
Flint Public Library

**Financial Report
with Supplemental Information
June 30, 2019**

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Independent Auditor's Report

To the Board of Trustees
Flint Public Library

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the discretely presented component unit of the Flint Public Library (the "Library") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Flint Public Library's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the discretely presented component unit of the Flint Public Library as of June 30, 2019 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Flint Public Library

Other Matter

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as identified in the table of contents, 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, which 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted 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.

Plante & Moran, PLLC

October 4, 2019

This section of the Flint Public Library's (the "Library") annual financial report presents our discussion and analysis of the Library's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the Library's financial statements, which follow this section.

Financial Highlights

The highlights of the financial statements as presented are as follows:

- The Library's primary source of revenue is from property taxes. Total tax collections in 2019 were \$2,847,243. This represents approximately 73 percent of total revenue.
- The Library received the third year of stabilization authority receipts from the State of Michigan. The total receipts were \$162,363, which was a decrease of \$227,995 from the payment received in the prior year. This payment represents 4 percent of total revenue.
- A grant of \$100,000 was received from the Ruth Mott Foundation for general operations in 2019. The funds were used to continue the programs and changes in infrastructure to support the strategic initiatives of early literacy and digital literacy.
- The Library continued its annual development campaign raising \$135,286 in annual gifts. This was the largest amount raised not including special grants since the annual campaign began in 2014.
- The Foundation for Flint, a supporting organization of the Community Foundation of Greater Flint, awarded a grant in 2017 representing a three-year commitment to support Flint Kids Read implementing the Dolly Parton Imagination Library. Flint Kids Read enables children living in Flint to receive free books every month delivered to their home through regular mail. The Dolly Parton Imagination Library book-by-mail program selects age-appropriate books for children from birth to age five, and sends them out each month to children who enroll through the library. The Flint Kids Read project is one of the cornerstones of the early literacy strategic goal for the Library. The library allocated \$133,622 for use in 2019 and received \$204,000 in funding for year two of the grant. The Library has allocated \$113,880 for use in 2020.
- Personnel costs are the largest overall expenditure of the Library. For 2019, salaries, fringe benefits, and taxes totaled \$2,110,365, representing approximately 60 percent of the Library's total expenditures.
- Library materials (e.g., books, CDs, DVDs, electronic databases, etc.) of \$327,888 are one of the largest overall expenditures of the Library. This represents approximately 9 percent of the Library's total expenditures.
- Total expenditures for the entire year before depreciation were \$3,516,409.
- The Library's net position increased by \$281,166 during the year ended June 30, 2019. Depreciation expense was \$261,819. The increase in net position is the result of the receipt of the stabilization authority receipt, the continuation of the grant from the Foundation for Flint, a supporting organization of the Community Foundation of Greater Flint, for the Dolly

Management's Discussion and Analysis (Continued)

Parton Imagination Library Program, and increased gifts to the Library. Funds from the grant awards not expended during FY 2019 were assigned to FY 2020 to complete the projects. The current year recording of pension liability expenses as required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) is included in the increased net position. The current year recording of OPEB liability expenses as required by the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* is included in the increased net position.

Government-wide Statements The government-wide statements report information about the Library as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Library's net position and how it has changed. Net position - the difference between the Library's assets and liabilities - is one way to measure the Library's financial health or position.

- Over time, increases or decreases in the Library's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Library, you need to consider additional nonfinancial factors such as changes in the Library's property tax base.

The implementation of GASB 68 is accounted for in the government-wide statements. The net effect to the government-wide statements was a net pension liability of \$1,895,895. There are deferred outflows of \$824,796, deferred inflows of \$(449,074), net pension asset of \$106,065, and net pension liability of \$(2,001,960).

The implementation of GASB 75 is accounted for in the government-wide statements. The net effect to the government-wide statements was a net OPEB (other post-employment benefit) liability of \$447,020.

Overview of the Financial Statements

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplemental information.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplemental information that presents a schedule of the operating budget as originally adopted, the amended budget, and compares the amended budget with actual results. This information will be utilized by the Library's administration to help forecast future budgetary revenue and expenditures.

Governmental Activities

Financial Analysis of the Library as a Whole

Management’s Discussion and Analysis (Continued)

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the Library, assets exceeded liabilities by approximately \$4.3 million at the close of the most recent fiscal year (see table below).

	Governmental Activities				Percent Change
	2017	2018	2019*	Change	
Assets					
Other assets	\$ 4,143,922	\$ 4,387,796	\$ 4,585,753	\$ 197,957	5%
Capital assets	2,461,915	2,797,419	2,642,009	(155,410)	-6%
Total assets	6,605,837	7,185,215	7,227,762	42,547	1%
Deferred Outflows of Resource	432,646	487,712	899,952	412,240	85%
Liabilities					
Current liabilities	444,007	275,382	296,486	21,104	8%
Long-term liabilities	2,262,747	2,622,617	2,661,363	38,746	1%
Total liabilities	2,706,754	2,897,999	2,957,849	59,850	2%
Deferred Inflows of Resources	214,505	524,298	638,069	113,771	22%
Net Position					
Net investment in capital assets	2,461,915	2,797,419	2,642,009	(155,410)	-6%
Restricted	756,346	538,343	561,254	22,911	4%
Unrestricted	898,963	914,868	1,328,533	413,665	45%
Total net position	<u>\$ 4,117,224</u>	<u>\$ 4,250,630</u>	<u>\$ 4,531,796</u>	<u>\$ 281,166</u>	7%

	Governmental Activities				Percent Change
	2017	2018	2019	Change	
Revenue					
Property taxes	\$ 2,810,551	\$ 2,846,539	\$ 2,847,243	\$ 704	0%
Other revenue	1,557,983	1,336,980	1,049,417	(287,563)	-22%
Total revenue	4,368,534	4,183,519	3,896,660	(286,859)	-7%
Program Expenses - General government	3,588,481	3,439,948	3,615,494	175,546	5%
Change in Net Position	<u>\$ 780,053</u>	<u>\$ 743,571</u>	<u>\$ 281,166</u>	<u>\$ (462,405)</u>	-62%

Total net position for the Library increased \$281,166 during the year ended June 30, 2019.

Management's Discussion and Analysis (Continued)

Total revenue decreased by \$286,859, or 7 percent, while expenses increased \$175,546, or 5 percent.

Property tax revenue increased by less than 1 percent in 2019. An operating millage proposal was presented to voters in the City of Flint, Michigan in November 2015; the proposal passed with 73 percent approval by those who voted. This increased the operating millage for the Library from a total of 3.4 mills to 4.0 mills, of which 2.0 mills are in perpetuity and 2.0 mills expire in 2021. The Library maintains an allowance of \$133,325 for potential chargebacks on the tax roll to mitigate the effect on current year revenue.

The decrease in other revenue is attributable to the decrease in the Stabilization Authority receipts of \$390,358 in 2018 to \$162,363 in 2019. Additional changes in revenue that led to the decline in other revenue was a development matching grant of \$50,000 resulting from an increase in development gifts of \$50,970 in 2018 that did not occur in 2019.

The Library's Fund

Our analysis of the Library's major fund begins on page 15, following the government-wide financial statements. The fund financial statements provide detailed information about the General Fund, the Library's major fund for 2019, not the Library as a whole.

The General Fund pays for the Library's services. The most significant expenditures are salaries and wages and employee benefits and taxes. Maintenance and utilities for the building owned by the Library are the next most significant, followed by materials expenses and supplies or program expenses. Property taxes levied on the property owners in the City of Flint, Michigan comprise the most significant revenue source for the General Fund.

The following table on page 9 shows the total governmental fund activity on a modified accrual basis:

Management's Discussion and Analysis (Continued)

	Governmental Fund - General Fund				Percent
	2017	2018	2019	Change	Change
Revenue					
Property taxes	\$ 2,810,551	\$ 2,846,539	\$ 2,847,243	\$ 704	0%
Universal service fund rebates (E rate)	67,960	3,318	16,718	13,400	404%
Stabilization authority payments	300,122	390,358	162,363	(227,995)	100%
Charges for services	36,686	35,250	32,243	(3,007)	-9%
Penal fines	-	175,562	91,347	(84,215)	100%
Grants and memorials	813,204	488,822	360,890	(127,932)	-26%
State aid	146,883	171,215	168,778	(2,437)	-1%
Investment income	15,583	24,097	45,418	21,321	88%
Gifts	84,999	133,412	169,880	36,468	27%
Miscellaneous	4,058	3,434	1,780	(1,654)	-48%
Total revenue	4,280,046	4,272,007	3,896,660	(375,347)	-9%
Expenditures					
Current:					
Salaries and wages	1,436,333	1,434,520	1,547,750	113,230	8%
Employee benefits and taxes	619,915	637,769	562,615	(75,154)	-12%
Materials	321,938	312,034	264,556	(47,478)	-15%
Supplies	137,797	164,064	182,858	18,794	11%
Maintenance and utilities	274,251	291,833	280,400	(11,433)	-4%
Professional services	197,042	187,910	224,268	36,358	19%
Rent	3,797	4,148	3,987	(161)	-4%
Communications	60,745	80,920	85,968	5,048	6%
Dues and memberships	6,328	7,336	8,052	716	10%
Printing and publishing	20,969	24,833	33,671	8,838	36%
Library cards and other fees	27,764	19,458	15,491	(3,967)	-20%
Insurance	36,171	37,168	38,490	1,322	4%
Grant and memorial expenditures	152,819	613,859	91,093	(522,766)	-85%
Transportation/Staff development	13,797	11,355	14,138	2,783	25%
Uncollectible pledges	4,500	-	-	-	100%
Capital outlay	123,124	96,332	163,072	66,740	69%
Total expenditures	3,437,290	3,923,539	3,516,409	(407,130)	-10%
Net Change in Fund Balance	842,756	348,468	380,251	31,783	9%
Fund Balance - Beginning of year	2,611,727	3,454,483	3,802,951	348,468	10%
Fund Balance - End of year	\$ 3,454,483	\$ 3,802,951	\$ 4,183,202	\$ 380,251	10%

Capital Assets

At the end of 2019, the Library had capital assets of \$2,642,009, net of accumulated depreciation. The largest portion represents donated building and land of the main branch of \$2,650,000 at fair market value at the date of donation; the current book value including capital improvements net of accumulated depreciation is \$1,298,253. This net amount complies with methods established by Governmental Accounting Standards Board (GASB) Statement No. 34. Architect fees for the building design are being capitalized as construction in progress.

Long-term Debt

At year end, the Library had \$107,543 owed to employees for compensated absences and \$104,840 for terminal leave payments.

Budgets

The significant changes to the total overall budget between the original and final amended budget were due to the following items:

Revenue

- Property tax revenue increased from previous estimates as a result of fewer adjustments for unpaid property taxes in prior years. The Library proactively maintained an allowance for estimated chargebacks of \$133,325.
- State aid for Libraries as appropriated by the State of Michigan were greater than originally anticipated.
- The Library received the stabilization authority payment in the amount of \$162,363; an amount greater than originally anticipated after discussion with the Michigan Department of Treasury regarding calculations for the payment.
- Gift and donation revenue was adjusted to include the increase in donations for the new library capital campaign.

Expenditures

The decrease in expenses was the result of two open positions that were not filled during the fiscal year, leveraging of resources, staff changes in other positions due to retirements and continued prudent spending by library staff. The open positions were budgeted including estimated fringe benefit costs. The use of grants received for summer reading and public concerts allowed for greater programming opportunities and economies of scale in planning. The Library has continued an overall conservative, frugal approach due to the uncertainty of future revenue.

Economic Factors and Next Year's Budget

Property values are projected to increase 3.3 percent in fiscal year 2020 and taxable values are projected to increase 1.19 percent (source: Genesee County Equalization April 24, 2019 report to county commissioners).

Management's Discussion and Analysis (Continued)

The management of the Library continues to be committed to operating the Library within the revenue provided. Libraries in Michigan are funded almost completely at the local level through property tax revenue. The decline in the tax base in the City of Flint, Michigan from 2008 to 2016 led the Library to seek out other funding mechanisms as well as private fundraising and the development of a base of donors committed to the Library and its mission and vision.

The unprecedented level of home foreclosures as well tax foreclosures that occurred in previous years appears to be coming to an end. In Michigan, a property that has delinquent taxes may be foreclosed upon after two years; after three years, the property is sold at a tax auction. County treasurers set up a delinquent tax revolving fund in which taxing entities are paid in full for delinquent taxes in the year they are levied. As adjustments are made to the delinquent tax roll due to collections and foreclosures, the adjustments are charged back to the taxing entities. When property values are rising, the adjustments often result in additional revenue for the entities; in years of declining values, the adjustments result in revenue being reduced from the current year tax roll. The Library has proactively maintained a liability for chargebacks of \$133,325 for fiscal year 2020 and reduced anticipated collections by 4 percent based on a methodology for determining reductions for past property tax chargebacks.

Flint Public Library's adopted operating budget for the fiscal year ending June 30, 2020 as adopted in June 2019 is as follows:

Estimated revenue	\$3,446,280
Estimated use of fund balance	147,790
Estimated expenditures	<u>3,594,070</u>
Net	<u>\$ -</u>

The budget, as adopted by the board of trustees, used assigned net funds of \$127,896 from grants funds received that overlapped fiscal years and unassigned, uncommitted, and unrestricted funds of \$147,790. The following were the highlights of the budget as adopted by the board of trustees:

- A slight increase in property tax revenue
- Inclusion of money from the Local Community Stabilization Authority for FY 20, conservatively estimated
- Continuation of the collaboration with the Flint Cultural Center Corporation for outside maintenance services, custodial services and light maintenance
- Continuing the collaboration with the Flint Institute of Arts for security services
- Establishing a campaign goal of \$117,500 for the Annual Campaign for operations
- Contract for professional services to enhance our fundraising capability and begin the work towards a successful capital campaign

The Library undertook a planning process with nationally recognized library experts from Library Strategies International between July 2014 and February 2015. The goal of the planning was to

Management's Discussion and Analysis (Continued)

develop a new model of library service that aligns library services with community needs as expressed in the City of Flint Master Plan and the Flint and Genesee Literacy Network's Plan for Improving Community Literacy and that can be made financially sustainable over time. The planning process led to two significant decisions to stabilize the budget and ensure future viability:

First, the placement of the successful millage proposal on the November 2015 ballot. The operating millage expires in December 2021. The board of trustees approved a resolution to place the renewal of 2.0 mills on the ballot in November 2019 to secure the operational millage for the library for the next ten years.

Second, the board and Library leadership have established a new model of library service that will result in a transformation plan for the Flint Public Library.

Our vision is to become Flint's "go to" place to learn for life.

We are continuing to transform this library into a future-focused, sustainable resource that not only supports, but also leads, Flint's vision for the future. This plan began in FY 2016 and continues into fiscal year 2020. The plan will channel Library resources (money and staff) into three key service priority areas to:

- Early childhood literacy
- Digital learning for all ages
- Activating the library building as a community hub

The library has successfully begun the early childhood literacy and digital learning for all ages priorities. The Design a Library for the Future project funded by the C. S. Mott foundation has evolved into the "Flint Public Library Transformed" building project. The Board of Trustees approved a building design in FY 19 to renovate the current building. This design will accomplish the following:

- Double the Children's Learning Place space
- Double the digital learning space
- Provide 66% more space for local history and genealogy, including a storage vault
- Create 6 study rooms, 9 meeting rooms and 4 classrooms
- Making an additional 16,000 sq. ft. available to the public through reconfiguration of existing space
- Making the building more accessible for people with disabilities

The Library is the only building on the Cultural Center Campus that is owned entirely by the residents of Flint. The Library building and its systems are 60 years old. Major renovation is needed to keep the building working. The total cost is approximately \$27.6 million. The board of trustees placed on the ballot in November a \$12,600,000 bond with a 12-year maturity to provide the remainder of the funds needed for this project. The balance of the funding will be provided by generous donors.

Management's Discussion and Analysis (Continued)

We are optimistic that both the millage renewal and the bond proposal will be approved by the voters in the City of Flint. We stated previously that if both the millage and building renovation occur over the next several years, the Flint Public Library will be positioned to achieve long-term financial sustainability. We are excited for our future and for our community!

Requests for Information

This financial report is designed to provide our citizens and taxpayers with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance at Flint Public Library, 1026 E. Kearsley St., Flint, Michigan 48503.

June 30, 2019

	Primary Government	Discretely Presented
	Governmental	Component Unit
	Activities	Friends of the Flint Public Library
Assets		
Cash and cash equivalents (Note 2)	\$ 3,463,041	\$ 72,243
Investments	827,559	-
Receivables:		
Accrued interest receivable	6,401	-
Other receivables	4,873	-
Due from other governmental units	65,875	-
Inventory	4,473	-
Prepaid expenses	107,466	-
Net pension asset (Note 8)	106,065	-
Capital assets: (Note 3)		
Assets not subject to depreciation	1,314,377	-
Assets subject to depreciation - Net	1,327,632	-
Total assets	7,227,762	72,243
Deferred Outflows of Resources - Pension and OPEB (Notes 8 and 9)	899,952	-
Liabilities		
Accounts payable	67,351	-
Due to other governmental units	133,325	-
Accrued liabilities and other	79,735	-
Unearned revenue	16,075	-
Noncurrent liabilities:		
Due within one year - Compensated absences and terminal leave (Note 4)	30,697	-
Due in more than one year:		
Compensated absences and terminal leave (Note 4)	181,686	-
Net pension liability (Note 9)	2,001,960	-
Net OPEB liability (Note 9)	447,020	-
Total liabilities	2,957,849	-
Deferred Inflows of Resources - Pension and OPEB (Notes 8 and 9)	638,069	-
Net Position		
Net investment in capital assets	2,642,009	-
Restricted for: (Note 7)		
Capital projects	15,000	-
Expendable endowment	190,969	-
Nonexpendable endowment	20,000	-
Donor-restricted contributions	3,684	-
Programming	20,328	-
Grants	311,273	-
Unrestricted	1,328,533	72,243
Total net position	\$ 4,531,796	\$ 72,243

June 30, 2019

	<u>General Fund</u>
Assets	
Cash and cash equivalents	\$ 3,463,041
Investments	827,559
Receivables:	
Accrued interest receivable	6,401
Other receivables	4,873
Due from other governmental units	65,875
Inventory	4,473
Prepaid expenses	107,466
	<hr/>
Total assets	<u>\$ 4,479,688</u>
Liabilities	
Accounts payable	\$ 67,351
Due to other governmental units	133,325
Accrued liabilities and other	79,735
Unearned revenue	16,075
	<hr/>
Total liabilities	296,486
Fund Balance	
Nonspendable:	
Inventory	4,473
Prepays	107,466
Nonexpendable endowment	20,000
Restricted:	
Grants	311,273
Capital projects	15,000
Expendable endowment	190,969
Programming	20,328
Donor-restricted contributions	3,684
Assigned:	
Subsequent year's budget	147,790
Technology purchases and building repairs	500,000
Unassigned	2,862,219
	<hr/>
Total fund balance	4,183,202
	<hr/>
Total liabilities and fund balance	<u>\$ 4,479,688</u>

Governmental Fund

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2019

Fund Balance Reported in Governmental Funds	\$	4,183,202
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds		2,642,009
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities		(107,543)
Terminal leave payments are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities		(104,840)
Deferred outflows of resources related to pension (MERS - Note 8 and MPSERS - Note 9)		824,796
Deferred outflows of resources related to OPEB (MPSERS - Note 9)		75,156
Deferred inflows of resources related to pension (MERS - Note 8 and MPSERS - Note 9)		(449,074)
Deferred inflows of resources related to OPEB (MPSERS - Note 9)		(188,995)
Net pension asset is not due as a receivable in the current period and is not reported in the funds		106,065
Net pension and OPEB liability are not due and payable in the current period and are not reported in the funds		<u>(2,448,980)</u>
Net Position of Governmental Activities	\$	<u>4,531,796</u>

Flint Public Library

Governmental Fund
Statement of Revenue, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2019

	<u>General Fund</u>
Revenue	
Property taxes	\$ 2,847,243
Universal service fund rebates (E rate)	16,718
Intergovernmental:	
Stabilization authority payments	162,363
Grants and memorials	360,890
Charges for services	32,243
State aid	168,778
Penal fines	91,347
Investment income	45,418
Other revenue:	
Gifts	169,880
Miscellaneous revenue	1,780
	<hr/>
Total revenue	3,896,660
Expenditures	
Current:	
Library operations:	
Salaries and wages	1,547,750
Employee benefits and taxes	562,615
Materials	264,556
Supplies and program expenses	182,858
Maintenance and utilities	280,400
Professional services	224,268
Rent	3,987
Communications	85,968
Dues and memberships	8,052
Printing and publishing	33,671
Library cards and other fees	15,491
Insurance	38,490
Grant and memorial expenditures	91,093
Transportation/Staff development	14,138
Capital outlay	163,072
	<hr/>
Total expenditures	3,516,409
Net Change in Fund Balance	380,251
Fund Balance - Beginning of year	3,802,951
	<hr/>
Fund Balance - End of year	\$ 4,183,202

Governmental Fund

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Fund Balance to the Statement of Activities**

Year Ended June 30, 2019

Net Change in Fund Balance Reported in Governmental Fund	\$ 380,251
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	119,187
Depreciation expense	(261,819)
Net book value of assets disposed of	(12,778)
Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	57,271
The change in the net pension asset and related deferred inflows and outflows are recorded when incurred in the statement of activities	(49,872)
The change in the net pension liability and related deferred inflows and outflows are recorded when incurred in the statement of activities	16,915
The change in the net OPEB liability and related deferred inflows and outflows are recorded when incurred in the statement of activities	32,011
Change in Net Position of Governmental Activities	<u>\$ 281,166</u>

June 30, 2019**Note 1 - Significant Accounting Policies**

Pursuant to Proposal A, effective July 1, 1996, school districts in Michigan are not allowed to levy a millage for public libraries. The Flint Public Library (the "Library") was, therefore, spun off from Flint Community Schools to operate as an independent body with its own board of trustees and its own tax levy. The Library has received voter approval to levy 4 mills. The Library became a separate entity as of July 1, 2000. Transfer of certain assets and liabilities was completed on June 16, 2004 between the Library and Flint Community Schools. The Library is governed by a board of trustees (the "Library Board"), which consists of seven members. The mayor appoints three members and the Flint Board of Education appoints four members.

The Library's district borders encompass the city of Flint (the "City").

The accompanying financial statements present the Library and its component unit, an entity for which the Library is considered to be financially accountable. The component unit discussed below is included in the Library's reporting entity because of the significance of its operational or financial relationship with the Library. The component unit is discretely presented via a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the Library.

Discretely Presented Component Unit

Friends of the Flint Public Library (FFPL), a not-for-profit organization, is a separate legal entity formed solely to support the Flint Public Library. The Flint Public Library does not appoint the voting majority of FFPL's board. There is no fiscal dependency or financial benefit or burden on the Library. FFPL distributes investment earnings annually to the Library. Requests for financial statements of FFPL can be made to the officers of FFPL.

Accounting and Reporting Principles

The Library follows accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the Library:

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. 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 primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

Basis of Accounting

The Library is budgeted and accounted for using the current financial resources measurement focus and the modified accrual basis of accounting.

Note 1 - Significant Accounting Policies (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The prepaid expenses reported on the balance sheet represent payments made in advance for 2020 expenditures.

Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenue to be available if it is collected within 60 days of the end of the current fiscal period.

In addition to presenting information for the General Fund on a financial resources and modified accrual basis, the financial statements also present information for the Library using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Accounting

The Library has one fund, the General Fund, which is the Library's primary operating fund.

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are stated at fair value. Investments held by others include certificates of deposit with a maturity of greater than 90 days from issuance.

Receivables

All trade and property tax receivables are shown as net of an allowance for uncollectible amounts. The amount of reserve for uncollectible real and personal property taxes was \$133,325 at June 30, 2019.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets are defined by the Library as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Note 1 - Significant Accounting Policies (Continued)

Property, plant, and equipment of the Library are depreciated using the straight-line method over the following estimated useful lives:

	Depreciable Life - Years
Computers, software, and accessories	5
Books	10
Vehicles	6
Equipment and furniture	7-20
Buildings and improvements	20

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Long-term obligations are paid with monies from the General Fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Library has deferred outflows of resources related to the defined benefit pension plans for MERS and MPSERS. See Notes 8 and 9 for details. The Library also has deferred outflows of resources related to the OPEB plan. See Note 9 for details.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Library has deferred inflows of resources recorded in the government-wide statements related to the defined benefit pension plans for MERS and MPSERS. See Notes 8 and 9 for details. The Library also has deferred inflows of resources recorded in the government-wide statements related to the OPEB plan. See Note 9 for details.

Net Position

Net position of the Library is classified in three components. Net investment in capital assets - net of related debt consist of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. Restricted net position is further classified as expendable and nonexpendable. Expendable restricted net position has been limited for use by donors and as held in trust for debt service and self-insured professional liability. Nonexpendable restricted net position has been restricted by donors to be maintained in perpetuity. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Note 1 - Significant Accounting Policies (Continued)

Net Position Flow Assumption

The Library will sometimes fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The Library will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

In the fund financial statements, the governmental fund reports the following components of fund balance:

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed:** Amounts that have been formally set aside by the board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board.
- **Assigned:** Intent to spend resources on specific purposes expressed by the governing body, director of library services, or director of finance, who are authorized by resolution approved by the governing body to make assignments
- **Unassigned:** Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

The Library Board has adopted a fund balance policy (111.4.1) that requires the establishment and maintenance of a three-month operating reserve. The current budget stabilization is approximately equivalent to a three-month operating reserve at \$900,000.

Property Tax Revenue

Property taxes are levied on each July 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on September 30 of the following year, at which time penalties and interest are assessed.

The taxable valuation of the Library totaled approximately \$715 million, on which ad valorem taxes levied consisted of 4 mills for the Library's operating purposes. The ad valorem taxes levied raised approximately \$2.85 million for operations, which is recognized in the General Fund financial statements as property tax revenue.

Note 1 - Significant Accounting Policies (Continued)

The Library levies its property taxes on July 1, and the City of Flint, Michigan collects its property taxes and remits them to the Library through February. Genesee County, Michigan (the "County") purchases the delinquent real property taxes of the Library, and delinquent personal property taxes continue to be collected by the City and recorded as revenue as they are collected. The County sells tax notes, the proceeds of which have been used to pay the Library for these delinquent real property taxes. These delinquent real property taxes have been recorded as revenue in the current year.

Grants and Memorials and Unearned Revenue

Grant revenue is recorded as it is earned, according to the provisions of the grant. The provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred for a grant-related obligation. Some immaterial variances may occur between grant revenue and expense due to timing differences. Any grant funds received in advance are recorded as unearned revenue until the eligibility requirements have been met.

Pension

The Library offers a defined benefit pension plan to its employees through the Municipal Employees' Retirement System of Michigan (MERS). The Library records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose 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 Library's pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. 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.

For the purpose 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 Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Other Postemployment Benefits (OPEB)

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the plan, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

In accordance with contracts negotiated with the employees of the Library, individual employees have a vested right upon termination of employment to receive payment for unused vacation, sick leave, and terminal leave under formulas and conditions specified in the contracts. All vacation, sick leave, and terminal leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. These liabilities are liquidated by the General Fund.

Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The Library is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Library's financial statements for the year ending June 30, 2020.

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Library is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Library's financial statements for the year ending June 30, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. This statement reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the Library's financial statements for the June 30, 2021 fiscal year.

Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The National Credit Union Insurance Fund administered by the National Credit Union Administration (NCUA) provides protection for the Library's deposits in credit unions. The board authorized Dort Federal Credit Union and Financial Plus Credit Union for the deposit of the Library's funds.

June 30, 2019

Note 2 - Deposits and Investments (Continued)

The Federal Deposit Insurance Corporation (FDIC) provides protection of the Library's deposits. The board authorized Huntington, Bank of America, Chemical, and JPMorgan Chase for the deposit of the Library's funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997, as amended, had authorized investment in all of the above-mentioned investment vehicles. The Library's deposit and investment policies are in accordance with statutory authority.

The Library's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Library's deposits may not be returned to it. The Library has a deposit policy for custodial credit risk. At year end, the Library had \$2,315,504 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Library evaluates the financial institutions with which it deposits funds and assesses their level of risk; only those institutions with an acceptable estimated risk level are used as depositories.

Deposits and Investments of Component Unit

All of the deposits of FFPL were fully insured at June 30, 2019.

Fair Value Measurements

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. As of June 30, 2019, all cash and investments owned by the Library are properly valued at cost; therefore, there is no fair value hierarchy applicable.

June 30, 2019

Note 3 - Capital Assets

Capital asset activity of the Library was as follows:

Governmental Activities

	Balance July 1, 2018	Additions	Disposals and Adjustments	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 530,000	\$ -	\$ -	\$ 530,000
Construction in progress	561,577	22,800	-	584,377
Other nondepreciable assets	200,000	-	-	200,000
Subtotal	1,291,577	22,800	-	1,314,377
Capital assets being depreciated:				
Buildings and improvements	2,577,027	10,050	-	2,587,077
Machinery and equipment	556,723	-	-	556,723
Books	1,704,760	86,337	(139,357)	1,651,740
Subtotal	4,838,510	96,387	(139,357)	4,795,540
Accumulated depreciation:				
Buildings and improvements	1,674,460	134,314	-	1,808,774
Machinery and equipment	473,735	25,493	-	499,228
Books	1,184,473	102,012	(126,579)	1,159,906
Subtotal	3,332,668	261,819	(126,579)	3,467,908
Net capital assets being depreciated	1,505,842	(165,432)	(12,778)	1,327,632
Net capital assets	<u>\$ 2,797,419</u>	<u>\$ (142,632)</u>	<u>\$ (12,778)</u>	<u>\$ 2,642,009</u>

As part of the transaction to "spin off" from Flint Community Schools, the deed to the building and land of the main branch was given to the Library on the condition that the property be used for public library purposes and with free public library usage for residents of the City of Flint, Michigan. Should the property cease to be used for public library purposes with free public library usage for residents of the City of Flint, Michigan, the property ownership would revert back to Flint Community Schools. The deed to the property was transferred on June 15, 2004 at a fair value of \$2,650,000.

Note 4 - Long-term Debt

Governmental Activities

General Obligations

Compensated absences attributable to the governmental activities will be paid to employees under the Library's vacation pay and terminal leave policies. Under the Library's various contracts, employees can earn vacation and sick time based on time of service with the Library. A payment ranging from \$110 to \$250 per year of service at the Library is paid to employees who meet the age and years of service requirements at retirement. The Library estimates that vacation and sick pay of \$19,237 and terminal leave pay of \$11,460 will be paid within the next year.

Long-term liability activity for the year ended June 30, 2019 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 156,010	\$ 20,606	\$ (69,073)	\$ 107,543	\$ 19,237
Terminal leave	113,644	-	(8,804)	104,840	11,460
Total governmental activities long-term debt	<u>\$ 269,654</u>	<u>\$ 20,606</u>	<u>\$ (77,877)</u>	<u>\$ 212,383</u>	<u>\$ 30,697</u>

Note 5 - Budget Information

The Library employs the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 30, the director submits to the board a proposed operating budget for the fiscal year commencing on July 1.
- A public hearing is conducted in June to obtain taxpayer comments.
- Prior to June 30, the budget is legally enacted through passage of a resolution by the board of trustees on a departmental basis.
- For purposes of meeting emergency needs of the Library, transfer of appropriations may be made by the authorization of the director. Such transfers of appropriations must be approved by the board at its next regularly scheduled meeting.
- The director is charged with general supervision of the budget and shall hold the department heads responsible for performance of their responsibilities.
- During the year, the budget is monitored, and amendments to the budget resolution are made when deemed necessary. Unexpended appropriations lapse at year end, and, as a result, the amount of encumbrances outstanding at June 30, 2019 has not been calculated. Encumbrances are not included as expenditures.

The budget has been prepared on a departmental basis in accordance with accounting principles generally accepted in the United States of America, except that grants are budgeted on a grant-length basis.

A comparison of the actual results of operations to the General Fund budget as adopted by the Library Board is included in the required supplemental information.

June 30, 2019

Note 6 - Risk Management

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Library has purchased commercial insurance for these risks. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage.

Note 7 - Restricted Net Position - Endowment

The expendable and nonexpendable portions of endowment at June 30, 2019 are composed of the following:

Primary Government

	Restricted - Expendable	Restricted - Nonexpendable	Total
Scott Memorial Fund	\$ 41,252	\$ 20,000	\$ 61,252
Library Special Fund (Curtis)	149,717	-	149,717
Total restricted net position	<u>\$ 190,969</u>	<u>\$ 20,000</u>	<u>\$ 210,969</u>

Note 8 - Agent Defined Benefit Pension Plan

Plan Description

The Library participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan that covers all employees of the Library. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The Library has no fiduciary responsibility for the plan. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers all union and nonunion employees hired after July 2000.

Employees are eligible for full retirement benefits upon completion of 25 years of service at age 50, age 60 with 10 years of service, or upon completion of 30 years of service. Straight-life pension is calculated as follows: credited service at time of termination multiplied by 1.5 percent of the member's final average compensation (five highest consecutive years within the last 10 years of employment), with no maximum percent of final average compensation.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2018
Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	<u>18</u>
Total employees covered by the plan	<u><u>30</u></u>

Note 8 - Agent Defined Benefit Pension Plan (Continued)

Contributions

Article 9, Section 24 of the State of Michigan constitution requires public employers to make pension contributions in accordance with an actuarial valuation. The Library hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

The plan provides that the employer contributes the amount necessary to fund the actuarially determined benefits. The Library makes employer contributions in accordance with funding requirements determined by the system's actuary. The Library's current rate is 3.82 percent of annual covered payroll. The Library's required and actual contributions to the plan were \$32,626 for the year ended June 30, 2019.

Net Pension Asset

The Library has chosen to use the December 31 measurement date as its measurement date for the net pension asset. The June 30, 2019 fiscal year end reported net pension asset was determined using a measure of the total pension liability and the pension net position as of the December 31, 2018 measurement date. The December 31, 2018 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension asset during the measurement year were as follows:

Changes in Net Pension Asset	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Asset
Balance at December 31, 2017	\$ 1,573,844	\$ 1,883,307	\$ (309,463)
Changes for the year:			
Service cost	61,661	-	61,661
Interest	127,492	-	127,492
Differences between expected and actual experience	(32,379)	-	(32,379)
Contributions - Employer	-	32,626	(32,626)
Net investment loss	-	(75,554)	75,554
Benefit payments, including refunds	(22,046)	(22,046)	-
Administrative expenses	-	(3,696)	3,696
Net changes	134,728	(68,670)	203,398
Balance at December 31, 2018	\$ 1,708,572	\$ 1,814,637	\$ (106,065)

Note 8 - Agent Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2019, the Library recognized pension expense of \$82,424. At June 30, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,469	\$ (92,009)
Changes in assumptions	31,981	-
Net difference between projected and actual earnings on pension plan investments	136,542	-
Employer contributions to the plan subsequent to the measurement date	16,272	-
Total	<u>\$ 201,264</u>	<u>\$ (92,009)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2020	\$ 35,293
2021	6,390
2022	12,477
2023	38,823
Total	<u>\$ 92,983</u>

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.75 percent, an investment rate of return (net of investment expenses) of 8.0 percent, and the RP-2014 mortality tables.

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that library contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make 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 payments to determine the total pension liability.

Note 8 - Agent Defined Benefit Pension Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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 as of December 31, 2018, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50 %	6.15 %
Global fixed income	18.50	1.26
Real assets	13.50	7.22
Diversifying strategies	12.50	5.00

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the Library, calculated using the discount rate of 8.00 percent, as well as what the Library's net pension asset would be if it were calculated using a discount rate that is 1 percentage point lower (7.00 percent) or 1 percentage point higher (9.00 percent) than the current rate:

	1 Percent Decrease (7%)	Current Discount Rate (8%)	1 Percent Increase (9%)
Net pension liability (asset) of the Library	\$ 150,225	\$ (106,065)	\$ (318,433)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 9 - Michigan Public School Employees' Retirement System

Plan Description

The Library participates in the Michigan Public School Employees' Retirement System (MPSERS or the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the Library. Certain library employees also receive defined contribution retirement and healthcare benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment healthcare benefits to retirees and beneficiaries who elect to receive those benefits.

June 30, 2019

Note 9 - Michigan Public School Employees' Retirement System (Continued)

The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment healthcare plans. That report is available on the web at <http://www.michigan.gov/orsschools>, or by writing to the Office of Retirement System (ORS) at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension, but is permanently reduced 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits, but with an actuarial reduction.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. For some members who do not receive an annual increase, they are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS with the balance deducted from the monthly pension of each retiree healthcare recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Contributions

Public Act 300 of 1980, as amended, required the Library to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the State Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3 percent contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 457 account. Members who selected this option stop paying the 3 percent contribution to the retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 457 account.

The Library's contributions are determined based on employee elections. There are seven different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS.

The range of rates is as follows:

	Pension	OPEB
July 1, 2018 - September 30, 2018	13.54% - 19.74%	7.42% -7.67%
October 1, 2018 - June 30, 2019	13.39% - 19.59%	7.57%-7.93%

Depending on the plan selected, plan member contributions range from 0 percent up to 7.0 percent of gross wages. Plan members electing into the defined contribution plan are not required to make additional contributions.

The Library's required and actual contributions to the plan for the year ended June 30, 2019 were \$170,496, which include the Library's contributions required for those members with a defined contribution benefit. The Library's required and actual contributions include an allocation of \$86,674 in revenue received from the State of Michigan, and remitted to the System, to fund the MPERS unfunded actuarial accrued liability (JAAL) stabilization rate for the year ended June 30, 2019.

The Library's required and actual OPEB contributions to the plan for the year ended June 30, 2019 were \$36,542, which include the Library's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2019, the Library reported a liability of \$2,001,960 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2017, which used updated procedures to roll forward the estimated liability to September 30, 2018. The Library's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2018 and 2017, the Library's proportion was 0.006659 percent and 0.006761 percent, respectively.

Net OPEB Liability

At June 30, 2019, the Library reported a liability of \$447,020 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2019 was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2017, which used updated procedures to roll forward the estimated liability to September 30, 2018. The Library's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2018 and 2017, the Library's proportion was 0.005624 0.006786 percent, respectively, of MPERS in total.

June 30, 2019

Note 9 - Michigan Public School Employees' Retirement System (Continued)

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

For the year ended June 30, 2019, the Library recognized pension expense of \$149,768, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,289	\$ (14,548)
Changes in assumptions	463,652	-
Net difference between projected and actual earnings on pension plan investments	-	(136,881)
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	750	(205,636)
The Library's contributions to the plan subsequent to the measurement date	149,841	-
Total	\$ 623,532	\$ (357,065)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense:

Years Ending	Amount
2020	\$ 35,815
2021	24,379
2022	32,712
2023	23,720
Total	\$ 116,626

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Library recognized OPEB expense of \$2,619. At June 30, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (83,202)
Changes in assumptions	47,340	-
Net difference between projected and actual earnings on OPEB plan investments	-	(17,180)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	185	(88,613)
The Library's contributions to the plan subsequent to the measurement date	27,631	-
Total	\$ 75,156	\$ (188,995)

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future pension expense):

Years Ending	Amount
2020	\$ (32,301)
2021	(32,301)
2022	(32,301)
2023	(28,826)
2024	(15,741)
Total	<u>\$ (141,470)</u>

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2018 are based on the results of an actuarial valuation as of September 30, 2017 and rolled forward. The total pension and OPEB liabilities were determined using the following actuarial assumptions:

Actuarial cost method		Entry age
Investment rate of return - Pension	7.00% - 7.05%	Net of investment expenses based on the groups
Investment rate of return - OPEB	7.15%	Net of investment expenses based on the groups
Salary increases	3.50% - 12.30%	Including wage inflation of 3.50 percent
Healthcare cost trend rate	7.50%	Year 1 graded to 3.0% year 12
Mortality basis		RP-2014 Combined Healthy Mortality Table
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Assumption changes as a result of an experience study for the periods from 2007 to 2012 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2014 valuation.

There were significant changes in assumptions for both pension and OPEB, including the following: Reduction of the discount rate by 0.45 percent in the pension plan and 0.35 percent in the OPEB plan, decrease in wage inflation rate from 3.5 percent to 2.75 percent, and a change in mortality tables from RP-2000 to RP-2014.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 to 7.05 percent, depending on the plan option, and 7.15 percent for the total OPEB liability. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension and OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

June 30, 2019

Note 9 - Michigan Public School Employees' Retirement System (Continued)

The long-term expected rate of return on pension and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense 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
Domestic equity pools	28.00 %	5.70 %
Private equity pools	18.00	9.20
International equity pools	16.00	7.20
Fixed-income pools	10.50	0.50
Real estate and infrastructure pools	10.00	3.90
Real return, opportunistic, and absolute pools	15.50	5.20
Short-term investment pools	2.00	-
Total	100.00 %	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Library, calculated using the discount rate of 7.05 percent, depending on the plan option. The following also reflects what the Library's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.05 percent) or 1 percentage point higher (8.05 percent) than the current rate:

	1 Percent Decrease (6.05%)	Current Discount Rate (7.05%)	1 Percent Increase (8.05%)
Net pension liability of the Library	\$ 2,628,419	\$ 2,001,960	\$ 1,481,474

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Library, calculated using the current discount rate. It also reflects what the Library's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (6.15%)	Current Discount Rate (7.15%)	1 Percent Increase (8.15%)
Net OPEB liability of the Library	\$ 536,638	\$ 447,020	\$ 371,640

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Library, calculated using the current healthcare cost trend rate. It also reflects what the Library's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (6.50%)	Current Discount Rate (7.50%)	1 Percent Increase (8.50%)
Net OPEB liability of the Library	\$ 367,669	\$ 447,020	\$ 538,051

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2019, the Library reported no payable for the outstanding amount of contributions to the pension plan and OPEB plans required for the year ended June 30, 2019.

Note 10 - Component Unit - Friends of the Flint Public Library

During 1992, the Friends of the Flint Public Library, a component unit of the Flint Public Library, created a "designated endowment fund" (the "Fund") at the Community Foundation of Greater Flint (the "Foundation"). The Foundation has variance power over the Fund and, as a result, the assets are not reported on FFPL's balance sheet. The Foundation must distribute to the Flint Public Library investment earnings annually. The total market value of the Fund held by the Foundation at June 30, 2019 was \$184,420. During the year ended June 30, 2019, new gifts in the amount of \$700 were made to the Fund, and the net investment gain amounted to \$4,357.

Note 11 - Tax Abatements

The City of Flint, Michigan uses the Industrial Facilities Tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the Library grants reductions of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties).

For the fiscal year ended June 30, 2019, the City of Flint, Michigan abated approximately \$125,000 of taxes under this program, which would impact the Library's revenue. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

Required Supplemental Information

**Required Supplemental Information
Budgetary Comparison Schedule - General Fund**

Year Ended June 30, 2019

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Taxes	\$ 2,681,208	\$ 2,847,245	\$ 2,847,243	\$ (2)
State and federal grants and aid	122,196	184,709	185,496	787
Sales, fees, and fines	117,200	117,905	122,380	4,475
Stabilization authority payments	100,000	162,363	162,363	-
Grant and special program	323,228	359,481	360,101	620
Investment income	17,000	33,400	45,418	12,018
Gifts and donations	119,800	179,689	173,659	(6,030)
Total revenue	<u>3,480,632</u>	<u>3,884,792</u>	<u>3,896,660</u>	<u>11,868</u>
Expenditures				
Current services:				
Governing board	24,050	22,680	21,463	1,217
Administration	431,668	437,949	422,767	15,182
Automated services	232,081	210,951	196,957	13,994
Facilities	512,876	513,570	494,321	19,249
Library and program services	2,070,211	1,938,168	1,930,050	8,118
Fund development	210,690	225,921	190,653	35,268
Grant and special programs	240,077	262,300	260,198	2,102
Total expenditures	<u>3,721,653</u>	<u>3,611,539</u>	<u>3,516,409</u>	<u>95,130</u>
Net Change in Fund Balance	(241,021)	273,253	380,251	106,998
Fund Balance - Beginning of year	<u>3,802,951</u>	<u>3,802,951</u>	<u>3,802,951</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 3,561,930</u></u>	<u><u>\$ 4,076,204</u></u>	<u><u>\$ 4,183,202</u></u>	<u><u>\$ 106,998</u></u>

Flint Public Library

**Required Supplemental Information
Schedule of Changes in the Net Pension Asset and Related Ratios
Municipal Employees' Retirement System**

Years Ended December 31

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service cost	\$ 61,661	\$ 62,363	\$ 53,239	\$ 48,927	\$ 43,096
Interest	127,492	118,175	113,867	94,763	85,263
Differences between expected and actual experience	(32,379)	(43,404)	(100,159)	49,406	-
Changes in assumptions	-	-	-	95,944	-
Benefit payments, including refunds	<u>(22,046)</u>	<u>(18,610)</u>	<u>(16,697)</u>	<u>(16,306)</u>	<u>(15,920)</u>
Net Change in Total Pension Liability	134,728	118,524	50,250	272,734	112,439
Total Pension Liability - Beginning of year	<u>1,573,844</u>	<u>1,455,320</u>	<u>1,405,070</u>	<u>1,132,336</u>	<u>1,019,897</u>
Total Pension Liability - End of year	<u>\$ 1,708,572</u>	<u>\$ 1,573,844</u>	<u>\$ 1,455,320</u>	<u>\$ 1,405,070</u>	<u>\$ 1,132,336</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 32,626	\$ 73,735	\$ 9,746	\$ 24,100	\$ 35,367
Net investment (loss) income	(75,554)	219,374	167,399	(22,779)	87,556
Administrative expenses	(3,696)	(18,610)	(16,697)	(3,274)	(3,231)
Benefit payments, including refunds	<u>(22,046)</u>	<u>(3,456)</u>	<u>(3,301)</u>	<u>(16,306)</u>	<u>(15,920)</u>
Net Change in Plan Fiduciary Net Position	(68,670)	271,043	157,147	(18,259)	103,772
Plan Fiduciary Net Position - Beginning of year	<u>1,883,307</u>	<u>1,612,264</u>	<u>1,455,117</u>	<u>1,473,376</u>	<u>1,369,604</u>
Plan Fiduciary Net Position - End of year	<u>\$ 1,814,637</u>	<u>\$ 1,883,307</u>	<u>\$ 1,612,264</u>	<u>\$ 1,455,117</u>	<u>\$ 1,473,376</u>
Library's Net Pension Asset - Ending	<u>\$ (106,065)</u>	<u>\$ (309,463)</u>	<u>\$ (156,944)</u>	<u>\$ (50,047)</u>	<u>\$ (341,040)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.21 %	119.66 %	110.78 %	103.56 %	130.12 %
Covered Payroll	\$ 837,791	\$ 829,301	\$ 722,376	\$ 710,119	\$ -
Library's Net Pension Asset as a Percentage of Covered Payroll	(12.66)%	(37.32)%	(21.73)%	(7.05)%	- %

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Flint Public Library

Required Supplemental Information Schedule of the Library's Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

Last Five Plan Years Years Ended September 30

	2018	2017	2016	2015	2014
Library's proportion of the net pension liability	0.00666 %	0.00676 %	0.00778 %	0.00813 %	0.00857 %
Library's proportionate share of the net pension liability	\$ 2,001,960	\$ 1,752,024	\$ 1,941,089	\$ 1,986,925	\$ 1,887,859
Library's covered payroll	\$ 475,915	\$ 527,382	\$ 618,368	\$ 681,091	\$ 744,021
Library's proportionate share of the net pension liability as a percentage of its covered payroll	420.65 %	332.21 %	313.91 %	291.73 %	253.74 %
Plan fiduciary net position as a percentage of total pension liability	62.21 %	63.96 %	63.01 %	62.92 %	66.15 %

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Flint Public Library

Required Supplemental Information Schedule of Pension Contributions Michigan Public School Employees' Retirement System

	Last Ten Fiscal Years Years Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Statutorily required contribution	\$ 170,496	\$ 184,496	\$ 134,683	\$ 159,484	\$ 133,110	\$ 274,169	\$ 186,289	\$ 121,662	\$ 164,311	\$ 186,733
Contributions in relation to the statutorily required contribution	170,496	184,496	134,683	159,484	133,110	274,169	186,289	121,662	164,311	186,733
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library's Covered Payroll	\$ 465,210	\$ 489,768	\$ 535,134	\$ 618,484	\$ 714,294	\$ 742,123	\$ 769,441	\$ 828,268	\$ 830,947	\$ 1,111,955
Contributions as a Percentage of Covered Payroll	36.65 %	34.98 %	25.17 %	25.79 %	18.64 %	36.94 %	24.21 %	14.69 %	19.77 %	16.79 %

Flint Public Library

Required Supplemental Information Schedule of the Library's Proportionate Share of the Net OPEB Liability Michigan Public School Employees' Retirement System

	Last Two Plan Years	
	Years Ended September 30	
	2018	2017
Library's proportion of the net OPEB liability	0.00562 %	0.00679 %
Library's proportionate share of the net OPEB liability	\$ 447,020	\$ 600,939
Library's covered employee payroll	\$ 475,915	\$ 527,382
Library's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	93.93 %	113.95 %
Plan fiduciary net position as a percentage of total OPEB liability	43.10 %	36.53 %

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Flint Public Library

Required Supplemental Information Schedule of OPEB Contributions Michigan Public School Employees' Retirement System

	Last Two Fiscal Years Years Ended June 30	
	2019	2018
Statutorily required contribution	\$ 36,542	\$ 35,375
Contributions in relation to the statutorily required contribution	36,542	35,375
Contribution Deficiency	\$ -	\$ -
Library's Covered Employee Payroll	\$ 465,210	\$ 489,768
Contributions as a Percentage of Covered Employee Payroll	7.85 %	7.22 %

Note: GASB 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.