Flint Public Library

Financial Report
with Supplemental Information
June 30, 2022

Contents

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Independent Auditor's Report

To the Board of Trustees
Flint Public Library

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the discretely presented component unit of the Flint Public Library (the "Library") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the discretely presented component unit of the Library as of June 30, 2022 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Trustees
Flint Public Library

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library's ability to continue as a going concern for a reasonable period of time.

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

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

November 29, 2022

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, 2022. 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:

- Total general fund revenues were $4,134,454 and expenditures before depreciation were $3,513,458. After transfers to the capital projects fund, $549,676 was added to fund balance.

- The Library's primary source of revenue is from property taxes. Total tax collections in 2022 for operations were $3,195,072. This represents approximately 77 percent of total operating revenue. The Library levies the maximum operating millage allowed by law of 2.0 mills in perpetuity and 2.0 mills renewable. The renewable millage expires at the end of 2031.

- General obligation bonds approved by voters in 2019 for renovation of the library building required a millage assessment of 1.82 mills in fiscal year 2022 and will be fully paid in 2032.

- Personnel costs are the largest overall expenditure of the Library. For 2022, salaries, fringe benefits, and taxes totaled $2,323,897, representing approximately 66 percent of the Library's operating expenditures.

- Library materials (e.g., books, CDs, DVDs, electronic databases, etc.) of $265,338 are one of the largest overall expenditures of the Library. This represents approximately 8 percent of the Library's operating expenditures.

- The Library's net position increased by $2,377,314 during the year ended June 30, 2022.

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 $1,213,948. There are deferred outflows of $617,497, deferred inflows of $(842,561), net pension asset of $193,577, and net pension liability of $(1,407,525).

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 $86,034.

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

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 $24.7 million at the close of the most recent fiscal year (see table below).

	Governmental Activities				
	2020	2021	2022	Change	Percent Change
Assets					
Other assets	$ 32,116,463	$ 21,366,047	$ 9,556,175	$ (11,809,872)	-55%
Capital assets	4,166,528	20,316,408	29,397,501	9,081,093	45%
Total assets	36,282,991	41,682,455	38,953,676	(2,728,779)	-7%
Deferred Outflows of Resources	764,127	723,450	737,520	14,070	2%
Liabilities					
Current liabilities	676,376	5,101,680	1,367,448	$ (3,734,232)	-73%
Long-term liabilities	15,445,539	14,405,900	12,424,015	$ (1,981,885)	-14%
Total liabilities	16,121,915	19,507,580	13,791,463	(5,716,117)	-29%
Deferred Inflows of Resources	520,024	581,209	1,205,303	$ 624,094	107%
Net Position					
Net investment in capital assets	4,020,437	10,968,101	18,683,868	$ 7,715,767	70%
Restricted	14,878,519	8,660,513	2,756,159	$ (5,904,354)	-68%
Unrestricted	1,506,223	2,688,502	3,254,403	$ 565,901	21%
Total net position	**$ 20,405,179**	**$ 22,317,116**	**$ 24,694,430**	**$ 2,377,314**	11%

	Governmental Activities				
	2020	2021	2022	Change	Percent Change
Revenue					
Property taxes	$ 2,857,957	$ 4,567,771	$ 4,567,494	$ (277)	0%
Other revenue	17,785,001	1,408,957	1,553,926	144,969	10%
Total revenue	20,642,958	5,976,728	6,121,420	144,692	2%
Program Expenses - General government	4,769,575	4,064,791	3,744,106	(320,685)	-8%
Change in Net Position	**$ 15,873,383**	**$ 1,911,937**	**$ 2,377,314**	**$ 465,377**	24%

Discussion of Changes in 2022 – Governmental Activities

Assets, Liabilities and Net Position

The decrease in assets in 2022 results primarily from costs paid on the renovation of 1026 E. Kearsley St. and payments of principal and interest on the general obligation bonds.

Liabilities decreased in 2022 as we are nearing the end of the renovation project and making principal payments on the bonds. Our overall net position increased 11% for the year.

Capital Assets

At the end of 2022, the Library had capital assets of $29,397,501, net of accumulated depreciation. The renovated building and its new furnishings and technology were opened to the public May 19, 2022 and thus placed in service at that time.

Long-term Debt

The Library issued general obligation unlimited tax library building and site bonds in February 2020 for the renovation of the library building. The balance of the bonds, including the premium paid by the bondholder for the bonds was $10,713,633. The millage for payment of the bonds will be assessed yearly with a final maturity in 2032.

Revenue and Program Expense

Property tax revenue for the library as a whole was stable in 2022. The library increased the allowance for potential chargebacks to $252,700 in the general fund to prepare for tax foreclosure sales that have been delayed due to the pandemic and are likely to occur in 2023.

The decrease in expenditures in 2022 is attributable to the renovation project. The Library was closed to the public for almost six months in order to move from temporary space into the newly renovated building and prepare the building for opening.

<u>The Library's Fund</u>

Our analysis of the Library's general fund begins on page 17, following the government-wide financial statements. The fund financial statements provide detailed information about the General Fund and the other major funds for 2022, 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 8 shows the total governmental fund activity on a modified accrual basis:

	Governmental Fund - General Fund				
	2020	2021	2022	Change	Percent Change
Revenue					
Property taxes	$ 2,857,957	$ 3,163,753	$ 3,195,072	$ 31,319	1%
Universal service fund rebates (E rate)	16,021	19,732	10,228	(9,504)	-48%
Stabilization authority payments	163,368	156,203	152,699	(3,504)	-2%
Charges for services	36,835	36,589	39,668	3,079	8%
Penal fines	86,637	89,819	70,384	(19,435)	-22%
State aid	154,848	174,549	186,093	11,544	7%
Investment income	65,272	17,357	10,131	(7,226)	-42%
Grants and pledges	1,781,453	822,829	468,057	(354,772)	-43%
Miscellaneous	14,320	1,330	2,122	792	60%
Total revenue	5,176,711	4,482,161	4,134,454	(347,707)	-8%
Expenditures					
Current:					
Salaries and wages	1,657,548	1,593,254	1,591,653	(1,601)	0%
Employee benefits and taxes	577,810	604,882	732,244	127,362	21%
Materials	273,208	269,368	265,338	(4,030)	-1%
Supplies	209,672	175,776	241,426	65,650	37%
Maintenance and utilities	283,591	111,258	188,303	77,045	69%
Professional services	160,694	121,187	172,548	51,361	42%
Rent	4,414	4,825	3,507	(1,318)	-27%
Communications	46,858	57,936	68,685	10,749	19%
Dues and memberships	7,721	7,199	7,432	233	3%
Printing and publishing	16,402	6,527	29,214	22,687	348%
Library cards and other fees	18,833	24,022	29,396	5,374	22%
Insurance	40,841	40,641	41,403	762	2%
Grant and memorial expenditures	126,731	53,563	26,652	(26,911)	-50%
Transportation/Staff development	4,263	4,803	6,975	2,172	45%
Capital outlay	1,309,142	126,440	108,682	(17,758)	-14%
Total expenditures	4,737,728	3,201,681	3,513,458	311,777	10%
Other Financing Uses					
Transfers out	(202,918)	(260,000)	(71,320)	188,680	-73%
Total other financing uses	(202,918)	(260,000)	(71,320)	188,680	-73%
Net Change in Fund Balance	236,065	1,020,480	549,676	(470,804)	-46%
Fund Balance - Beginning of year	4,183,202	4,419,267	5,439,747	1,020,480	23%
Fund Balance - End of year	$ 4,419,267	$ 5,439,747	$ 5,989,423	$ 549,676	10%

Discussion of Changes in 2022 – Governmental Fund – General Fund

Revenue

Revenue decreased in 2022 primarily because fundraising for the capital campaign was winding down from the level of activity in 2021.

Expenditures

Expenditures increased in 2022 compared with 2021 because the Library was operating in temporary space in 2021, so costs were unusually low that year. With the library moving into the renovated building in 2022, costs began to increase to more normal levels.

Discussion of Budget to Actual Variances

Actual revenue surpassed the revenue budget due to a receipt of unexpected property taxes a few days before the end of the fiscal year. Operating expenses, especially Library and Program Services, were lower than the amounts budgeted primarily because the renovated library’s Opening Day was delayed by several months. The budget provided enough funding to cover an opening earlier in the fiscal year, whereas the actual opening day was May 19, 2022.

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 and Human Resources at Flint Public Library, 1026 E. Kearsley St., Flint, Michigan 48503.

Statement of Net Position

June 30, 2022

	Primary Government	Discretely Presented Component Unit
	Governmental Activities	Friends of the Flint Public Library
Assets		
Cash and cash equivalents (Note 2)	$ 4,225,643	$ 51,635
Investments	2,276,075	-
Receivables:		
Other receivables	44,048	-
Accrued interest receivable	160	-
Grants and pledges receivable	189,612	-
Due from other governments	53,907	-
Due from component unit	451	-
Inventory	4,419	-
Prepaid expenses	141,169	-
Restricted cash and investments - Unspent grant proceeds	2,427,114	-
Net pension asset (Note 9)	193,577	-
Capital assets: (Note 3)		
Assets not subject to depreciation	730,000	-
Assets subject to depreciation - Net	28,667,501	-
Total assets	38,953,676	51,635
Deferred Outflows of Resources - Pension and OPEB (Notes 9 and 10)	737,520	-
Liabilities		
Accounts payable	81,704	-
Due to other governmental units	344,521	-
Due to primary government	-	451
Accrued liabilities and other	67,632	-
Noncurrent liabilities:		
Due within one year:		
Accounts payable from restricted assets	873,591	-
Compensated absences and terminal leave (Note 4)	123,049	-
Current portion of bonds payable (Note 4)	1,133,688	-
Due in more than one year:		
Compensated absences and terminal leave (Note 4)	93,774	-
Net pension liability (Note 10)	1,407,525	-
Net OPEB liability (Note 10)	86,034	-
Bonds payable - Net of current portion (Note 4)	9,579,945	-
Total liabilities	13,791,463	451
Deferred Inflows of Resources - Pension and OPEB (Notes 9 and 10)	1,205,303	-
Net Position		
Net investment in capital assets	18,683,868	-
Restricted for:		
Debt service	237,383	-
Capital projects	1,994,692	-
Expendable endowment (Note 8)	210,969	-
Nonexpendable endowment (Note 8)	20,000	-
Donor-restricted contributions	6,802	-
Programming	96,523	-
Grants	189,790	-
Unrestricted	3,254,403	51,184
Total net position	**$ 24,694,430**	**$ 51,184**

Statement of Activities

Year Ended June 30, 2022

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government – Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Discretely Presented Component Unit – Friends of the Flint Public Library
Functions/Programs						
Primary government:						
Governmental activities:						
Library operations	$ 3,508,694	$ 39,668	$ 242,440	$ 838,197	$ (2,388,389)	$ -
Interest on long-term debt	235,412	-	-	-	(235,412)	-
Total primary government	**$ 3,744,106**	**$ 39,668**	**$ 242,440**	**$ 838,197**	(2,623,801)	-
Component unit - Friends of the Flint Public Library	**$ 52,447**	**$ -**	**$ 28,146**	**$ -**	-	(24,301)
General revenue:						
Component unit					4,567,494	-
Stabilization authority payments					152,699	-
Investment income					12,095	215
State aid					186,093	-
Penal fines					70,384	-
Other miscellaneous income					12,350	21,841
Total general revenue					5,001,115	22,056
Change in Net Position					2,377,314	(2,245)
Net Position - Beginning of year					22,317,116	53,429
Net Position - End of year					**$ 24,694,430**	**$ 51,184**

See notes to financial statements.

Governmental Funds Balance Sheet

June 30, 2022

	General Fund	Capital Projects Fund - Public	Capital Projects Fund - Private	Debt Service Library Building and Site Bonds Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 3,896,439	$ -	$ -	$ 329,204	$ 4,225,643
Investments	2,276,075	-	-	-	2,276,075
Receivables:					
Other receivables	44,048	-	-	-	44,048
Accrued interest receivable	160	-	-	-	160
Grants and pledges receivable	39,612	-	150,000	-	189,612
Due from other governments	53,907	-	-	-	53,907
Due from component unit	451	-	-	-	451
Due from other funds	-	-	114,546	-	114,546
Inventory	4,419	-	-	-	4,419
Prepaid expenses	141,169	-	-	-	141,169
Restricted cash and investments - Unspent grant proceeds	-	-	2,427,114	-	2,427,114
Total assets	**$ 6,456,280**	**$ -**	**$ 2,691,660**	**$ 329,204**	**$ 9,477,144**
Liabilities					
Accounts payable	$ 81,704	$ -	$ -	$ -	$ 81,704
Due to other governmental units	252,700	-	-	91,821	344,521
Due to other funds	114,546	-	-	-	114,546
Accrued liabilities and other	17,907	-	-	-	17,907
Accounts payable from restricted assets	-	-	873,591	-	873,591
Total liabilities	466,857	-	873,591	91,821	1,432,269
Deferred Inflows of Resources - Unavailable revenue	-	-	150,000	-	150,000
Fund Balances					
Nonspendable:					
Inventory	4,419	-	-	-	4,419
Prepaids	141,169	-	-	-	141,169
Nonexpendable/Endowment	20,000	-	-	-	20,000
Restricted:					
Debt service	-	-	-	237,383	237,383
Grants	189,790	-	-	-	189,790
Capital projects	176,623	-	1,668,069	-	1,844,692
Expendable endowment	210,969	-	-	-	210,969
Programming	96,523	-	-	-	96,523
Donor-restricted contributions	6,802	-	-	-	6,802
Assigned:					
Subsequent year's budget	450,481	-	-	-	450,481
Technology purchases and building repairs	500,000	-	-	-	500,000
Unassigned	4,192,647	-	-	-	4,192,647
Total fund balances	5,989,423	-	1,668,069	237,383	7,894,875
Total liabilities, deferred inflows of resources, and fund balances	**$ 6,456,280**	**$ -**	**$ 2,691,660**	**$ 329,204**	**$ 9,477,144**

See notes to financial statements.

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2022

Fund Balances Reported in Governmental Funds	$	7,894,875
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		29,397,501
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds		150,000
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		(113,414)
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		(103,409)
Bonds payable and unamortized bond premium are not due and payable in the current period and are not reported in the funds		(10,713,633)
Accrued interest is not due and payable in the current period and is not reported in the funds		(49,725)
Deferred outflows of resources related to pension and OPEB (MERS - Note 9 and MPSERS - Note 10)		737,520
Deferred inflows of resources related to pension and OPEB (MERS - Note 9 and MPSERS - Note 10)		(1,205,303)
Net pension asset is not receivable in the current period and is not reported in the funds		193,577
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds		(1,493,559)
Net Position of Governmental Activities	**$**	**24,694,430**

See notes to financial statements.

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2022

	General Fund	Capital Projects Fund - Public	Capital Projects Fund - Private	Debt Service Library Building and Site Bonds Fund	Total Governmental Funds
Revenue					
Taxes	$ 3,195,072	$ -	$ -	$ 1,372,422	$ 4,567,494
Intergovernmental - Stabilization authority payments	152,699	-	-	-	152,699
Charges for services	39,668	-	-	-	39,668
State aid	186,093	-	-	-	186,093
Penal fines	70,384	-	-	-	70,384
Investment income	10,131	99	1,826	39	12,095
Other revenue:					
Grants and pledges	468,057	-	980,080	-	1,448,137
Miscellaneous revenue	2,122	-	-	-	2,122
Universal service fund rebates (E-rate)	10,228	-	-	-	10,228
Total revenue	4,134,454	99	981,906	1,372,461	6,488,920
Expenditures					
Current:					
Library operations:					
Salaries and wages	1,591,653	-	-	-	1,591,653
Employee benefits and taxes	732,244	-	-	-	732,244
Materials	265,338	-	-	-	265,338
Supplies and program expenses	241,426	-	-	-	241,426
Maintenance and utilities	188,303	-	-	-	188,303
Professional services	172,548	-	6,335	1,650	180,533
Rent	3,507	-	158,590	-	162,097
Communications	68,685	-	-	-	68,685
Dues and memberships	7,432	-	-	-	7,432
Printing and publishing	29,214	-	-	-	29,214
Library cards and other fees	29,396	-	1,181	-	30,577
Insurance	41,403	-	-	-	41,403
Grant and memorial expenditures	26,652	-	-	-	26,652
Transportation/Staff development	6,975	-	-	-	6,975
Other contractual services	-	-	223,024	-	223,024
Capital outlay	108,682	864,379	8,178,039	-	9,151,100
Debt service	-	-	-	1,359,250	1,359,250
Total expenditures	3,513,458	864,379	8,567,169	1,360,900	14,305,906
Other Financing Sources (Uses)					
Transfers in	-	-	71,449	-	71,449
Transfers out	(71,320)	(129)	-	-	(71,449)
Total other financing (uses) sources	(71,320)	(129)	71,449	-	-
Net Change in Fund Balances	549,676	(864,409)	(7,513,814)	11,561	(7,816,986)
Fund Balances - Beginning of year	5,439,747	864,409	9,181,883	225,822	15,711,861
Fund Balances - End of year	**$ 5,989,423**	**$ -**	**$ 1,668,069**	**$ 237,383**	**$ 7,894,875**

Governmental Funds
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2022

Net Change in Fund Balances Reported in Governmental Funds	$	(7,816,986)
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		9,374,283
Depreciation expense		(284,362)
Net book value of assets disposed of		(8,828)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available		(367,500)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)		1,030,000
Amortization of bond premium is an expense in the statement of activities but not in the governmental funds		88,688
Interest expense is recognized in the government-wide statements as it accrues		5,150
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 financial resources and, therefore, are not reported as expenditures in the governmental funds		18,847
The change in the net pension asset and related deferred inflows and outflows are recorded when incurred in the statement of activities		103,679
The change in the net pension liability and related deferred inflows and outflows are recorded when incurred in the statement of activities		124,517
The change in the net OPEB liability and related deferred inflows and outflows are recorded when incurred in the statement of activities		109,826
Change in Net Position of Governmental Activities	**$**	**2,377,314**

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), as 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 2022 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 accounts for its various activities in different governmental funds in order to demonstrate accountability for how the Library has spent certain resources; separate funds allow the Library to show the particular expenditures for which specific revenue was used.

The Library reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide library services other than those specifically assigned to another fund.
- The Capital Projects Fund - Public is used to record bond proceeds and the disbursement of resources specifically designated for the renovation of the library building. The bond proceeds have all been spent as of June 30, 2022.
- The Capital Projects Fund - Private is used to record grant and other revenue and the disbursement of resources specifically designated for the renovation of the library building.
- The Debt Service Library Building and Site Bonds Fund is used to record the debt property tax millage and payment of debt service interest and principal.

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 $344,521 at June 30, 2022.

Note 1 - Significant Accounting Policies (Continued)

Pledges Receivable

Pledges of cash and other assets, including unconditional promises to give in the future, are reported as revenue when granted or received, measured at fair value. Contributions receivable at June 30, 2022 are expected to be collected within one year. The Library has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full.

Prepaid Expenses

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

Restricted Assets

The cash and investments of the Capital Projects Fund - Private include donations that were restricted in purpose; therefore, the amounts were required to be set aside for the renovation. These amounts have been classified as restricted assets. The restricted assets arose from the donation or pledge of private grants.

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 useful life of the original building and its improvements was reduced to two years in fiscal year 2021 due to the current renovation of the building.

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.

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	30

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 moneys from the General Fund, and long-term debt is paid with moneys from the Debt Service Library Building and Site Bonds Fund.

Note 1 - Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet 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 9 and 10 for details. The Library also has deferred outflows of resources related to the OPEB plan. See Note 10 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 9 and 10 for details. The Library also has deferred inflows of resources recorded in the government-wide statements related to the OPEB plan. See Note 10 for details.

The governmental funds report unavailable deferred inflows from grants and pledges revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

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 Library'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.

Note 1 - Significant Accounting Policies (Continued)

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 March 1 of the following year, at which time penalties and interest are assessed.

The taxable valuation of the Library totaled approximately $784 million, on which ad valorem taxes levied consisted of 4 mills for the Library's operating purposes and 1.82 mills for debt service. The ad valorem taxes levied raised approximately $3.2 million for operations, which is recognized in the General Fund financial statements as property tax revenue and $1.4 million for debt service, which is recognized in the Debt Service Fund financial statements as property tax revenue.

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.

Note 1 - Significant Accounting Policies (Continued)

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) for employees hired after July 1, 2000. 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.

The Library continued to offer to employees hired prior to July 1, 2000 a defined benefit pension plan through Michigan Public School Employees' Retirement System (MPSERS). 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 and additions to/deductions from MPSERS' fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS 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 MPSERS' fiduciary net position have been determined on the same basis as they are reported by MPSERS. MPSERS 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 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Library does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. 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, 2023.

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, *Omnibus 2022*, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenue, the focus of government-wide financial statements, and terminology. The standard has various effective dates. The Library does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Library's financial statements for the year ending June 30, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Library's financial statements for the year ending June 30, 2025.

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 that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that 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.

The Federal Deposit Insurance Corporation (FDIC) provides protection of the Library's deposits. The board authorized Huntington 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 bank deposits of $7,113,120 (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, 2022.

Investments in Entities that Calculate Net Asset Value per Share

The Library holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

As of June 30, 2022, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
GovMIC Program	$ 801,855	$ -	No restrictions	None

The GovMIC Program investment pool invests in obligations of the United States government and its agencies, high-quality fixed-income securities of U.S. companies, and obligations of financial institutions. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

Note 3 - Capital Assets

Capital asset activity of the Library was as follows:

Governmental Activities

	Balance July 1, 2021	Additions	Disposals	Balance June 30, 2022
Capital assets not being depreciated:				
Land	$ 530,000	$ -	$ -	$ 530,000
Construction in progress	19,157,138	-	(19,157,138)	-
Other nondepreciable assets	200,000	-	-	200,000
Subtotal	19,887,138	-	(19,157,138)	730,000
Capital assets being depreciated:				
Buildings and improvements	2,587,077	26,081,839	(467,077)	28,201,839
Machinery and equipment	444,287	2,360,090	(163,194)	2,641,183
Books	1,517,305	89,492	(84,949)	1,521,848
Subtotal	4,548,669	28,531,421	(715,220)	32,364,870
Accumulated depreciation:				
Buildings and improvements	2,587,078	144,898	(467,077)	2,264,899
Machinery and equipment	411,667	51,368	(157,038)	305,997
Books	1,120,654	88,096	(82,277)	1,126,473
Subtotal	4,119,399	284,362	(706,392)	3,697,369
Net capital assets being depreciated	429,270	28,247,059	(8,828)	28,667,501
Net capital assets	$ 20,316,408	$ 28,247,059	$ (19,165,966)	$ 29,397,501

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.

Commitments

The Library has an active project at year end for a building renovation. At year end, the Library's commitment with contractors under this project is as follows:

	Spent to Date	Remaining Commitment
Library renovation	$ 28,877,340	$ 622,660

Note 4 - Long-term Debt

General Obligation Bonds

The Library issued a general obligation bond to provide for the renovation of the Library building and site. General obligation bonds are direct obligations and pledge the full faith and credit of the Library.

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
2020 General Obligation Unlimited Tax Library Building and Site Bond	3%	$1,030,000 - $1,180,000	$ 10,975,000	$ -	$ (1,030,000)	$ 9,945,000	$ 1,045,000
Unamortized bond premium		$88,688	857,321	-	(88,688)	768,633	88,688
Total bonds and contracts payable			11,832,321	-	(1,118,688)	10,713,633	1,133,688
Compensated absences and terminal leave:							
Compensated absences			122,626	216,799	(226,011)	113,414	113,414
Terminal leave			113,044	-	(9,635)	103,409	9,635
Total compensated absences and terminal leave			235,670	216,799	(235,646)	216,823	123,049
Total governmental activities long-term debt			$ 12,067,991	$ 216,799	$ (1,354,334)	$ 10,930,456	$ 1,256,737

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	Governmental Activities		
	Other Debt		
Years Ending June 30	Principal	Interest	Total
2023	$ 1,045,000	$ 298,350	$ 1,343,350
2024	1,075,000	267,000	1,342,000
2025	1,030,000	234,750	1,264,750
2026	1,060,000	203,850	1,263,850
2027	1,095,000	172,050	1,267,050
2028-2032	4,640,000	350,700	4,990,700
Total	$ 9,945,000	$ 1,526,700	$ 11,471,700

Pledged Revenue

The Library has pledged to budget and set aside each year, from the first collection of taxes levied for the payment of the principal of and interest on the bonds, a sum sufficient to pay the principal of and interest on the bonds coming due prior to the next collection of taxes. Property tax revenue collected in 2022 was $1,372,422, which is pledged for payment of the principal and interest on the bonds, which totaled $1,343,350 as of June 30, 2022.

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Capital Projects Fund - Private	General Fund	$ 114,546

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Capital Projects Fund - Private	$ 71,320
Capital Projects Fund - Public	Capital Projects Fund - Private	129
	Total	$ 71,449

The transfers from the General Fund and Capital Projects Fund - Public to the Capital Projects Fund - Private occurred to transfer capital contributions received for the library building capital project.

Note 6 - 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 the purpose 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, 2022 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 adopted by the Library Board is included in the required supplemental information.

Note 7 - 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 8 - Restricted Net Position - Endowment

The expendable and nonexpendable portions of endowment at June 30, 2022 are composed of the following:

Primary Government

	Restricted - Expendable	Restricted - Nonexpendable	Total
Total restricted net position - Scott Memorial Fund	$ 210,969	$ 20,000	$ 230,969

Note 9 - 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 employees of the Library who were hired after July 1, 2000 and work 160 hours per month. 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, 10 years of service at age 60, or 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 (5 highest consecutive years within the last 10 years of employment), with no maximum percentage of final average compensation.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2021
Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	20
Total employees covered by the plan	31

Note 9 - 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 6.96 percent of annual covered payroll. The Library's required and additional contributions to the plan were $151,590 for the year ended June 30, 2022.

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, 2022 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, 2021 measurement date. The December 31, 2021 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:

	Increase (Decrease)		
Changes in Net Pension Asset	Total Pension Liability	Plan Net Position	Net Pension Asset
Balance at December 31, 2020	$ 2,278,232	$ 2,368,113	$ (89,881)
Changes for the year:			
Service cost	75,330	-	75,330
Interest	174,716	-	174,716
Differences between expected and actual experience	(96,150)	-	(96,150)
Changes in assumptions	120,359	-	120,359
Contributions - Employer	-	58,288	(58,288)
Net investment income	-	323,487	(323,487)
Benefit payments, including refunds	(33,993)	(33,993)	-
Administrative expenses	-	(3,824)	3,824
Net changes	240,262	343,958	(103,696)
Balance at December 31, 2021	$ 2,518,494	$ 2,712,071	$ (193,577)

Note 9 - 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, 2022, the Library recognized pension expense of $47,913. At June 30, 2022, 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	$ 17,626	$ (83,396)
Changes in assumptions	191,839	-
Net difference between projected and actual earnings on pension plan investments	-	(196,143)
Employer contributions to the plan subsequent to the measurement date	114,866	-
Total	$ 324,331	$ (279,539)

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
2023	$ 1,144
2024	(37,679)
2025	(31,066)
2026	(2,473)
Total	$ (70,074)

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.00 percent, an investment rate of return (net of investment expenses) of 7.00 percent, and the Pub-2010 mortality tables using scale MP-2019.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period from 2014 to 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 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 9 - 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, 2021, 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	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

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 7.25 percent, as well as what the Library's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability (asset) of the Library	$ 199,751	$ (193,577)	$ (517,111)

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 pensions, 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.

Assumption Changes

Assumption changes are the result of a reduction in the investment rate of return assumption from 7.60 to 7.25 percent.

Note 10 - Michigan Public School Employees' Retirement System

Plan Description

The Library participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers employees of the Library hired prior to July 1, 2000. Certain library employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

Note 10 - 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 health care plans. That report is available on the web at http://www.michigan.gov/orsschools, or by writing to the Office of Retirement Services (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 by 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. Some members who do not receive an annual increase 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 health care 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 10 - 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 retiree health care 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 participants in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay health care expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 accounts as of their transition date, earning them a 2 percent employer match into a 457 account. Members who selected this option stopped paying the 3 percent contribution to retiree health care as of the day before their transition date, and their prior contributions were deposited into their 457 accounts.

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, 2021 - September 30, 2021	13.39%-19.78%	7.57%-8.43%
October 1, 2021 - June 30, 2022	13.73%-20.14%	7.23%-8.09%

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 pension contributions to the plan for the year ended June 30, 2022 were $207,646, which includes the Library's contributions required for those members with a defined contribution benefit. The Library's required and actual contributions include an allocation of $106,236 in revenue received from the State of Michigan, and remitted to the System, to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2022.

The Library's required and actual OPEB contributions to the plan for the year ended June 30, 2022 were $41,616, which includes the Library's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2022, the Library reported a liability of $1,407,525 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021. 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, 2021 and 2020, the Library's proportion was 0.005945 percent and 0.005967 percent, respectively, of MPSERS in total.

Net OPEB Liability

At June 30, 2022, the Library reported a liability of $86,034 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2022 was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021. 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, 2021 and 2020, the Library's proportion was 0.005636 and 0.005377 percent, respectively, of MPSERS in total.

Note 10 - 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, 2022, the Library recognized pension expense of $79,242, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2022, 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	$ 21,803	$ (8,289)
Changes in assumptions	88,725	-
Net difference between projected and actual earnings on pension plan investments	-	(452,515)
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	-	(102,218)
The Library's contributions to the plan subsequent to the measurement date	182,638	-
Total	$ 293,166	$ (563,022)

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
2023	$ (86,311)
2024	(116,898)
2025	(126,278)
2026	(123,007)
Total	$ (452,494)

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

For the year ended June 30, 2022, the Library recognized OPEB recovery of $67,850. At June 30, 2022, 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	$ -	$ (245,577)
Changes in assumptions	71,920	(10,762)
Net difference between projected and actual earnings on OPEB plan investments	-	(64,845)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	17,216	(41,558)
The Library's contributions to the plan subsequent to the measurement date	30,887	-
Total	$ 120,023	$ (362,742)

Note 10 - 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
2023	$ (84,628)
2024	(71,530)
2025	(53,892)
2026	(47,370)
2027	(14,310)
Thereafter	(1,876)
Total	$ (273,606)

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2021 are based on the results of an actuarial valuation as of September 30, 2020 and rolled forward. The total pension and OPEB liabilities were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00% - 6.80%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.95%	Net of investment expenses based on the groups
Salary increases	3.50% - 12.30%	Including wage inflation of 3.50 percent
Health care cost trend rate	7.75%	Year 1 graded to 3.0 percent in 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 2012 to 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 to 6.80 percent, depending on the plan option, and 6.95 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 library 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.

Note 10 - 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	25.00 %	5.40 %
Private equity pools	16.00	9.10
International equity pools	15.00	7.50
Fixed-income pools	10.50	(0.70)
Real estate and infrastructure pools	10.00	5.40
Real return, opportunistic, and absolute pools	21.50	8.70
Short-term investment pools	2.00	(1.30)
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 6.80 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 (5.80 percent) or 1 percentage point higher (7.80 percent) than the current rate:

	1 Percentage Point Decrease (5.80%)	Current Discount Rate (6.80%)	1 Percentage Point Increase (7.80%)
Net pension liability of the Library	$ 2,012,378	$ 1,407,525	$ 906,061

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 Percentage Point Decrease (5.95%)	Current Discount Rate (6.95%)	1 Percentage Point Increase (7.95%)
Net OPEB liability of the Library	$ 159,866	$ 86,034	$ 23,376

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

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

	1 Percentage Point Decrease (6.75%)	Current Health Care Cost Trend Rate (7.75%)	1 Percentage Point Increase (8.75%)
Net OPEB liability of the Library	$ 20,940	$ 86,034	$ 159,272

Note 10 - 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, 2022, the Library reported a payable of $5,409 for the outstanding amount of contributions to the pension plan and OPEB plans required for the year ended June 30, 2022.

Note 11 - Component Unit - Friends of the Flint Public Library

During 1992, 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, 2022 was $194,670. During the year ended June 30, 2022, new gifts in the amount of $1,300 were made to the Fund, and the net investment loss amounted to $31,901.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Taxes	$ 2,996,309	$ 3,135,279	$ 3,195,072	$ 59,793
State and federal grants and aid	177,406	195,764	196,321	557
Sales, fees, and fines	116,900	105,976	109,668	3,692
Stabilization authority payments	160,645	152,647	152,699	52
Grant and special program	6,465	43,187	42,577	(610)
Investment income	10,000	8,400	10,337	1,937
Gifts and donations	209,600	412,947	427,780	14,833
Total revenue	3,677,325	4,054,200	4,134,454	80,254
Expenditures				
Current services:				
Governing board	31,930	41,715	29,098	12,617
Administration	443,644	516,182	473,932	42,250
Automated services	178,493	315,208	272,422	42,786
Facilities	429,108	310,000	260,108	49,892
Library and program services	2,168,592	2,417,022	2,132,420	284,602
Fund development	197,898	190,415	166,600	23,815
Grant and special programs	176,264	179,769	178,878	891
Total expenditures	3,625,929	3,970,311	3,513,458	456,853
Excess of Revenue Over Expenditures	51,396	83,889	620,996	537,107
Other Financing Uses - Transfer out	(71,320)	(186,200)	(71,320)	114,880
Net Change in Fund Balance	(19,924)	(102,311)	549,676	651,987
Fund Balance - Beginning of year	5,439,747	5,439,747	5,439,747	-
Fund Balance - End of year	**$ 5,419,823**	**$ 5,337,436**	**$ 5,989,423**	**$ 651,987**

See note to required supplemental information.

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

Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ 75,330	$ 80,368	$ 67,796	$ 61,661	$ 62,363	$ 53,239	$ 48,927	$ 43,096
Interest	174,716	150,254	138,131	127,492	118,175	113,867	94,763	85,263
Differences between expected and actual experience	(96,150)	22,929	5,850	(32,379)	(43,404)	(100,159)	49,406	-
Changes in assumptions	120,359	104,464	64,772	-	-	-	95,944	-
Benefit payments, including refunds	(33,993)	(33,242)	(31,662)	(22,046)	(18,610)	(16,697)	(16,306)	(15,920)
Net Change in Total Pension Liability	240,262	324,773	244,887	134,728	118,524	50,250	272,734	112,439
Total Pension Liability - Beginning of year	2,278,232	1,953,459	1,708,572	1,573,844	1,455,320	1,405,070	1,132,336	1,019,897
Total Pension Liability - End of year	**$ 2,518,494**	**$ 2,278,232**	**$ 1,953,459**	**$ 1,708,572**	**$ 1,573,844**	**$ 1,455,320**	**$ 1,405,070**	**$ 1,132,336**
Plan Fiduciary Net Position								
Contributions - Employer	$ 58,288	$ 44,166	$ 34,027	$ 32,626	$ 73,735	$ 9,746	$ 24,100	$ 35,367
Net investment income (loss)	323,487	299,897	248,779	(75,554)	219,374	167,399	(22,779)	87,556
Administrative expenses	(3,824)	(4,201)	(4,288)	(3,696)	(18,610)	(16,697)	(3,274)	(3,231)
Benefit payments, including refunds	(33,993)	(33,242)	(31,662)	(22,046)	(3,456)	(3,301)	(16,306)	(15,920)
Net Change in Plan Fiduciary Net Position	343,958	306,620	246,856	(68,670)	271,043	157,147	(18,259)	103,772
Plan Fiduciary Net Position - Beginning of year	2,368,113	2,061,493	1,814,637	1,883,307	1,612,264	1,455,117	1,473,376	1,369,604
Plan Fiduciary Net Position - End of year	**$ 2,712,071**	**$ 2,368,113**	**$ 2,061,493**	**$ 1,814,637**	**$ 1,883,307**	**$ 1,612,264**	**$ 1,455,117**	**$ 1,473,376**
Library's Net Pension Asset - Ending	**$ (193,577)**	**$ (89,881)**	**$ (108,034)**	**$ (106,065)**	**$ (309,463)**	**$ (156,944)**	**$ (50,047)**	**$ (341,040)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.69 %	103.95 %	105.53 %	106.21 %	119.66 %	110.78 %	103.56 %	130.12 %
Covered Payroll	$ 980,853	$ 1,084,588	$ 919,892	$ 837,791	$ 829,301	$ 722,376	$ 710,119	$ -
Library's Net Pension Asset as a Percentage of Covered Payroll	(19.74)%	(8.29)%	(11.74)%	(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.

Required Supplemental Information
Schedule of Pension Contributions
Municipal Employees' Retirement System

Last Ten Fiscal Years

Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	$ 71,590	$ 44,166	$ 34,027	$ 32,626	$ 32,426	$ 9,746	$ 24,100	$ 31,762	$ 40,433	$ 55,329
Contributions in relation to the statutorily required contribution	71,590	44,166	34,027	32,626	32,426	9,746	24,100	31,762	40,433	55,329
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Library's Covered Payroll	$ 1,028,597	$ 986,001	$ 920,791	$ 837,791	$ 829,301	$ 722,376	$ 710,199	$ 625,490	$ 732,486	$ 700,167
Contributions as a Percentage of Covered Payroll	6.96 %	4.48 %	3.70 %	3.89 %	3.91 %	1.35 %	3.39 %	5.08 %	5.52 %	7.90 %

Notes to Schedule of Pension Contributions - Municipal Employees' Retirement System

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for the Library's fiscal year ended June 30, 2022 were determined based on the actuarial valuation as of December 31, 2019. The most recent valuation is as of December 31, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of pay
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.00 percent in the long term
Investment rate of return	7.60 percent - Net of pension plan investment expense, including inflation
Retirement age	Experience-based table of rates are specific to the type of eligibility condition
Mortality	RP-2014 tables of a 50 percent male and 50 percent female blend
Other information	None

See note to required supplemental information.

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

Last Eight Plan Years

Years Ended September 30

	2021	2020	2019	2018	2017	2016	2015	2014
Library's proportion of the net pension liability	0.00595 %	0.00597 %	0.00646 %	0.00666 %	0.00676 %	0.00778 %	0.00813 %	0.00857 %
Library's proportionate share of the net pension liability	$ 1,407,525	$ 2,049,843	$ 2,139,199	$ 2,001,960	$ 1,752,024	$ 1,941,089	$ 1,986,925	$ 1,887,859
Library's covered payroll	$ 491,104	$ 469,602	$ 465,358	$ 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	286.60 %	436.51 %	459.69 %	420.65 %	332.21 %	313.91 %	291.73 %	253.74 %
Plan fiduciary net position as a percentage of total pension liability	72.32 %	59.49 %	60.08 %	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.

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

Last Ten Fiscal Years

Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily required contribution	$ 207,646	$ 180,839	$ 161,064	$ 170,496	$ 184,496	$ 134,683	$ 159,484	$ 133,110	$ 274,169	$ 186,289
Contributions in relation to the statutorily required contribution	207,646	180,839	161,064	170,496	184,496	134,683	159,484	133,110	274,169	186,289
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Library's Covered Payroll	$ 510,679	$ 487,889	$ 465,607	$ 465,210	$ 489,768	$ 535,134	$ 618,484	$ 714,294	$ 742,123	$ 769,441
Contributions as a Percentage of Covered Payroll	40.66 %	37.07 %	34.59 %	36.65 %	37.67 %	25.17 %	25.79 %	18.64 %	36.94 %	24.21 %

See note to required supplemental information.

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

Last Five Plan Years

Years Ended September 30

	2021	2020	2019	2018	2017
Library's proportion of the net OPEB liability	0.00564 %	0.00538 %	0.00537 %	0.00562 %	0.00679 %
Library's proportionate share of the net OPEB liability	$ 86,034	$ 288,066	$ 385,780	$ 447,020	$ 600,939
Library's covered-employee payroll	$ 491,104	$ 469,602	$ 465,358	$ 475,915	$ 527,382
Library's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	17.52 %	61.34 %	82.90 %	93.93 %	113.95 %
Plan fiduciary net position as a percentage of total OPEB liability	88.87 %	59.76 %	48.67 %	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.

See note to required supplemental information.

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

Last Five Fiscal Years

Years Ended June 30

	2022	2021	2020	2019	2018
Statutorily required contribution	$ 41,616	$ 40,601	$ 37,414	$ 36,542	$ 35,375
Contributions in relation to the statutorily required contribution	41,616	40,601	37,414	36,542	35,375
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Library's Covered-employee Payroll	$ 510,679	$ 487,889	$ 465,607	$ 465,210	$ 489,768
Contributions as a Percentage of Covered-employee Payroll	8.15 %	8.32 %	8.04 %	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.

See note to required supplemental information.

Pension Information

<u>Changes in Assumptions - MERS</u>

Assumption changes in measurement year 2021 are the result of a reduction in the investment rate of return assumption from 7.60 to 7.25.

Assumption changes in measurement year 2020 are the result of the mortality table assumption change from RP-2014 to the Pub-2010 mortality tables.

Assumption changes in measurement year 2019 are the result of a reduction in the investment rate of return assumption from 8.0 percent to 7.6 percent and a change in the assumed rate of wage inflation from 3.75 percent to 3.00 percent.

Assumption changes in measurement year 2015 are the result of the investment rate of return assumption reduced from 8.25 percent to 8.0 percent.