service:			
Principal	10,619	380,000	390,619
Interest and other fiscal charges	185	667,742	667,927
Total Expenditures	<u>4,295,107</u>	<u>1,047,742</u>	<u>5,342,849</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,704,983</u>	<u>(1,047,736)</u>	<u>657,247</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	14,347	-	14,347
Transfer in	-	1,047,734	1,047,734
Transfer out	(1,047,734)	-	(1,047,734)
Total Other Financing Sources (Uses)	<u>(1,033,387)</u>	<u>1,047,734</u>	<u>14,347</u>
NET CHANGES IN FUND BALANCES	671,596	(2)	671,594
FUND BALANCES, JULY 1	<u>4,259,541</u>	<u>8</u>	<u>4,259,549</u>
FUND BALANCES, JUNE 30	<u>\$ 4,931,137</u>	<u>6</u>	<u>4,931,143</u>

**SCENIC REGIONAL LIBRARY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2021**

Net Change In Fund Balances - Governmental Funds \$ 671,594

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

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.

Principal payment on bonds 380,000

Change In Net Position Of Governmental Activities \$ 1,051,594

SCENIC REGIONAL LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **SCENIC REGIONAL LIBRARY DISTRICT** (the District) was formed on May 20, 1959 by a cooperative agreement between the Franklin, Gasconade, and Warren County Library Districts. A commission order was approved to establish the District as of December 31, 2014 in all three counties authorizing the consolidation of the Franklin County Library District with the Warren County and Gasconade County Library Districts. The order authorized each county to have the same rate of taxation on assessed valuation.

The District operates facilities in the cities of Warrenton, Wright City, Hermann, Owensville, Pacific, New Haven, St. Clair, Sullivan, and Union, Missouri. The Union facility also serves as headquarters for the District.

The more significant accounting policies consistently applied by the District in the preparation of the accompanying financial statements are summarized below:

1. Reporting Entity

The financial statements of the District include the financial activities of the District and any component units, entities which are financially accountable to the District. The District does not currently have any component units.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position - modified cash basis and the statement of activities - modified cash basis) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Major individual governmental funds are reported as separate columns in the fund financial statements. The District has no business-type activities.

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

Measurement focus is a term used to describe “what” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Measurement Focus

In the government-wide statement of net position - modified cash basis and the statement of activities - modified cash basis, the governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. However, the District has elected not to report capital assets.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate. Fund financial statements utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as the measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position - modified cash basis and statement of activities - modified cash basis and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/ fund equity, revenues, and expenses/expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The District reports the following major governmental funds:

General Fund -- The General Fund is the general operating fund of the District. It is used to account for all financial resources except those accounted for in another fund.

Debt Service Fund -- The Debt Service Fund accounts for the payment of long-term debt principal and interest for the certificates of participation.

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Cash and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments, if any, are re-reported at cost which approximates fair value.

5. Compensated Absences

The District considers compensated absences as expenditures in the year paid. Unused amounts for holiday pay and vacation which are vested in the employee are payable only upon retirement.

Any unused sick days at the time of retirement are lost.

The District accrues hours for the compensated absences of employees. No liability for these accruals has been reported in the financial statements.

Vacation days accrue to exempt employees at 20 days per year and to nonexempt employees at between 10 and 15 days per year depending on length of service. Unused accrued vacation can be carried over for one year.

Sick leave accrues at one day per month and can accumulate up to sixty days.

The District's accrued compensated absences were as follows:

	June 30, 2021	
	Hours	Amount
Sick leave	3,068	\$ 62,948
Vacation	2,479	55,689
Total	<u>5,547</u>	<u>\$ 118,637</u>

The accompanying financial statements are prepared on the modified cash basis of accounting. Therefore, the liability for compensated absences is not required.

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Property Taxes

Property taxes may be levied each year on the assessed value listed as of January 1 for all real and personal property in the counties. Property taxes attach as an enforceable lien on property as of January 1. Taxes levied in November are due and payable prior to December 31.

The following is a summary of the 2020 assessed valuation and tax rates per \$100 of assessed value:

	Assessed Valuation	Tax Levy (Per \$100)
Franklin County	\$ 2,123,501,394	0.1973
Warren County	642,325,467	0.1973
Gasconade County	255,247,785	0.1973
Crawford County	17,989,413	0.1973
Total	\$ 3,039,064,059	

7. Risk Management

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

8. Use of Estimates

The preparation of basic financial statements on the modified cash basis of accounting requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

9. Fund Balance Policies

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted -- The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fund Balance Policies (Continued)

Committed -- The portion of fund balance with constraints or limitations by formal action (resolution) of the Board of Trustees, the highest level of decision-making authority.

Assigned -- The portion of fund balance that the District intends to use for a specific purpose; as determined by the applicable District officials to which the Board of Trustees has designated authority.

Unassigned -- Any residual fund balance in the General Fund or deficit fund balance in other funds is reports as unassigned.

When both restricted and unrestricted resources are available, the District will spend the most restricted amounts before the least restricted. The District will spend the unrestricted amounts in the following order: committed, assigned, and unassigned.

10. Pensions

For purposes of measuring the net pension asset/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. LAGERS' investments are reported at fair value.

Because of the accounting method used, the District does not record the net pension liability (asset), deferred outflows of resources, or deferred inflows of resources for the pension plan.

11. Accounting Pronouncement

The District adopted GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postponed various statements to provide temporary relief in light of the COVID-19 pandemic.

NOTE B - CASH

1. Bank Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's bank deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the District or trustee institution. The value of the securities must amount to the total of the District's cash not insured by the Federal Deposit Insurance Corporation.

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH (Continued)

1. Bank Deposits (Continued)

As of June 30, 2021, the District's bank balances were entirely secured or collateralized with securities held by the District or by its agent in the District's name.

2. Investments

As of June 30, 2021, the District only maintains a money market fund which is carried at cost and is not rated.

Investment Policies

The District's formal investment policies are as follows:

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District minimizes credit risk by investing in substantially risk-free investments.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District minimizes concentration of credit risk by considering diversifying the investment portfolio.

Custodial Credit Risk for investments, is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal investment policy regarding custodial credit risk. The money market fund is not subject to the custodial credit risk for investments.

3. Fair Value Measurements

The District classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are prices quoted in active markets for those securities; Level 2 inputs are significant other observable inputs using a matrix pricing technique; and Level 3 inputs are significant unobservable inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities. The District only has money market funds which are not subject to fair value level classification.

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

	Balance June 30 2020	Increases	Decreases	Balance June 30 2021
Land	\$ 1,664,470	-	-	1,664,470
Construction in progress	5,424	72,000	-	77,424
Buildings	24,115,813	29,742	-	24,145,555
Automotive equipment	134,357	-	53,662	80,695
Equipment	27,982	-	-	27,982
Furniture and fixtures	615,728	117,777	-	733,505
Total Capital Assets	\$ 26,563,774	219,519	53,662	26,729,631

Capital assets are stated at cost and are defined as assets with an initial individual cost of \$1,000 or more and an estimated useful life of more than one year. Capital assets do not include the library book collection and are not depreciated. The accompanying financial statements are prepared on the modified cash basis of accounting. Therefore, capital assets are not included.

NOTE D - PENSION PLANS

Plan Description

The District's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The District 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 supplemental information. This report may be obtained by accessing the LAGERS' website at www.molagers.org.

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.

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLANS (Continued)

	<u>2021</u> <u>Valuation</u>
Benefit multiplier	2% for life
Final average salary	5 years
Member contributions	4%

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	22
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>27</u>
Total	<u><u>52</u></u>

Contributions

The District 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 District contribute 4% to the pension plan. The District’s contribution rate is 19.3% of annual covered payroll.

Net Pension Liability

The District’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. The pension liability was then rolled forward to the measurement date of June 30, 2021, utilizing procedures incorporating the actuarial assumptions.

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

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLANS (Continued)

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowance 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 Retirement Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

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

The actuarial assumptions used in the February 28, 2021 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The discount rate decreased from 7.25% to 7.00% during the year ended June 30, 2021.

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-term Expected Real Rate Of Return</u>
Alpha	15.00%	3.67%
Equity	35.00	4.78
Fixed income	31.00	1.41
Real assets	36.00	3.29
Strategic assets	8.00	5.25
Cash/leverage	(25.00)	(0.29)

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.

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLANS (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2020	\$ 5,253,315	3,838,599	1,414,716
Changes for the year			
Service cost	160,762	-	160,762
Interest	374,380	-	374,380
Difference between expected and actual experience	(58,903)	-	(58,903)
Changes of assumptions	(237,710)	-	(237,710)
Contributions - employer	-	244,694	(244,694)
Contributions - employee	-	50,712	(50,712)
Net investment income	-	1,037,102	(1,037,102)
Benefit payments, including refunds	(342,864)	(342,864)	-
Administrative expense	-	(5,444)	5,444
Other	-	(36,684)	36,684
Net Changes	<u>(104,335)</u>	<u>947,516</u>	<u>(1,051,851)</u>
Balances at June 30, 2021	<u>\$ 5,148,980</u>	<u>4,786,115</u>	<u>362,865</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% point lower (6.00%) or 1% point higher (8.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Single Discount Rate Assumption</u>	<u>1% Increase</u>
Net pension liability (asset)	<u>\$ 963,744</u>	<u>362,865</u>	<u>(143,502)</u>

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

For the year ended June 30, 2021, the District's actuarially determined pension expense was \$106,921. Reported deferred outflows and inflows of resources are related to pensions from the following sources:

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLANS (Continued)

	Outflows	Inflows	Net Outflows
Differences in experience	\$ 146,620	(47,671)	98,949
Changes of assumptions	-	(192,382)	(192,382)
Net difference between projected and actual earnings on pension plan investments	-	(498,500)	(498,500)
Total	\$ 146,620	(738,553)	(591,933)

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

**For The Plan
Years Ending
June 30**

2022		\$ (124,426)
2023		(115,805)
2024		(130,188)
2025		(207,701)
2026		(13,813)
Total		\$ (591,933)

Because of the accounting method used, the District does not record the net pension asset, deferred outflows of resources, or deferred inflows of resources for the pension plan.

NOTE E - LONG-TERM DEBT

On February 1, 2017 the District issued \$18,210,000 of certificates of participation, Series 2017, due in annual installments through April 2047, interest payable at 2% to 4%. The certificates are being used to finance construction and improvement of various Library branches.

The following is a summary of the District's long-term debt transactions:

	Balance June 30 2020	Additions	Payments	Balance June 30 2021	Amounts Due Within One Year
Certificates of participation	\$ 17,240,000	-	380,000	16,860,000	390,000

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT (Continued)

The certificates of participation will be paid by the Debt Service Fund. Also, the certificates are recorded as a liability on the government-wide financial statements due to the District's receipt of cash for this liability on the modified cash basis of accounting.

Annual service requirements to maturity for the certificates of participation are as follows:

For The Years Ending June 30	Principal	Interest	Total
2022	\$ 390,000	655,994	1,045,994
2023	405,000	644,294	1,049,294
2024	420,000	628,094	1,048,094
2025	435,000	611,294	1,046,294
2026	455,000	593,894	1,048,894
2027 - 2031	2,530,000	2,702,470	5,232,470
2032 - 2036	3,050,000	2,183,987	5,233,987
2037 - 2041	3,685,000	1,549,900	5,234,900
2042 - 2046	4,485,000	753,200	5,238,200
2047	1,005,000	40,200	1,045,200
Total Of Minimum Payments Required	<u>\$ 16,860,000</u>	<u>10,363,327</u>	<u>27,223,327</u>

NOTE F - LEASES

The District leases its Hermann facility. Future rental payments under these leases to expiration are as follows:

For The Year Ending June 30	Hermann
2022	<u>\$ 24,504</u>

Facilities in St. Clair, New Haven, Pacific, Warrenton, Wright City, Owensville, and Union are owned by the District in which the facility is located.

SCENIC REGIONAL LIBRARY DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE G - COMMITMENTS

The District has an agreement under which MO Evergreen provides software updates and support to its automated, online book access system. The support agreement amounted to \$13,835 for the year ended June 30, 2021. The agreement is in effect until cancelled by either party.

The District has an agreement under which the University of Missouri system provides internet connectivity, technical support, and training to the District. The agreement amounted to \$32,738 for the year ended June 30, 2021. The agreement is in effect until cancelled by either party.

The District also entered a reciprocal lending agreement with the Washington Municipal Library under which the District will pay a fee for materials borrowed by Library patrons that are in excess of the materials loaned to Washington patrons. The amounts paid under this agreement for the year ended June 30, 2021, was \$49,778.

The District also has other agreements in place for automation support, reciprocal lending, and electronic database access, but the total amounts paid during the year ended June 30, 2021 were not material to the financial statements taken as a whole.

NOTE H - TAX ABATEMENT AGREEMENTS

The cities served by the District utilize three types of tax abatement programs to attract jobs and industrial investments to their cities. They are Chapter 100, Chapter 353, and Enhanced Enterprise Zone.

Chapter 100 -- At the end of 2021, the cities served by the District had five Chapter 100 projects. Chapter 100 is a means of using bonds to purchase the building and equipment with the City holding title to the property and the company paying a PILOT (payment in lieu of taxes) or a grant to the City each year. The cities share a portion of these taxes with the District. In 2021, \$24,323 of the District's share of the real estate property taxes were abated through the Chapter 100 Program.

Chapter 353 -- At the end of 2021, the cities served by the District had three active Chapter 353 projects. Chapter 353 is taking a blighted piece of property and giving tax abatement for a limited number of years to a company who will improve the property and bring in jobs. In 2021, \$2,804 of the District's share of the real estate property taxes were abated through the Chapter 353 Program.

Enhanced Enterprise Zone -- At the end of 2021, the cities served by the District had seven active Enhanced Enterprise Zone Projects. The purpose is to encourage business development and job creation. Zone boundaries are established in conjunction with the Missouri Department of Economic Development and are based on areas of low income and high unemployment, the potential to create sustainable jobs in a target industry and the impact on local industry cluster development. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value as a result of the improvements. In 2021, \$9,301 of the District's real estate property taxes were abated through this Program.

SCENIC REGIONAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE I - INTERFUND TRANSFERS

Individual interfund transfers are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>For The Year Ended June 30 2021</u>
Debt Service Fund	General Fund	\$ <u>1,047,734</u>

The principal purpose of interfund transfers is to provide a financing source of funds to cover all debt service costs.

NOTE J - SUBSEQUENT EVENTS

In September 2021, the District issued \$2,315,000 of Certificates of Participation, Series 2021 to fund the Hermann Library building project.

In September 2021 the District entered into a construction contract for the Hermann building for \$2,250,213.

SUPPLEMENTAL INFORMATION SECTION

SCENIC REGIONAL LIBRARY DISTRICT
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original And Final Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 5,651,737	5,780,746	129,009
State aid	-	77,103	77,103
Grants and donations	31,121	36,579	5,458
Investment income	20,000	26,902	6,902
Other	75,000	78,760	3,760
Total Revenues	5,777,858	6,000,090	222,232
EXPENDITURES			
Current:			
Wages	2,260,391	2,055,603	(204,788)
Books	400,000	339,687	(60,313)
Periodicals	22,500	22,502	2
Electronic materials	388,200	329,139	(59,061)
Reciprocal lenders agreements	71,500	49,778	(21,722)
Utilities	155,000	146,320	(8,680)
Rent	25,200	24,504	(696)
Insurance	69,500	67,716	(1,784)
Repairs and maintenance	168,500	181,221	12,721
Supplies	26,000	55,933	29,933
Postage	12,000	10,198	(1,802)
Employee insurance	296,010	284,816	(11,194)
Employee retirement	290,820	244,667	(46,153)
Automotive	13,500	8,048	(5,452)
Professional fees	89,000	83,863	(5,137)
Travel and dues	22,000	16,224	(5,776)
Automation	84,600	46,573	(38,027)
Miscellaneous	76,820	53,603	(23,217)
Programs	96,000	36,779	(59,221)
Capital outlay	65,000	227,129	162,129
Debt service:			
Principal	10,619	10,619	-
Interest and other fiscal charges	185	185	-
Total Expenditures	4,643,345	4,295,107	(348,238)
REVENUES OVER EXPENDITURES	1,134,513	1,704,983	570,470
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	14,347	14,347
Transfer out	-	(1,047,734)	(1,047,734)
Total Other Financing Sources (Uses)	-	(1,033,387)	(1,033,387)
NET CHANGE IN FUND BALANCE	\$ 1,134,513	671,596	(462,917)
FUND BALANCE, JULY 1		4,259,541	
FUND BALANCE, JUNE 30		\$ 4,931,137	

**SCENIC REGIONAL LIBRARY DISTRICT
SUPPLEMENTAL INFORMATION - NOTES TO SCHEDULES OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - MODIFIED CASH BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

Budgetary Data

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The proposed budget is submitted to the Board of Trustees for the fiscal year. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenue of the preceding year plus any unassigned balance at the end of such year.
- b. Public meetings are conducted to obtain taxpayer input and comments.
- c. The budget must be adopted by the affirmative vote of a majority of the Board of Trustees for each fiscal year.
- d. The District prepares its budget on the modified cash basis of accounting. For each fund, total fund expenditures may not legally exceed the budgeted expenditures.
- e. The Board of Trustees may authorize revisions. All appropriations not spent lapse at fiscal year-end.
- f. During the year the Board of Trustees may authorize supplemental appropriations to the budget.

For the year ended June 30, 2021, the Debt Service Fund had expenditures exceeding appropriations by \$348. This over expenditure was covered by current year transfers and available fund balance.

SCENIC REGIONAL LIBRARY DISTRICT
SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE -
MODIFIED CASH BASIS - BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Investment income	\$ -	6	6
EXPENDITURES			
Debt service:			
Principal	380,000	380,000	-
Interest	667,394	667,742	348
Total Expenditures	<u>1,047,394</u>	<u>1,047,742</u>	<u>348</u>
REVENUES UNDER EXPENDITURES	(1,047,394)	(1,047,736)	(342)
OTHER FINANCING SOURCES			
Transfer in	<u>-</u>	<u>1,047,734</u>	<u>1,047,734</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (1,047,394)</u></u>	(2)	<u><u>1,047,392</u></u>
FUND BALANCE, JULY 1		<u>8</u>	
FUND BALANCE, JUNE 30		<u><u>\$ 6</u></u>	

SCENIC REGIONAL LIBRARY DISTRICT
PENSION INFORMATION - SCHEDULE OF CHANGES IN THE
EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability							
Service cost	\$ 160,762	150,740	132,495	108,642	110,697	88,333	70,804
Interest on the total pension liability	374,380	349,936	331,878	312,932	302,152	273,154	265,163
Difference between expected and actual experience	(58,903)	167,442	103,498	108,225	(32,189)	87,487	(9,174)
Changes of assumptions	(237,710)	-	-	-	-	173,758	-
Benefit payments, including refunds	(342,864)	(329,161)	(326,381)	(235,612)	(226,459)	(240,799)	(210,094)
Net Change In Total Pension Liability	<u>(104,335)</u>	<u>338,957</u>	<u>241,490</u>	<u>294,187</u>	<u>154,201</u>	<u>381,933</u>	<u>116,699</u>
Total Pension Liability Beginning	<u>5,253,315</u>	<u>4,914,358</u>	<u>4,672,868</u>	<u>4,378,681</u>	<u>4,224,480</u>	<u>3,842,547</u>	<u>3,725,848</u>
Total Pension Liability Ending (a)	<u>\$ 5,148,980</u>	<u>5,253,315</u>	<u>4,914,358</u>	<u>4,672,868</u>	<u>4,378,681</u>	<u>4,224,480</u>	<u>3,842,547</u>
Plan Fiduciary Net Position							
Contributions - employer	\$ 244,694	223,722	193,667	157,492	140,091	131,712	87,255
Contributions - employee	50,712	48,901	44,779	38,648	35,472	35,561	25,193
Net investment income	1,037,102	49,406	253,293	385,851	356,435	(9,958)	61,127
Benefit payments, including refunds	(342,864)	(329,161)	(326,381)	(235,612)	(226,459)	(240,799)	(210,094)
Administrative expense	(5,444)	(6,992)	(6,037)	(3,585)	(3,371)	(3,281)	(3,355)
Other	(36,684)	(544)	32,730	18,090	34,065	23,469	(118,173)
Net Change In Plan Fiduciary Net Position	<u>947,516</u>	<u>(14,668)</u>	<u>192,051</u>	<u>360,884</u>	<u>336,233</u>	<u>(63,296)</u>	<u>(158,047)</u>
Plan Fiduciary Net Position Beginning	<u>3,838,599</u>	<u>3,853,267</u>	<u>3,661,216</u>	<u>3,300,332</u>	<u>2,964,099</u>	<u>3,027,395</u>	<u>3,185,442</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 4,786,115</u>	<u>3,838,599</u>	<u>3,853,267</u>	<u>3,661,216</u>	<u>3,300,332</u>	<u>2,964,099</u>	<u>3,027,395</u>
Net Pension Liability Ending (a)-(b)	<u>\$ 362,865</u>	<u>1,414,716</u>	<u>1,061,091</u>	<u>1,011,652</u>	<u>1,078,349</u>	<u>1,260,381</u>	<u>815,152</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.95 %	73.07	78.41	78.35	75.37	70.16	78.79
Covered Payroll (for February 28/29 Valuation)	\$ 1,203,686	1,245,569	1,122,771	972,377	777,804	895,239	597,692
Payroll	30.15 %	113.58	94.51	104.04	138.64	140.79	136.38

Note: Information is not available for fiscal years prior to 2015.

SCENIC REGIONAL LIBRARY DISTRICT
PENSION INFORMATION - SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined pension contribution	\$ 290,483	282,403	273,148	213,533	198,661	206,122	148,146	108,273	85,458	88,220
Contributions in relation to the actuarially determined contribution	244,817	223,722	193,667	157,492	140,091	131,712	87,254	68,636	60,483	58,588
Contribution Deficiency (Excess)	<u>\$ 45,666</u>	<u>58,681</u>	<u>79,481</u>	<u>56,041</u>	<u>58,570</u>	<u>74,410</u>	<u>60,892</u>	<u>39,637</u>	<u>24,975</u>	<u>29,632</u>
Covered Payroll	\$ 1,268,485	1,222,525	1,119,460	966,211	886,812	889,038	629,835	535,425	511,386	545,961
Contributions as a Percentage of Covered Payroll	19.30 %	18.30	17.30	16.30	15.80	14.82	13.85	12.82	11.83	10.73

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28/29 prior to the end of the fiscal year in which contributions are reported.

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method
 Amortization method

Entry age normal and modified terminal funding
 A level percentage of payroll amortization method is used to amortize the UAAL over 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
 Asset valuation method
 Inflation
 Salary increases
 Investment rate of return
 Retirement age
 Mortality

Multiple bases from 8 to 15 years
 5 years smoothed market; 20% corridor
 2.75% wage inflation; 2.25% price inflation
 2.75% to 6.75%, including wage inflation
 7.00%, net of investment expenses
 Experience-based table of rates that are specific to the type of eligibility condition
 The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances were 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 and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.
 Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale of the above described tables.

Other information:

There were no benefit changes during the year.

The discount rate decreased from 7.25% to 7% during the year ended June 30, 2021.

The District is paying the contributions LAGERS is requiring them to pay, however, the employer contribution rate for funding/payments is different than the actuarial required contribution rate because per state statute LAGERS will not increase the employer contribution rate more than 1% unless there is a benefit change.

Therefore the employer contribution rate is capped and the actuarial required contribution uses the uncapped rate.