



Meeting Agenda
October 20, 2021
5:00 p.m.
Battle Creek Public Schools Fireplace Room: 3rd Floor

1. Approval of Minutes* (pg. 1)
2. Public Comment
3. Financial Report:
 - a. Approval of Expenditures* (pg. 3)
 - b. Presentation of the Audit (pg. 8)
4. Reports & Recommendations
 - a. PA 152 Resolution (pg. 65)
 - b. Quarterly Statistics (pg. 66)
 - c. Department Reports (pg. 68)
 - Nomination: 2021 State Librarian's Excellence Award (pg. 69)
 - Willard Library Service Area Preliminary Census Figures (pg. 75)
 - State Aid Rates: 1998-2019 (pg. 76)
5. Other Business
6. Comments by Trustees
7. Adjourn

Action items are indicated by an *

269-968-8166
willardlibrary.org
7 W. Van Buren St.
Battle Creek, MI 49017

WILLARD PUBLIC LIBRARY BOARD OF TRUSTEES

September 15, 2021
Willard Library Meeting Room

BOARD OF TRUSTEES

James Keefer, Kathy Baker, Michelle Herzing, Judith Williamson, Salli Baltutat

ADMINISTRATION

Director Cathy Lucas, Deputy Directors Matt Willis and April Dillinger, Director of Finance Kathy Domenico, Director of IT & Facilities Chad Osborn, Director of Youth Services and Community Engagement Tynisha Dungey, Director of Circulation and Branch Services Amanda Paffhausen, Executive Administrative Assistant Kara Brooker

MINUTES

James Keefer called the meeting to order at 5:00 p.m.

APPROVAL OF MINUTES

Michelle Herzing moved, with a second from Judith Williamson, to approve the minutes of the Board Meeting of August 18, 2021.

Motion approved 5 - 0

PUBLIC COMMENT

No public comment.

FINANCIAL REPORT

Kathy Domenico reviewed financials for the month of August. Revenue received as of August 31, 2021, exceeded that of the prior year due to a generous donation from the TenBrink estate. Expenditures are on target for the year with just over 14% of the approved budget being spent.

Michelle Herzing moved, with a second from Judith Williamson, to approve the August expenditures as presented.

Motion approved 5 - 0

PERSONNEL

Cathy Lucas provided a personnel update. Circulation Library Clerks Tiffany Osborn and Liset Diaz-Cortes left the library in July and August respectively. The Library welcomes Ben Garberick as the new hourly Computer and Maintenance Tech. The Library also welcomes Meghan Babbitt and Brennan Dougherty as Library Clerks in the Circulation Department.

REPORTS & RECOMMENDATIONS

Cathy Lucas announced that the family of Joanne TenBrink, a long-time patron, presented Willard Library with a donation. A portion of the donation will fund a creative space at the Helen Warner Branch. Willard Library is honored to have held such a special place in her life.

Cathy Lucas relayed that the winners of the State Librarian's Excellence Award will be announced at a livestreamed awards ceremony on October 13th.

April Dillinger provided an update on changes made to the downtown library collection. Bulky DVD security cases have been eliminated to make collections between the two buildings more consistent. Collections in the Media area have also shifted to make room for the documentaries and educational films. Magazines & newspaper subscriptions are beginning to resume. Willard will soon add a Burmese language book collection at the downtown location.

Matt Willis gave an update for the adult programming for August 2021. Virtual programming included Take & Makes, Stories at Sundown, Peeks into the Past, and a conclusion to the yoga series. An in-person program called The Amazing Life of the Honey Bee was held outdoors at the Helen Warner Branch in which Don Snoeyink, owner of Thornapple Woodlands in Grand Rapids, presented a hands-on honeybee seminar.

Matt Willis stated that a refresher course on customer service was held with the Reference staff and that more training was planned.

Matt Willis reported that a new Creative Space has opened on the main floor of Willard Library. Guests may now use the vinyl cutter, laser cutter, and vocal booth by appointment. Later this year, drop in hours will be scheduled.

Matt Willis stated that the small lab on the second floor near the Media Desk has been transformed into a virtual recording studio for programming staff. Lights, a camera, backdrops, and furniture have been added to support high quality recordings.

Matt Willis announced that a "Discover Willard!" marketing campaign would begin Thursday, September 16. The Library will be featured with an article and photo on the cover of the Shopper. There will be fine free check-in of materials until September 30, and fine matching through October 31.

Tynisha Dungey reviewed youth programming for the month of September. Youth Service staff are excited to provide in-person programming for our patrons. The month started off with a Story Time Kickoff with a total of 40 participants. Storytimes, Babytimes, Sensory Playdates, Miss Stephanie on the Go and Tween Nights are all in person. The Teen Room is open again welcoming students after school. In honor of Hispanic Heritage month, Willard is collaborating with the Battle Creek Latin American Heritage Initiative to host José-Luis Orozco for a virtual concert that will be held on Thursday, September 16th at 6:30 pm.

Tynisha Dungey stated that the Change Team continues its Conversations in Gray and Caught Being a Change Agent initiatives. Two sessions are scheduled to discuss the results of the equity audit with selectors. The Change Team looks forward to bringing Jocelyn Giangrande back during the month of October.

Cathy Lucas reported that Willard Library has been asked to take part in Beyond The Cereal Bowl, a community partnership breakfast in November.

OTHER BUSINESS

None.

COMMENTS

Cathy Lucas relayed that many libraries across the state are facing challenges. Willard Library has been fortunate to have a supportive Board, staff, and community while navigating through uncertain times.

ADJOURNED

The meeting was adjourned at 5:15 p.m.



KATHLEEN BAKER, Secretary
Willard Public Library Board of
Trustees

WILLARD PUBLIC LIBRARY
 STATEMENT OF REVENUE AND EXPENDITURES
 REVENUE

September 2021

	BUDGET	2021/2022 YTD	% YTD	VARIANCE	2020/2021 YTD
Taxes (2)	4,570,589	698,868	15.29%	3,871,721	1,660,308
Casino PILT Disbursement	75,000	0	0.00%	75,000	0
State Sources	282,000	578	0.21%	281,422	0
Penal Fines	75,000	0	0.00%	75,000	0
Fees and Book Fines	40,000	16,791	41.98%	23,209	9,251
Local Contributions & Contracts (1)	73,819	147,694	200.08%	-73,875	42,968
Grant Funding	0	0	0.00%	0	0
Transfer to GF from Kellogg	25,000	0	0.00%	25,000	0
Transfer to GF from Capital Projects	0	0	0.00%	0	0
Transfer to GF from Endowment	0	0	0.00%	0	0
TOTAL	5,141,408	863,931	16.80%	4,277,477	1,712,527

EXPENDITURES

	BUDGET	2021/22 YTD	% YTD	Variance	2020/21 YTD
Total Expenditures	6,096,538	1,309,558	21.48%	4,786,980	1,249,538

REVENUE OVER EXPENDITURES

(445,627)

VARIANCES (+/-) Current in Bold

- 1.) **TenBrink Estate**
- 2.) **Timing of payment of BC City Taxes**

WILLARD PUBLIC LIBRARY
STATEMENT OF REVENUE AND EXPENDITURES

September 2021

EXPENDITURES	BUDGET	2021/22 YTD	% YTD	VARIANCE	2020/21 YTD
Capital Expenditures	478,671	61,726	12.90%	416,945	26,553
Program Svs-Av, Books & Periodicals	982,970	186,649	18.99%	796,321	203,614
Program Svs-Grant Expenses	15,500	15,500	100.00%	0	15,500
Personnel	3,391,197	729,791	21.52%	2,661,406	713,393
Office Supplies	48,000	8,837	18.41%	39,163	8,925
Repairs & Maintenance Supplies	35,000	5,254	15.01%	29,746	6,148
Purchased Services	662,200	147,799	22.32%	514,401	119,308
Communications	116,000	31,152	26.86%	84,848	22,567
Insurance	23,000	23,837	103.64%	(837)	21,857
Public Utilities	142,000	13,068	9.20%	128,932	14,624
Repairs & Maintenance Services	202,000	85,946	42.55%	116,054	97,049
TOTAL	6,096,538	1,309,558	21.48%	4,786,980	1,249,538

VARIANCES (+/-) Current in Bold

WILLARD PUBLIC LIBRARY

SUMMARY OF DISBURSEMENTS SEPTEMBER 2021

GENERAL FUND DISBURSEMENTS

Expenditures by check	192,544.76
<i>ELECTRONIC PAYMENTS (ACH)</i>	
Net payroll transfer	120,359.99
FICA & Federal withholding tax	41,689.73
State withholding tax	6,251.01
Battle Creek City withholding tax	1,192.34
MERS Retirement System	21,432.21
MPERS Retirement System	2,437.64
MPERS UAAL RATE STABILIZATION	0.00
Michigan Unemployment	0.00
OMNI (403 (b) 3rd party administrator)	990.00
BASIC (125 Plan 3rd party administrator)	1,646.19
MERS (Employee 457)	1,175.34
Friend of the Court	1,533.54
5th/3rd BANK (credit card)	11,508.07
Health Equity Employer Serv.	474.00
MESSA	51,686.09
Unum Life Insurance	633.73
Total Disbursements	455,554.64

WILLARD PUBLIC LIBRARY CHECKS
September 2021

Check Number	Check Date	Vendor Name	Check Amount
			Grand Totals \$192,544.76
052262	9/1/2021	BRETT N., RODGERS CHAPTER 13 TRUST ACCOUNT	\$138.46
052263	9/1/2021	BLUE OX CREDIT UNION ATTN: JENNA DOHERTY	\$671.90
052264	9/8/2021	ALLEGRA PRNT & IMAGING INC.	\$205.40
052265	9/8/2021	ARCOIRIS RECORDS INC	\$750.00
052266	9/8/2021	CALHOUN COUNTY TREASURER	\$93.56
052267	9/8/2021	CISD CALHOUN INTER SCHOOL	\$511.50
052268	9/8/2021	D. L. GALLIVAN LLC	\$472.66
052269	9/8/2021	DEMCO SOFTWARE INC	\$1,083.65
052270	9/8/2021	DONNA TITUS LONG DBA RELIABLE PROP CLE	\$2,550.00
052271	9/8/2021	FUN EXPRESS LLC	\$512.03
052272	9/8/2021	GREENSCAPE SERVICES INC	\$814.50
052273	9/8/2021	KATHLEEN GROSSO	\$900.00
052274	9/8/2021	LAURA OTTE	\$75.00
052275	9/8/2021	MI MUNICIPAL LEAGUE	\$200.00
052276	9/8/2021	U-STORE MINGES CREEK INC.	\$3,909.00
052277	9/8/2021	PITNEY BOWES GLOBAL FINANCIAL SERVICES LLC	\$483.93
052278	9/8/2021	DEX YP INC SUPERMEDIA LLC	\$36.25
052279	9/8/2021	AUTOMOX INC.	\$2,700.00
052280	9/8/2021	PLANTE & MORAN LLP	\$17,000.00
052281	9/16/2021	SEMCO ENERGY INC	\$746.51
052282	9/16/2021	VERIZON WIRELESS	\$63.08
052283	9/16/2021	CITY OF BATTLE CREEK CITY TREASURER	\$430.44
052284	9/16/2021	OMNI GROUP ATTN: ACCOUNTS RECEIVABLE	\$10.00
052285	9/16/2021	DEMCO INC	\$721.47
052286	9/16/2021	DOLLYWOOD FOUNDATION ATTN: OPERATIONS DEPT	\$15,000.00
052287	9/16/2021	4IMPRINT INC	\$1,003.07
052288	9/16/2021	HUNTER PRELL CO	\$396.03
052289	9/16/2021	KNIGHTWATCH INC	\$45,845.27
052290	9/16/2021	LAKEVIEW HARDWARE INC	\$125.53
052291	9/16/2021	MISC STAFF REIMBURSEMENT	\$15.88
052292	9/16/2021	ROSE PEST SOLUTIONS INC	\$37.00
052293	9/16/2021	DONNA TITUS LONG DBA RELIABLE PROP CLE	\$2,300.00
052294	9/16/2021	BRETT N., RODGERS CHAPTER 13 TRUST ACCOUNT	\$138.46
052295	9/16/2021	BLUE OX CREDIT UNION ATTN: JENNA DOHERTY	\$671.77
052296	9/16/2021	SUMMIT POINTE ATTENTION: FINANCE	\$250.00
052297	9/16/2021	TIAA COMMERCIAL FINANCE INC	\$508.16
052298	9/16/2021	THE TRUTH & TITUS COLLECTIVE	\$125.00
052299	9/16/2021	WELLS FARGO FINANCIAL LEASING INC	\$165.00
052300	9/21/2021	ALLEGRA PRNT & IMAGING INC.	\$483.44
052301	9/21/2021	SEMCO ENERGY INC	\$16.85
052302	9/21/2021	DEMCO INC	\$440.12
052303	9/21/2021	E B S C O INFORMATION SERVICES INC PAYMENT PROCESSING CENTER	\$1,958.41
052304	9/21/2021	FUEL MANAGMENT SYSTEM INC	\$66.90
052305	9/21/2021	JOCELYN GIANGRANDE DBA SASHE LLC	\$1,800.00
052306	9/21/2021	HUNTER PRELL CO	\$354.00
052307	9/21/2021	LEILA ARBORETUM	\$50.00

Imagination Library

Security Camera Upgrade

Check Number	Check Date	Vendor Name	Check Amount
052308	9/21/2021	DONNA TITUS LONG DBA RELIABLE PROP CLE	\$2,400.00
052309	9/21/2021	TASTE OF HOME	\$38.14
052310	9/21/2021	THOMSON REUTERS - WEST PAYMENT CENTER	\$59.06
052311	9/28/2021	GE CAPITAL RETAIL BANK/AMAZON INC	\$929.65
052312	9/28/2021	BATTERIES PLUS #388	\$50.19
052313	9/28/2021	CALHOUN COUNTY TREASURER	\$1,007.30
052314	9/28/2021	CONSUMERS ENERGY INC	\$3,306.89
052315	9/28/2021	FUN EXPRESS LLC	\$480.27
052316	9/28/2021	GREENSCAPE SERVICES INC	\$1,791.50
052317	9/28/2021	INST. OF CONTINUING LEGAL EDUCATION	\$138.50
052318	9/28/2021	MISC STAFF REIMBURSEMENT	\$35.16
052319	9/28/2021	OVERDRIVE INC	\$11,965.42
052320	9/28/2021	ROSE PEST SOLUTIONS INC	\$49.00
052321	9/28/2021	DONNA TITUS LONG DBA RELIABLE PROP CLE	\$2,200.00
052322	9/28/2021	STAPLES INC STAPLES CONTRACT & COMMERCIAL LLC	\$160.38
052323	9/28/2021	VARNUM RIDDERING SCHMIDT HOWLETT LLP	\$3,022.50
052324	9/28/2021	VITAL RECORDS HOLDINGS LLC DBA VRC COMPANIES	\$105.50
A03454	9/8/2021	BK TEACHOUT INVESTIGATIONS INC	\$1,377.60
A03455	9/8/2021	CDW GOVERNMENT INC SUITE 1515	\$486.38
A03456	9/8/2021	MIDWEST TAPE INC.	\$6,811.18
A03457	9/8/2021	SIRSI CORPORATION #774271	\$2,000.00
A03458	9/8/2021	UNIQUE INTEGRATED COMMUNICATIONS INC	\$693.75
A03459	9/8/2021	WASTE MANAGEMENT OF MI COMMERCIAL SERVICES INC	\$487.72
A03460	9/16/2021	BRODART COMPANY INC	\$655.95
A03461	9/16/2021	BLACKSTONE AUDIO BOOKS INC	\$272.20
A03462	9/16/2021	BK TEACHOUT INVESTIGATIONS INC	\$1,098.00
A03463	9/16/2021	CDW GOVERNMENT INC SUITE 1515	\$1,034.41
A03464	9/16/2021	INGRAM LIBRARY SERVICE INC	\$9,394.88
A03465	9/16/2021	KSS ENTERPRISES INC	\$756.83
A03466	9/16/2021	MIDWEST TAPE INC.	\$890.64
A03467	9/16/2021	SECURITAS SECURITY SERVICES USA INC	\$4,470.05
A03468	9/21/2021	BRODART COMPANY INC	\$335.30
A03469	9/21/2021	BLACKSTONE AUDIO BOOKS INC	\$377.20
A03470	9/21/2021	BK TEACHOUT INVESTIGATIONS INC	\$1,454.70
A03471	9/21/2021	GALE/CENGAGE LEARNING INC	\$198.67
A03472	9/21/2021	INGRAM LIBRARY SERVICE INC	\$6,155.06
A03473	9/21/2021	MIDWEST TAPE INC.	\$3,755.23
A03474	9/28/2021	BRODART COMPANY INC	\$1,149.02
A03475	9/28/2021	BLACKSTONE AUDIO BOOKS INC	\$859.19
A03476	9/28/2021	BK TEACHOUT INVESTIGATIONS INC	\$1,488.30
A03477	9/28/2021	INGRAM LIBRARY SERVICE INC	\$5,004.42
A03478	9/28/2021	MIDWEST TAPE INC.	\$1,812.44
A03479	9/28/2021	SECURITAS SECURITY SERVICES USA INC	\$4,955.95

September 21, 2021

To the Board of Trustees
Willard Public Library

We have audited the financial statements of Willard Public Library (the "Library") as of and for the year ended June 30, 2021 and have issued our report thereon dated September 21, 2021. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 23, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Library. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters on July 23, 2021.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Library are described in Note 1 to the financial statements. Effective July 1, 2020, the Library adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The new accounting standard did not significantly impact the financial statements.

We noted no transactions entered into by the Library during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Management's estimate of the valuation of the collection is based on the historical weighted-average cost. We evaluated the key factors and assumptions used to develop the valuation of the collection in determining that it is reasonable in relation to the financial statements taken as a whole.

The defined benefit pension and OPEB information is based on actuarial valuations, which use significant actuarial assumptions and the entry actual age cost method to determine required contributions from the Library and the net pension and OPEB liabilities. In addition, the actuarial valuation of the assets is determined using techniques that smooth the effects of short-term volatility over a four-year period. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Library, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Library's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 21, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Library's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.


This report is intended solely for the use of the board of trustees and management of the Library and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC



Kenley Penner, CPA
Partner



Corey VanDyke, CPA
Principal

Willard Public Library

**Financial Report
with Supplemental Information
June 30, 2021**

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Independent Auditor's Report

To the Board of Trustees
Willard Public Library

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Willard Public Library (the "Library") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Willard Public Library's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Willard Public Library as of June 30, 2021 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Willard Public Library

Other Matter

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and pension system and OPEB schedules, as disclosed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Plante & Moran, PLLC

September 21, 2021

Using This Annual Report

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplemental information. The basic financial statements include information that presents three different views of Willard Public Library (the "Library"):

- The first series of columns of the financial statements includes information on the Library's various funds under the modified accrual method. These fund financial statements focus on current financial resources and provide a more detailed view about the accountability of the Library's sources and uses of funds.
- The adjustments column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full accrual method.
- The Library as a whole financial statement column provides both long-term and short-term information about the Library's overall financial status. The statement of net position and the statement of activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. These statements tell how these services were financed in the short term, as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by a section of required supplemental information that further explains and supports the information in the financial statements.

Financial Highlights

As discussed in further detail in the management's discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2021:

- State of MI COVID-19 orders forced reduced hours and occupancy limits, resulting in lower expenditures than anticipated.
- During the pandemic, the Library saw a shift in how services were provided to guests. As a result, expenditure increases were seen in electronic and virtual services, with expenditure decreases in physical materials.
- COVID-19 continues to negatively impact some revenue streams. It is unclear what the impact will be on future property tax revenue.

Condensed Financial Information

The table below compares key financial information in a condensed format with comparison to the prior year:

	2021	2020
Assets		
Current assets	\$ 5,859,723	\$ 5,133,742
Capital assets	5,267,202	5,318,933
Total assets	11,126,925	10,452,675
Deferred Outflows of Resources	851,508	676,132
Liabilities		
Other liabilities	103,200	90,042
Long-term debt	1,913,960	2,165,088
Total liabilities	2,017,160	2,255,130
Deferred Inflows of Resources	1,017,805	745,011
Net position		
Net investment in capital assets	5,267,202	5,318,933
Restricted	1,041,466	1,017,997
Unrestricted	2,634,800	1,791,736
Total net position	\$ 8,943,468	\$ 8,128,666
Revenue		
Property taxes	\$ 4,575,121	\$ 4,480,701
Other	1,174,068	1,303,806
Total revenue	5,749,189	5,784,507
Expenditures - Library services	4,934,387	5,392,475
Change in Net Position	814,802	392,032
Net Position - Beginning of year	8,128,666	7,736,634
Net Position - End of year	\$ 8,943,468	\$ 8,128,666

Change in Net Position

The \$2.6 million in unrestricted net assets of the governmental activities represents the accumulated results of all past years' operations. The unrestricted net assets balance enables the Library to meet working capital and cash flow requirements and to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

As reported in the statement of activities, the cost of all library activities this year was approximately \$4.9 million. The majority of the expenses were funded through property tax revenue (\$4.6 million) and other revenue (\$1.2 million) composed of the Casino PILT disbursement, fees and book fines, penal fines, contributions, and state sources.

As discussed above, the net cost shows the financial burden that was placed on the Library's taxpayers by each of these functions. Since property taxes for operations constitute the vast majority of library operating revenue sources, the board of trustees and administration must annually evaluate the needs of the Library and balance those needs with the available resources.

The Library's Funds

As we noted earlier, the Library uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader to consider whether the Library is being accountable for the resources taxpayers and others provide to it and may provide more insight into the Library's overall financial health.

As the Library completed this year, the governmental funds reported a combined fund balance of approximately \$5.8 million, which is an increase of approximately \$715,000 from last year's fund balance.

In the General Fund, the Library's principal operating fund, fund balance increased approximately \$681,000 during the 2020-2021 year.

The Owen Endowment Fund is a permanent fund and had a fund balance that slightly increased. This fund is used to account for revenue received from a donor to fund special projects and library improvements.

The Capital Improvement Fund, which is used to account for revenue received for and expenses related to capital projects, had a slight increase in fund balance due to a small amount of interest that was earned during the 2020-2021 year.

The Special Revenue Fund - Kellogg Company, which is used to account for the restricted revenue received from the Kellogg Company for the purpose of supplying a librarian to the Kellogg Company's library, had an increase in the fund balance. This fund continues to be self-supporting; revenue exceeds expenditures.

Library Budgetary Highlights

The Library's administration continues to monitor property values and proposed legislation that would affect library funding at both the local and state level. Areas of potential financial concern include local tax-capture agreements and the elimination of the Personal Property Tax. Property values increased slightly. Library expenditures are regularly reviewed for potential cost-saving measures.

Willard Public Library and the Helen Warner Branch continue to be popular destinations while operating at the same rate of 2.0 mills, which was adopted 20 years ago. With careful resource management, the Library's administration anticipates success at this funding level for many years to come.

General Fund Budgetary Highlights

The General Fund's actual revenue was \$5.56 million. That amount is above the original budget estimate of \$5.15 million and above the final amended budget of \$5.46 million. The actual expenditures of the General Fund were \$4.91 million, which was below the original budget estimate of \$5.57 million and below the final amended budget of \$5.45 million. The approximate \$548,000 variance between the final amended budget and the 2021 actual results was primarily due to the carryover in the amounts budgeted for materials, purchased services, and utilities, which were lower than expected due to the temporary closure of the Library during the year due to COVID-19.

The General Fund had total revenue of \$5.56 million and total expenditures of \$4.91 million, with an ending fund balance of \$4.02 million.

Current Year Highlights

In the midst of a historic pandemic, Willard Public Library served as a lifeline to the community by providing timely information and access to materials such as books, movies, and digital downloads and making computer resources available.

The Library shut down on March 13, 2020 just ahead of Michigan's Executive Order (EO 2020-9), effective March 16, and began curbside circulation service on June 15, 2020. The Library reopened with reduced occupancy, limited hours, and guest time limits on June 29, 2021 as permitted by Executive Order 2020-110. Over the next six months the Library experienced a closure of its Helen Warner Branch on October 16, 2020 due to a staff quarantine and a full shutdown of both locations on November 17, 2020 due to the high rate of COVID-19 community spread. On January 25, 2021, Willard Public Library downtown reopened, again with reduced occupancy, limited hours, and guest time limits. The Helen Warner Branch reopened on March 15, 2021. The Library returned to full hours on July 6, 2021 after the close of fiscal year 2020-2021 and after the Michigan Department of Health and Human Services Emergency Orders were rescinded on June 22, 2021.

Despite these unprecedented challenges, the Library circulated over 525,000 items, provided virtual programming for over 5,300 attendees, and gave internet access to over 12,000 public desktop users and over 56,000 wireless device users. Additionally, the Library's Chronicling Battle Creek suite of digitized local publications climbed to over 328,000 page views, which was a 60 percent increase over last year. The Library increased its circulation digital collection of ebooks and downloadable audiobooks both by 8 percent and continues to expand its collection of digital products. The Library retooled to offer much-needed technology assistance via remote connections. This allowed one-on-one assistance with web navigation, wireless devices, online unemployment services, and guidance on legal self-help services.

The Library continues to make progress toward its strategic plan goals focused on community collaboration, which included offering socially distanced study space to high school students and virtual community conversations for adults and auditing the print collections through a lens of diversity, equity, and inclusion. The Library also partnered with community organizations to bring Spanish and Burmese language programming. Working with the League of Women Voters, a virtual town hall on redistricting was held. The Library's change team continues to make progress in nurturing an inclusive and dynamic environment for staff. The Library also became a Google Grow Partner, which will provide resources and digital skills training for employment to the community.

Virtual programming flourished with a variety of engaging topics. Creative programming included *Take & Make* craft kits. An in-house program, focused on do-it-yourself programming, gained a steady following. Local history programming, which included creating a weekly interview show, *Stories at Sundown*, and a monthly discussion program, *Peeks into the Past*, featured residents with deep knowledge of local history. Virtual cooking and fitness programs were produced and widely enjoyed. Genealogy programs were hosted by a variety of experts, including guest speakers from the Library of Michigan. *Community Conversations* were held to discuss issues surrounding racial justice. *Battle Creek Reads*, a communitywide reading program, had virtual visits by Reyna Grande, author of *The Distance Between Us*, and Etaf Rum, author of *A Woman is No Man*, for its 16th year.

Total youth and school program attendance was over 15,475. During the summer of 2020, families were able to receive summer reading materials at food distribution sites and daycare centers. The Library continued its traditional reading programs, with over 160 children and teens participating. A drive-up *Summer Reading Kickoff* in June 2021 hosted over 270 attendees. The Library participated in the Bearcat Health Literacy Subcommittee, which focused on early literacy. Youth services staff created and distributed *Grab 'n' Go* kits to provide activities for patrons to engage in, while also keeping patrons connected to the Library and its services. Virtual *Storytimes*, a TALK-to-text initiative with literacy activities and suggestions for parents of preschoolers, and free book distribution contributed to the Library's goals of advancing a culture of literacy.

Capital Assets and Debt Administration

Major security improvements were made at both locations by upgrading the security cameras and installing a new key fob system. In addition, renovations were made in the technical services area, allowing for more storage, and tile replacement was completed in the women's staff restroom.

Contacting the Library's Management

This financial report is intended to provide our residents, taxpayers, and customers with a general overview of the Library's finances to show the Library's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the director's office.

Governmental Funds
Statement of Net Position/Governmental Fund Balance Sheet

June 30, 2021

	Permanent Fund		Capital Improvement Fund	Nonmajor Special Revenue Fund	Balance Sheet - Modified Accrual	Adjustments (Note 2)	Statement of Net Position - Full Accrual
	General Fund	Owen Endowment Fund		SRF - Kellogg Company			
Assets							
Cash and cash equivalents (Note 3)	\$ 3,932,484	\$ 1,014,661	\$ 638,288	\$ 55,238	\$ 5,640,671	\$ -	\$ 5,640,671
Receivables	109,347	-	-	24,646	133,993	-	133,993
Prepaid assets	85,059	-	-	-	85,059	-	85,059
Capital assets: (Note 4)							
Assets not subject to depreciation	-	-	-	-	-	980,185	980,185
Assets subject to depreciation - Net	-	-	-	-	-	4,287,017	4,287,017
Total assets	4,126,890	1,014,661	638,288	79,884	5,859,723	5,267,202	11,126,925
Deferred Outflows of Resources							
Deferred MPSERS pension costs (Note 9)	-	-	-	-	-	104,346	104,346
Deferred MERS pension costs (Note 8)	-	-	-	-	-	721,755	721,755
Deferred MPSERS OPEB costs (Note 9)	-	-	-	-	-	25,407	25,407
Total deferred outflows of resources	-	-	-	-	-	851,508	851,508
Total assets and deferred outflows of resources	\$ 4,126,890	\$ 1,014,661	\$ 638,288	\$ 79,884	\$ 5,859,723	6,118,710	11,978,433
Liabilities							
Accounts payable	\$ 102,373	\$ -	\$ -	\$ -	\$ 102,373	-	102,373
Accrued liabilities	827	-	-	-	827	-	827
Noncurrent liabilities:							
Due within one year - Compensated absences (Note 5)	-	-	-	-	-	229,000	229,000
Due in more than one year:							
Compensated absences (Note 5)	-	-	-	-	-	246,000	246,000
Net pension liability - MPSERS (Note 9)	-	-	-	-	-	570,245	570,245
Net pension liability - MPSERS OPEB (Note 9)	-	-	-	-	-	57,392	57,392
Net pension liability - MERS (Note 8)	-	-	-	-	-	811,323	811,323
Total liabilities	103,200	-	-	-	103,200	1,913,960	2,017,160

See notes to financial statements.

Governmental Funds
Statement of Net Position/Governmental Fund Balance Sheet (Continued)

June 30, 2021

	General Fund	Permanent Fund		Capital Improvement Fund	Nonmajor Special Revenue Fund		Balance Sheet - Modified Accrual	Adjustments (Note 2)	Statement of Net Position - Full Accrual
		Owen Endowment Fund			SRF - Kellogg Company				
Deferred Inflows of Resources									
Revenue in support of pension contributions made subsequent to the report date (Note 9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,300	\$ 16,300
Deferred MPERS pension costs (Note 9)	-	-	-	-	-	-	-	339,300	339,300
Deferred MPERS OPEB costs (Note 9)	-	-	-	-	-	-	-	178,086	178,086
Deferred MERS pension costs (Note 8)	-	-	-	-	-	-	-	484,119	484,119
Total deferred inflows of resources	-	-	-	-	-	-	-	1,017,805	1,017,805
Total liabilities and deferred inflows of resources	103,200	-	-	-	-	-	103,200	2,931,765	3,034,965
Equity									
Fund balances:									
Nonspendable:									
Prepaid assets	85,059	-	-	-	-	-	85,059	(85,059)	-
Endowment Fund	-	961,582	-	-	-	-	961,582	(961,582)	-
Restricted - Kellogg Company	-	-	-	-	79,884	-	79,884	(79,884)	-
Committed - 60-day reserve fund	818,180	-	-	-	-	-	818,180	(818,180)	-
Assigned:									
Budgeted use of fund balance	955,130	-	-	-	-	-	955,130	(955,130)	-
Endowment Fund - interest	-	53,079	-	-	-	-	53,079	(53,079)	-
Capital improvements - Future projects	-	-	638,288	-	-	-	638,288	(638,288)	-
Sick payable	246,000	-	-	-	-	-	246,000	(246,000)	-
Unassigned	1,919,321	-	-	-	-	-	1,919,321	(1,919,321)	-
Total fund balances	4,023,690	1,014,661	638,288	79,884	5,756,523	(5,756,523)	-	-	
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,126,890	\$ 1,014,661	\$ 638,288	\$ 79,884	\$ 5,859,723				
Net position:									
Net investment in capital assets								5,267,202	5,267,202
Restricted:									
Contributor restricted								79,884	79,884
Nonexpendable endowment								961,582	961,582
Unrestricted								2,634,800	2,634,800
Total net position								\$ 8,943,468	\$ 8,943,468

See notes to financial statements.

Governmental Funds

Statement of Activities/Governmental Fund Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2021

	Permanent Fund			Nonmajor Special Revenue Fund	Statement of Revenue, Expenditures, and Changes in Fund Balances - Modified Accrual	Adjustments (Note 2)	Statement of Activities - Full Accrual
	General Fund	Owen Endowment Fund	Capital Improvement Fund	SRF - Kellogg Company			
Revenue							
Property taxes	\$ 4,577,769	\$ -	\$ -	\$ -	\$ 4,577,769	\$ (2,648)	\$ 4,575,121
State sources - Unrestricted	578,387	-	-	-	578,387	11,160	589,547
Fees and book fines	51,644	-	-	-	51,644	-	51,644
Penal fines	128,356	-	-	-	128,356	-	128,356
Casino PILT disbursement	140,550	-	-	-	140,550	-	140,550
Interest	2,958	9,224	1,794	18	13,994	-	13,994
Local contributions, contracts, and other	83,202	18,898	-	147,877	249,977	-	249,977
Total revenue	5,562,866	28,122	1,794	147,895	5,740,677	8,512	5,749,189
Expenditures							
Program services - Audiovisual, books, and periodicals	788,127	-	-	-	788,127	(482,396)	305,731
Support services - General administration:							
Personnel	3,025,165	-	-	118,324	3,143,489	(142,550)	3,000,939
Communications	89,903	-	-	-	89,903	-	89,903
Office supplies	32,829	-	-	-	32,829	-	32,829
Public utilities	104,303	-	-	-	104,303	-	104,303
Depreciation	-	-	-	-	-	721,069	721,069
Purchased services	468,042	-	-	-	468,042	-	468,042
Insurance	21,857	-	-	-	21,857	-	21,857
Repairs and maintenance	193,276	-	-	-	193,276	(45,670)	147,606
Repairs and maintenance supplies	26,453	-	-	-	26,453	-	26,453
Capital expenditures	156,927	-	-	-	156,927	(141,272)	15,655
Total expenditures	4,906,882	-	-	118,324	5,025,206	(90,819)	4,934,387
Excess of Revenue Over Expenditures	655,984	28,122	1,794	29,571	715,471	99,331	814,802
Other Financing Sources (Uses) - Transfers (Note 6)	25,000	-	-	(25,000)	-	-	-
Net Change in Fund Balances/Net Position	680,984	28,122	1,794	4,571	715,471	99,331	814,802
Fund Balances/Net Position - Beginning of year	3,342,706	986,539	636,494	75,313	5,041,052	3,087,614	8,128,666
Fund Balances/Net Position - End of year	\$ 4,023,690	\$ 1,014,661	\$ 638,288	\$ 79,884	\$ 5,756,523	\$ 3,186,945	\$ 8,943,468

See notes to financial statements.

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

Willard Public Library (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 (GASB). The following is a summary of the significant accounting policies used by the Library:

Reporting Entity

The Library is located in the city of Battle Creek, Michigan and is governed by an appointed five-member board. The Library is primarily funded through a tax levy, fines, fees, and charitable donations. Revenue is used to operate and staff the Library. The accompanying basic financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include oversight responsibility, scope of public service, and special financing relationships. The Library is a district library formed pursuant to the District Library Establishment Act (1989 Public Act 24) by agreement between the school districts of Battle Creek, Harper Creek, Lakeview, and Pennfield. Based on the significance of any operational or financial relationships with the Library, there are no component units to be included in these financial statements.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The individual fund columns present their activities on the modified accrual basis of accounting, as discussed above, which demonstrates accountability for how the current resources have been spent. The government-wide columns are presented on the economic resources measurement focus and the full accrual basis of accounting in order to measure the cost of providing government services and the extent to which constituents have paid the full cost of government services.

On the full 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. 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.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the Library has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Library considers amounts collected within 60 days of year end to be available for recognition.

Note 1 - Significant Accounting Policies (Continued)

Fund Accounting

The Library accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the Library to show the particular expenditures for which specific revenue is used. The Library reports the following major governmental funds:

General Fund

The General Fund is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Owen Endowment Fund (Permanent Fund)

The Owen Endowment Fund is used to account for revenue received from a donor to fund special projects and library improvements held in the endowment account.

Capital Improvement Fund

The Capital Improvement Fund is used to account for revenue received for and expenses related to capital projects.

Nonmajor Governmental Fund

The Library reports the following nonmajor governmental fund:

Special Revenue Fund

The Special Revenue Fund - Kellogg Company is used to account for the restricted revenue received from the Kellogg Company for the direct purpose of supplying a librarian to the Kellogg Company's library.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When an expense is incurred for a purpose for which both restricted and unrestricted net position or fund balance are available, the Library's policy is to first apply restricted resources. When an expense is incurred for a purpose for which amounts in any of the unrestricted fund balance classifications could be used, it is the Library's policy to spend funds in this order: committed, assigned, and unassigned.

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.

Receivables and Payables

In general, outstanding balances between funds are reported as due to/from other funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as advances to/from other funds.

Property tax receivables are shown as net of an allowance for uncollectible amounts.

Other Assets

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

Note 1 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as assets with an estimated useful life in excess of two years. 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.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings	20-50
Building improvements	10-20
Furniture and fixtures	5-10
Library books, periodicals, etc.	3-5
Land improvements	10-30
Equipment	5-10

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 periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The Library reports deferred outflows related to deferred charges on deferred pension and OPEB costs.

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 one type of deferred inflow of resources, which arises under the full accrual basis of accounting and is, therefore, only reported in the government-wide statement of net position. This deferred inflow relates to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB costs.

Net Position

Net position of the Library is classified in three components. Net investment in capital assets consists 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. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted net position is further classified as expendable and nonexpendable. Expendable restricted net position has been limited for use by donors and is 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 and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide 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 net position to have been depleted before unrestricted net position is applied.

Note 1 - Significant Accounting Policies (Continued)

Fund Balance

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.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The Library itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Library's highest level of decision-making authority. The board of trustees is the highest level of decision-making authority for the Library that can, by passing a resolution prior to the end of the fiscal year, commit fund balance. Once passed, the limitation imposed by the resolution remains in place until a similar action is taken (the passing of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Library has, by resolution, authorized the library director to assign fund balance. The board of trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each December 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 due on February 15 with the final collection date of March 1 before they are added to the county tax rolls. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Library's 2020 property tax revenue was levied and collectible on December 1, 2020 and is recognized as revenue in the year ended June 30, 2021 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2020 taxable valuation of the participating municipalities totaled \$2,274 million before adjustments, on which taxes levied consisted of 2.0 mills for operating purposes. This resulted in approximately \$4.6 million for General Fund operations. This amount was reported in the General Fund as tax revenue.

Note 1 - Significant Accounting Policies (Continued)**Advance and Current Refundings**

In prior years, the Library defeased certain bonds by placing proceeds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for defeased bonds are not included in the basic financial statements. At June 30, 2021, approximately \$225,000 of bonds outstanding is considered defeased.

Pension and Other Postemployment Benefit (OPEB) Plan

The Library offers pension benefits to all retirees and OPEB benefits to MPSERS retirees. For purposes of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPSERS) and Municipal Employees' Retirement System of Michigan (MERS) and additions to/deductions from the MPSERS and MERS fiduciary net position have been determined on the same basis as they are reported by MPSERS and MERS. MPSERS and MERS use 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)

It is the Library's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the Library will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation are used to liquidate the obligations.

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 Pronouncement

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Library is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were effective for the Library's financial statements for the year ended June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

Note 2 - Reconciliation of Individual Fund Columns of the Statement of Net Position/Statement of Activities

Net position reported in the statement of net position column is different than the fund balance reported in the individual fund columns because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

Total Fund Balances - Modified Accrual Basis	\$ 5,756,523
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the funds	5,267,202
Some employee fringe benefits 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:	
Employee compensated absences	(475,000)
Net MPSERS pension and OPEB liability and related deferred inflows and outflows	(1,015,270)
Net MERS pension liability and related deferred inflows and outflows	(573,687)
Revenue in support of pension and OPEB contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position	(16,300)
Total Net Position - Full Accrual Basis	<u>\$ 8,943,468</u>

The change in net position reported in the statement of activities column is different than the change in fund balance reported in the individual fund columns because of the different measurement focus and basis of accounting, as discussed in Note 1. Below is a reconciliation of the differences:

Net Change in Fund Balances - Modified Accrual Basis	\$ 715,471
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 is not an expense of the current period	669,338
Capital costs are allocated over their estimated useful lives as depreciation	(721,069)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	(2,648)
Increase in the accrual for long-term compensated absences is reported as an expenditure in the statement of activities but not in the fund financial statements	(29,000)
Decrease in the accrual for vacation liability is reported as an expenditure in the statement of activities but not in the fund financial statements	16,000
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	166,710
Change in Net Position - Full Accrual Basis	<u>\$ 814,802</u>

Note 3 - Deposits

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 Library has designated three banks and five credit unions for the deposit of its funds. The investment policy adopted by the board is in accordance with Public Act 196 of 1997.

The Library's cash is subject to custodial credit risk, which is 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 does not have a deposit policy for custodial credit risk. At year end, the Library had approximately \$3.6 million of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Library believes that, due to the dollar amounts of cash deposits and the limits of FDIC/NCUA insurance, it is impractical to insure all deposits. As a result, the Library evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Note 4 - Capital Assets

Capital asset activity of the Library's governmental activities was as follows:

	Balance July 1, 2020	Additions	Disposals	Balance June 30, 2021
Capital assets not being depreciated - Land	\$ 980,185	\$ -	\$ -	\$ 980,185
Capital assets being depreciated:				
Buildings and improvements	3,525,279	110,531	-	3,635,810
Equipment	1,473,517	76,411	-	1,549,928
Furniture and fixtures	1,574,258	-	-	1,574,258
Land improvements	258,636	-	-	258,636
Books, periodicals, etc.	4,070,084	482,396	(600,767)	3,951,713
Subtotal	10,901,774	669,338	(600,767)	10,970,345
Accumulated depreciation:				
Buildings and improvements	2,159,888	159,480	-	2,319,368
Equipment	1,318,452	46,850	-	1,365,302
Furniture and fixtures	1,418,059	33,575	-	1,451,634
Land improvements	202,440	11,239	-	213,679
Books, periodicals, etc.	1,464,187	469,925	(600,767)	1,333,345
Subtotal	6,563,026	721,069	(600,767)	6,683,328
Net capital assets being depreciated	4,338,748	(51,731)	-	4,287,017
Net governmental activities capital assets	<u>\$ 5,318,933</u>	<u>\$ (51,731)</u>	<u>\$ -</u>	<u>\$ 5,267,202</u>

Note 5 - Accrued Compensated Absences

Sick Leave Benefit

The Library's employees are granted 12 sick days per year. Unused sick leave may be accumulated up to certain limits. Employees are paid for a portion of their unused sick leave upon retirement.

Employee Compensated Absences

Contractual library staff earn compensated absence days, on their anniversary date, to be used during the next year. Typically, library employees are allowed to carry forward to the next year up to three unused vacation days; other compensated absence days not used as of the employee's anniversary date are forfeited. Administrative staff are able to carry forward the entirety of their unused balance.

As of June 30, 2021, the Library had the following liability recorded:

	<u>Balance June 30, 2021</u>	<u>Amount Due within One Year</u>
Sick leave benefit	\$ 246,000	\$ -
Employee compensated absences	<u>229,000</u>	<u>229,000</u>
Total	<u>\$ 475,000</u>	<u>\$ 229,000</u>

Note 6 - Interfund Transfers

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

<u>Paying Fund (Transfer Out)</u>	<u>Receiving Fund (Transfer In)</u>	<u>Amount</u>
Kellogg Company	General Fund	\$ 25,000

Transfers into the General Fund totaling \$25,000 from the Kellogg Company special revenue fund were to cover various expenses associated with maintaining a librarian there.

Note 7 - Battle Creek School District

The building and real estate in downtown Battle Creek used by the Library are being leased from the School District of the City of Battle Creek for \$1 per year, as stated in the agreement entered into with the school district in 1994. The fair market value of this lease is not known.

Note 8 - Municipal Employees' Retirement System of Michigan

Plan Description

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

Benefits Provided

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

Note 8 - Municipal Employees' Retirement System of Michigan (Continued)

Retirement benefits for employees are calculated as 1.7 percent of the employee's final three-year average compensation. Normal retirement age is 60 with unreduced early retirement at 50 with 30 years of service. Reduced early retirement is available at ages 55 and 50, with 15 and 25 years of service, respectively. The vesting period is 10 years. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest. Employees 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. Death benefits are always the larger of the benefit computed as a contingent survivor beneficiary or 85 percent of the accrued retirement allowance benefit.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are 2.5 percent, noncompounding.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the library board, generally after negotiations of these terms with employees.

Employees Covered by Benefit Terms

At the December 31, 2020 measurement date, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	37
Total employees covered by the plan	50

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. 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 cost of benefits earned by the 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.

For the year ended June 30, 2021, the average active employee contribution rate was 4.0 percent of annual pay for all employees participating in the plan. The Library's average contribution rate was 7.57 and 9.47 percent for librarians and library support staff, respectively.

Net Pension Liability

The Library has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2021 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2020 measurement date. The December 31, 2020 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Note 8 - Municipal Employees' Retirement System of Michigan (Continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 4,865,966	\$ 4,213,818	\$ 652,148
Changes for the year:			
Service cost	193,030	-	193,030
Interest	371,924	-	371,924
Differences between expected and actual experience	74,369	-	74,369
Changes in assumptions	375,703	-	375,703
Contributions - Employer	-	153,004	(153,004)
Contributions - Employee	-	84,564	(84,564)
Net investment income	-	626,956	(626,956)
Benefit payments, including refunds and other miscellaneous adjustments	(137,491)	(137,491)	-
Administrative expenses	-	(8,673)	8,673
Net changes	877,535	718,360	159,175
Balance at December 31, 2020	\$ 5,743,501	\$ 4,932,178	\$ 811,323

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

For the year ended June 30, 2021, the Library recognized pension expense of \$175,378.

At June 30, 2021, 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	\$ 170,512	\$ 261,333
Changes in assumptions	468,337	-
Net difference between projected and actual earnings on pension plan investments	-	222,786
Employer contributions to the plan subsequent to the measurement date	82,906	-
Total	\$ 721,755	\$ 484,119

Note 8 - Municipal Employees' Retirement System of Michigan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$82,906), which will impact the net pension liability in fiscal year 2020, rather than pension expense.

Years Ending June 30	Amount
2022	\$ 28,884
2023	63,025
2024	(26,609)
2025	15,166
2026	74,265
Total	<u>\$ 154,731</u>

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.00 percent, and an investment rate of return (net of investment expenses) of 7.60 percent.

Mortality rates were based on a blend of the Pre-Retirement Public 2010 Juvenile Mortality Tables, Employee Mortality Tables, and Healthy Retiree Tables and the Non-disabled retired plan member and beneficiary Public 2010 Juvenile Mortality Tables, Employee Mortality Tables, and Healthy Retiree Tables, with rates multiplied by 106 percent. For disabled retirees, a blend of the Public 2010 Juvenile Mortality Table and the Public NS 2010 Disabled Retiree Table is used to reflect higher than expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the most recent actuarial experience study conducted for the period from January 1, 2013 through December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 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.

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, 2020, 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 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

Note 8 - Municipal Employees' Retirement System of Michigan (Continued)

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

The following presents the net pension liability of the Library, calculated using the discount rate of 7.60 percent, as well as what the Library's net pension 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 (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability of the Library	\$ 1,750,828	\$ 811,323	\$ 47,528

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

Assumption Changes

During the measurement year ended December 31, 2020, the mortality tables were updated from the RP-2014 tables with the Pub-2010 mortality tables.

Note 9 - 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 substantially all employees of the Library. 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.

The System is administered by the Office of Retirement Services (ORS). 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>.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care 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 and the postemployment health care plan.

June 30, 2021

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

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

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

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

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

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. 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.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the 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 a participant 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 account as of their transition date, earning them a 2 percent employer match into a 401(k) 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 401(k) account.

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

The Library's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2019 - September 30, 2020	13.39% - 19.59%	7.57% - 8.09%
October 1, 2020 - September 30, 2021	13.39% - 19.78%	7.57% - 8.43%

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The Library's required and actual pension contributions to the plan for the year ended June 30, 2021 were \$34,547, which include the Library's contributions required for those members with a defined contribution benefit. The Library's required and actual pension contributions include an allocation of \$16,300 in revenue received from the State of Michigan and remitted to the System to fund the MPERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2021.

The Library's required and actual OPEB contributions to the plan for the year ended June 30, 2021 were \$7,788, which include the Library's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2021, the Library reported a liability of \$570,245 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2019, which used update procedures to roll forward the estimated liability to September 30, 2020. 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, 2020 and 2019, the Library's proportion was 0.001660 and 0.002734 percent, respectively, representing a change of (39.283) percent.

Net OPEB Liability

At June 30, 2021, the Library reported a liability of \$57,392 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2021 was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2019, which used update procedures to roll forward the estimated liability to September 30, 2020. 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, 2020 and 2019, the Library's proportion was 0.001071 and 0.002026 percent, respectively, representing a change of (47.137) percent.

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

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

For 2021, the Library recognized pension recovery of \$87,462, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2021, 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	\$ 8,713	\$ (1,217)
Changes in assumptions	63,189	-
Net difference between projected and actual earnings on pension plan investments	2,396	-
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	-	(338,083)
The Library's contributions to the plan subsequent to the measurement date	30,048	-
	<u>104,346</u>	<u>(339,300)</u>
Total	<u>\$ 104,346</u>	<u>\$ (339,300)</u>

The \$16,300 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2022	\$ (94,721)
2023	(74,669)
2024	(67,046)
2025	(28,566)
Total	<u>\$ (265,002)</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

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

For the year ended June 30, 2021, the Library recognized OPEB recovery of \$37,265.

June 30, 2021

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

At June 30, 2021, 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	\$ -	\$ (42,763)
Changes in assumptions	18,923	-
Net difference between projected and actual earnings on OPEB plan investments	479	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	106	(135,323)
Employer contributions to the plan subsequent to the measurement date	5,899	-
Total	\$ 25,407	\$ (178,086)

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 OPEB expense):

Years Ending	Amount
2022	\$ (42,022)
2023	(41,355)
2024	(35,215)
2025	(23,812)
2026	(16,174)
Total	\$ (158,578)

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2020 are based on the results of an actuarial valuation as of September 30, 2019 and rolled forward. The total pension liability and OPEB liability 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	2.75% - 11.55%	Including wage inflation of 2.75%
Health care cost trend rate - OPEB	7.0%	Year 1 graded to 3.5% in year 15, 3.0% in year 120
Mortality basis		RP-2014 Male and Female Employee Annuitant Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP-2017 from 2006
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 and OPEB valuations beginning with the September 30, 2017 valuation.

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

Significant assumption changes since the prior measurement date, September 30, 2019, for the OPEB plan include a reduction in the health care cost trend rate of 0.50 percentage points, and the actual per person health benefit costs were lower than projected. There were no significant changes in assumptions for the pension actuarial valuation. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2019.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 to 6.80 percent as of September 30, 2020 depending on the plan option. The discount rate used to measure the total OPEB liability was 6.95 percent as of September 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were 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 and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan 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 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 %	5.60 %
Private equity pools	16.00	9.30
International equity pools	15.00	7.40
Fixed-income pools	10.50	0.50
Real estate and infrastructure pools	10.00	4.90
Absolute return pools	9.00	3.20
Real return/opportunistic pools	12.50	6.60
Short-term investment pools	2.00	(0.10)
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.1 percent.

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 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 or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00 - 5.80%)	Current Discount Rate (6.00 - 6.80%)	1 Percentage Point Increase (7.00 - 7.80%)
Net pension liability of the Library	\$ 738,086	\$ 570,245	\$ 431,143

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

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	\$ 73,727	\$ 57,392	\$ 43,640

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

The following presents the net OPEB liability of the School District, calculated using the current health care cost trend rate. It also reflects what the School District'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 (6.00%)	Current Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability of the Library	\$ 43,113	\$ 57,392	\$ 73,633

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.

Note 10 - 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 participates in the Middle Cities Risk Management Trust and the Michigan Municipal League (risk pools) for claims relating to the above.

The shared-risk pool programs in which the Library participates operate as a common risk-sharing management program for school districts and district libraries in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 11 - Funds Held by the Battle Creek Community Foundation

The Library is the beneficiary of endowment funds at the Battle Creek Community Foundation (the "Foundation") that are considered permanent endowments to benefit the Library. The endowments are within the Foundation and are not part of the Library's basic financial statements. The net earnings of the funds shall be paid to the Library annually. The Library may direct the earnings to be reinvested within the funds. The amount of the endowment funds held at Battle Creek Community Foundation in the Campbell Fund, Denman Fund, and Willard Library Fund totaled \$1,242,968.

During the year, the Library withdrew past earnings on principal from the endowment funds held at Battle Creek Community Foundation totaling \$42,180. All of the funds were placed in the General Fund.

Note 12 - Tax Abatements

The Library receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974) and brownfield redevelopment agreements granted by cities, villages, and townships within the boundaries of the Library. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities; brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

For the fiscal year ended June 30, 2021, the Library's property tax revenue was reduced by approximately \$42,000 under these programs.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 4,514,537	\$ 4,548,080	\$ 4,577,769	\$ 29,689
State sources - Unrestricted	273,213	548,077	578,387	30,310
Fees and book fines	80,000	40,000	51,644	11,644
Penal fines	60,000	110,000	128,356	18,356
Casino PILT disbursement	130,000	130,000	140,550	10,550
Interest - Investment earnings	-	-	2,958	2,958
Local contributions, contracts, and other	90,700	83,880	83,202	(678)
Total revenue	5,148,450	5,460,037	5,562,866	102,829
Expenditures				
Program services:				
Audiovisual, books, and periodicals	973,105	973,105	788,127	184,978
Grant expenditures	15,500	15,500	15,500	-
Support services - General administration:				
Personnel	3,267,111	3,132,791	3,025,165	107,626
Communications	120,000	111,000	89,903	21,097
Office supplies	61,000	56,805	32,829	23,976
Public utilities	159,300	139,300	104,303	34,997
Purchased services	429,500	569,500	452,542	116,958
Insurance	22,000	22,000	21,857	143
Repairs and maintenance	292,000	222,552	193,276	29,276
Repairs and maintenance supplies	40,086	35,800	26,453	9,347
Capital expenditures	185,935	176,178	156,927	19,251
Total expenditures	5,565,537	5,454,531	4,906,882	547,649
Excess of Revenue (Under) Over Expenditures	(417,087)	5,506	655,984	650,478
Other Financing Sources - Transfers in	118,935	25,000	25,000	-
Net Change in Fund Balance	(298,152)	30,506	680,984	650,478
Fund Balance - Beginning of year	3,342,706	3,342,706	3,342,706	-
Fund Balance - End of year	<u>\$ 3,044,554</u>	<u>\$ 3,373,212</u>	<u>\$ 4,023,690</u>	<u>\$ 650,478</u>

Willard Public Library

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

	Last Seven Plan Years						
	Plan Years Ended September 30						
	2020	2019	2018	2017	2016	2015	2014
Library's proportion of the net pension liability	0.00166 %	0.00273 %	0.00320 %	0.00339 %	0.00431 %	0.00491 %	0.00640 %
Library's proportionate share of the net pension liability	\$ 570,245	\$ 905,515	\$ 963,460	\$ 879,447	\$ 1,075,896	\$ 1,198,871	\$ 1,408,597
Library's covered payroll	\$ 93,562	\$ 175,426	\$ 223,054	\$ 256,094	\$ 327,842	\$ 410,442	\$ 541,540
Library's proportionate share of the net pension liability as a percentage of its covered payroll	609.48 %	516.18 %	431.94 %	343.41 %	328.18 %	292.09 %	260.11 %
Plan fiduciary net position as a percentage of total pension liability	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.20 %

See notes to required supplemental information.

Willard Public Library

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

**Last Seven Fiscal Years
Years Ended June 30**

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 34,547	\$ 47,194	\$ 75,458	\$ 82,067	\$ 82,714	\$ 105,846	\$ 93,593
Contributions in relation to the statutorily required contribution	34,547	47,194	75,458	82,067	82,714	105,846	93,593
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Library's Covered Payroll	\$ 93,584	\$ 104,148	\$ 193,335	\$ 233,689	\$ 272,784	\$ 353,069	\$ 427,610
Contributions as a Percentage of Covered Payroll	36.92 %	45.31 %	39.03 %	35.12 %	30.32 %	29.98 %	21.89 %

See notes to required supplemental information.

Willard Public Library

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

	Last Four Plan Years			
	Plan Years Ended September 30			
	2020	2019	2018	2017
Library's proportion of the net OPEB liability	0.00107 %	0.00203 %	0.00264 %	0.00342 %
Library's proportionate share of the net OPEB liability	\$ 57,392	\$ 145,425	\$ 209,511	\$ 302,800
Library's covered payroll	\$ 93,562	\$ 175,426	\$ 223,054	\$ 256,094
Library's proportionate share of the net OPEB liability as a percentage of its covered payroll	61.34 %	82.90 %	93.93 %	118.24 %
Plan fiduciary net position as a percentage of total OPEB liability	59.76 %	48.67 %	43.10 %	36.53 %

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

	Last Four Fiscal Years			
	Years Ended June 30			
	2021	2020	2019	2018
Statutorily required contribution	\$ 7,788	\$ 8,369	\$ 15,186	\$ 16,896
Contributions in relation to the statutorily required contribution	7,788	8,369	15,186	16,896
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Library's Covered Payroll	\$ 93,584	\$ 104,148	\$ 193,335	\$ 233,689
Contributions as a Percentage of Covered Payroll	8.32 %	8.04 %	7.85 %	7.23 %

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

Last Six Calendar Years

	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 193,030	\$ 172,893	\$ 180,593	\$ 173,325	\$ 158,161	\$ 160,944
Interest	371,924	340,325	319,354	289,525	287,932	241,873
Differences between expected and actual experience	74,369	(134,238)	98,537	(6,723)	(378,237)	130,577
Changes in assumptions	375,703	135,884	-	-	-	161,654
Benefit payments, including refunds, and other miscellaneous adjustments	(137,491)	(98,736)	(100,543)	(73,239)	(37,824)	(14,776)
Net Change in Total Pension Liability	877,535	416,128	497,941	382,888	30,032	680,272
Total Pension Liability - Beginning of year	4,865,966	4,449,838	3,951,897	3,569,009	3,538,977	2,858,705
Total Pension Liability - End of year	<u>\$ 5,743,501</u>	<u>\$ 4,865,966</u>	<u>\$ 4,449,838</u>	<u>\$ 3,951,897</u>	<u>\$ 3,569,009</u>	<u>\$ 3,538,977</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 153,004	\$ 133,084	\$ 134,095	\$ 127,294	\$ 110,988	\$ 109,701
Contributions - Member	84,564	83,375	81,049	76,000	72,494	74,344
Net investment income (loss)	626,956	502,163	(150,760)	424,891	314,591	(41,433)
Administrative expenses	(8,673)	(8,661)	(7,289)	(6,701)	(6,196)	(5,822)
Benefit payments, including refunds	(137,491)	(116,648)	(100,543)	(73,239)	(37,824)	(14,776)
Net Change in Plan Fiduciary Net Position	718,360	593,313	(43,448)	548,245	454,053	122,014
Plan Fiduciary Net Position - Beginning of year	4,213,818	3,620,505	3,663,953	3,115,708	2,661,655	2,539,641
Plan Fiduciary Net Position - End of year	<u>\$ 4,932,178</u>	<u>\$ 4,213,818</u>	<u>\$ 3,620,505</u>	<u>\$ 3,663,953</u>	<u>\$ 3,115,708</u>	<u>\$ 2,661,655</u>
Library's Net Pension Liability - Ending	<u>\$ 811,323</u>	<u>\$ 652,148</u>	<u>\$ 829,333</u>	<u>\$ 287,944</u>	<u>\$ 453,301</u>	<u>\$ 877,322</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.87 %	86.60 %	81.36 %	92.71 %	87.30 %	75.21 %
Covered Payroll	\$ 2,094,898	\$ 1,902,192	\$ 1,982,078	\$ 1,920,389	\$ 1,777,552	\$ 1,821,734
Library's Net Pension Liability as a Percentage of Covered Payroll	38.73 %	34.28 %	41.84 %	14.99 %	25.50 %	48.16 %

Required Supplemental Information
Schedule of the Library's Contributions
Municipal Employees' Retirement System

**Last Ten Fiscal Years
Years Ended June 30**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 165,852	\$ 139,227	\$ 134,095	\$ 127,294	\$ 110,988	\$ 109,701	\$ 98,221	\$ 87,360	\$ 76,192	\$ 71,986
Contributions in relation to the actuarially determined contribution	165,852	139,227	134,095	127,294	110,988	109,701	98,221	87,360	76,192	71,986
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 2,094,898	\$ 1,902,192	\$ 1,982,078	\$ 1,920,389	\$ 1,777,552	\$ 1,821,734	\$ 1,732,211	\$ 1,586,548	\$ 1,533,439	\$ 1,478,236
Contributions as a Percentage of Covered Payroll	7.92 %	7.32 %	6.77 %	6.63 %	6.24 %	6.02 %	5.67 %	5.51 %	4.97 %	4.87 %

Notes to Schedule of the Library's 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, a half year prior to the start of the fiscal year

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level of percentage compensation)
Amortization method	Level percentage of payroll - Closed
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	3.0 percent
Investment rate of return	7.35 percent - Net of administrative and investment expenses
Retirement age	55-60 years of age
Mortality	50 percent male - 50 percent female blend of the following tables: 1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent 2. The RP-2014 Employee Mortality Tables 3. The RP-2014 Juvenile Mortality Tables
Other information	None

Budgetary Information

The annual budget is adopted by the Library's board of trustees; subsequent amendments are approved by the Library's board of trustees. Unexpected appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2021 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budgetary comparison schedule (statement of revenue, expenditures, and changes in fund balance - budget and actual) is presented on the same basis of accounting used in preparing the adopted budget.

The budget has been adopted on a departmental basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of the actual results of operations and the General Fund budget, as adopted by the library board, is available at the Library for inspection. There were no significant budget overruns during the year ended June 30, 2021.

Pension Information - Michigan Public School Employees' Retirement System

Ultimately, 10 years of data will be presented in both of the pension-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30 except for the following:

2019

The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.

2018

The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017.

2017

The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information - Michigan Public School Employees' Retirement System

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the plan years ended September 30 except for the following:

2020

The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points, and actual per person health benefit costs were lower than projected, resulting in a reduction in the plan's total OPEB liability of \$1.8 billion in 2020.

2019

The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower-than-projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.

2018

The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower-than-projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2018.

Covered Payroll

The employees' covered payroll to be reported in the required supplemental information is defined by GASB Statement No. 82, *Pension Issues - An Amendment to GASB Statements No. 67, No. 68, and No. 73*, as payroll on which contributions to a pension plan are based and by GASB Statement No. 85, *Omnibus 2017*, as payroll on which contributions to the OPEB plan are based. For the Library, covered payroll represents payroll on which contributions to both plans are based.

Pension Information - Municipal Employees' Retirement System

Changes in Assumptions

During the measurement year ended December 31, 2015, the assumed annual rate of return was adjusted down from 8.00 to 7.75 percent, and the mortality tables were updated from the 1994 Group Mortality Table to a blend of RP-2014 tables.

During the measurement year ended December 31, 2019, the assumed rate of return was adjusted down from 8.00 to 7.60 percent, and salary increases were adjusted from 3.75 to 3.00 percent.

During the measurement year ended December 31, 2020, the mortality tables were updated from the RP-2014 tables to the Pub-2010 mortality tables.

plantemoran.com

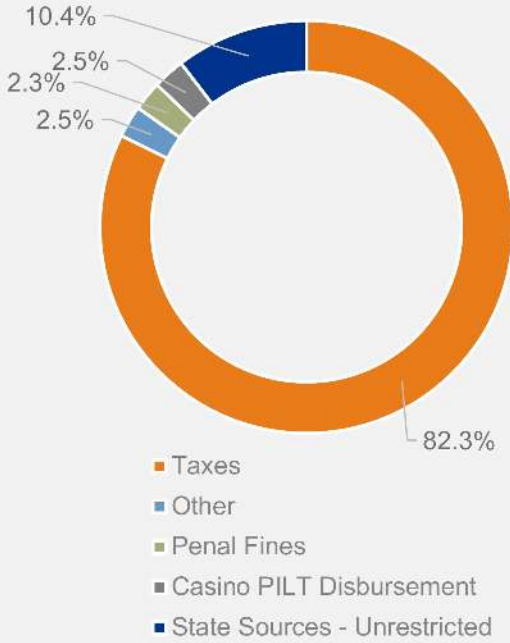


Willard Library

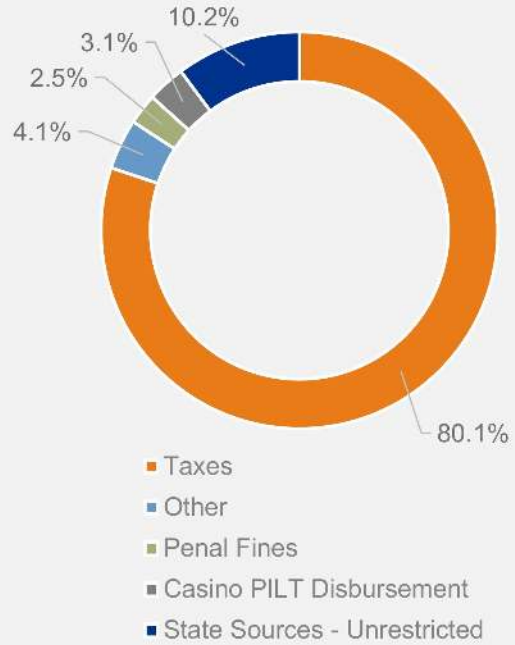
FOR YEAR ENDED JUNE 30, 2021

Revenue - General Fund Year Ended June 30

2021
\$5,562,866

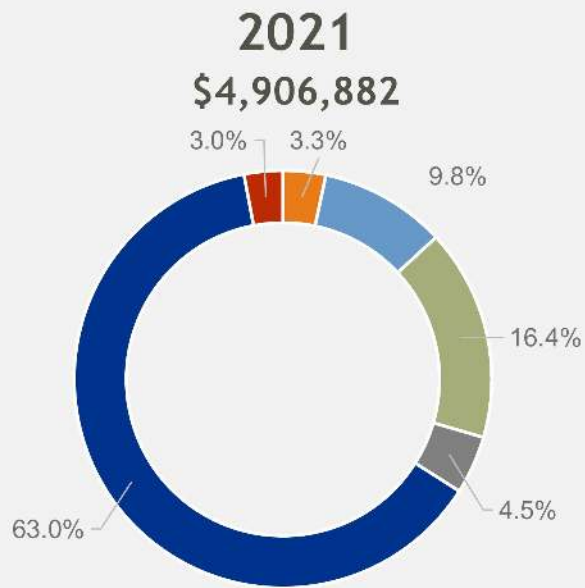


2020
\$5,592,751

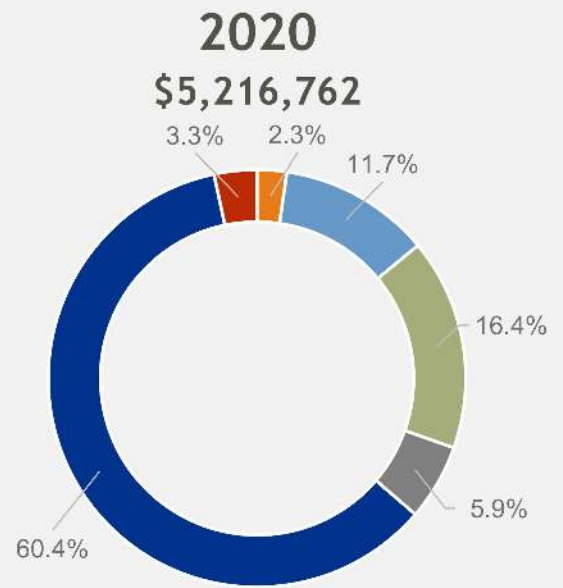


Expenditures - General Fund

Year Ended June 30 *(not including transfers)*

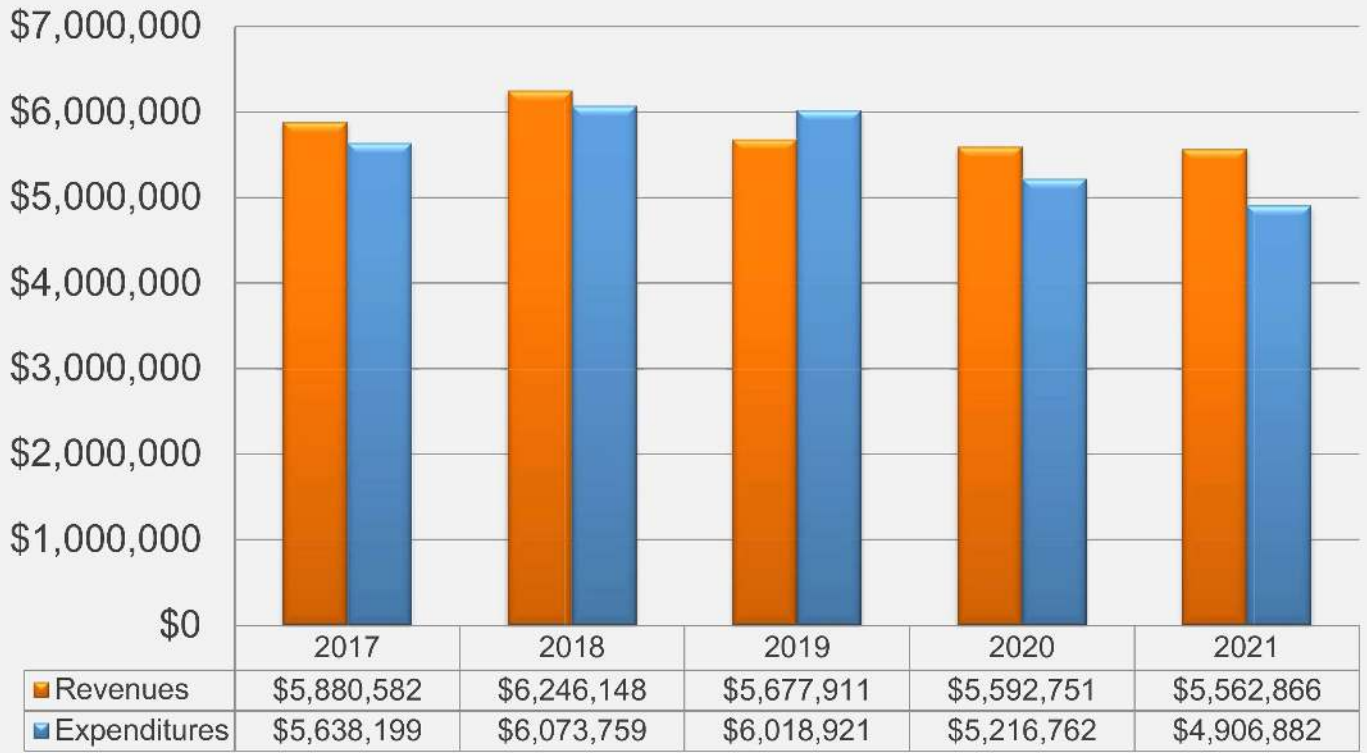


- Capital
- Purchased Services
- Materials
- Repairs & Maintenance
- Personnel
- Other

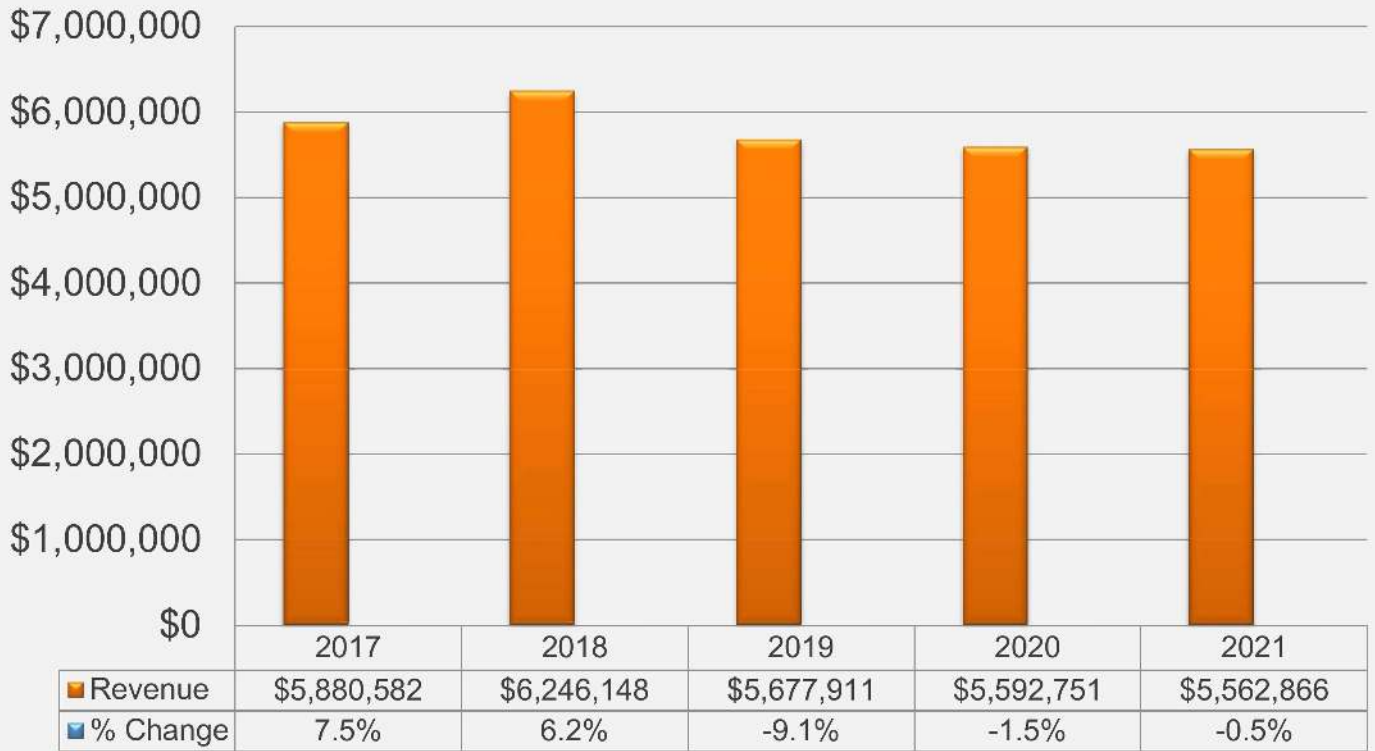


- Capital
- Purchased Services
- Materials
- Repairs & Maintenance
- Personnel
- Other

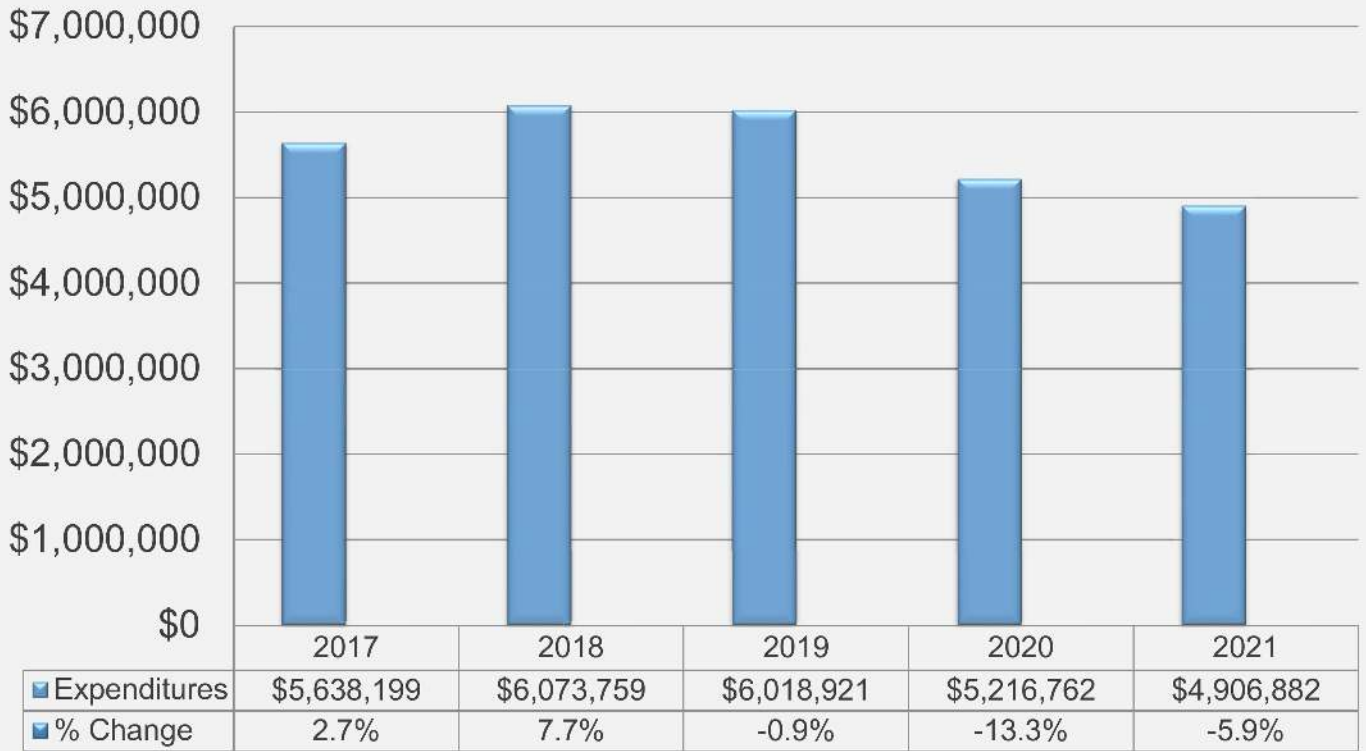
General Fund Operations



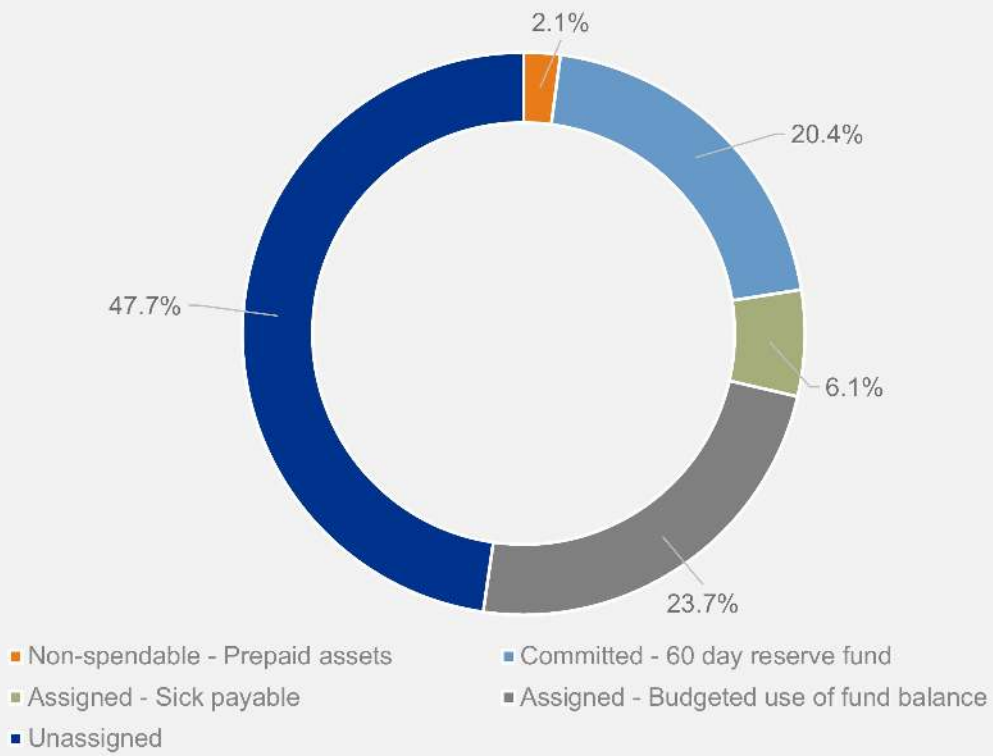
General Fund Revenue



General Fund Expenditures (not including transfers)



Fund Balance - General Fund

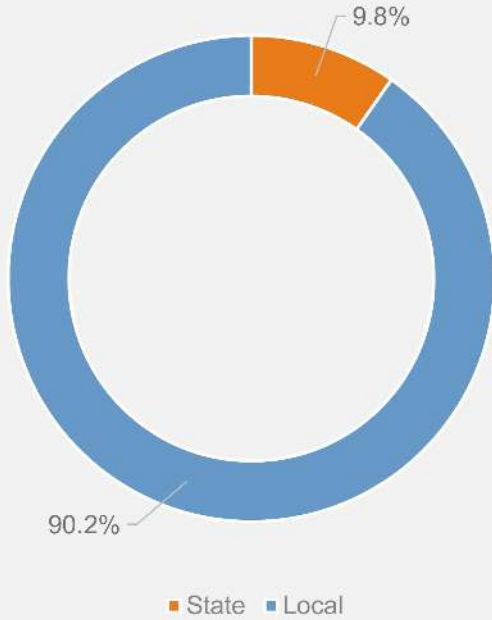


Revenue Sources

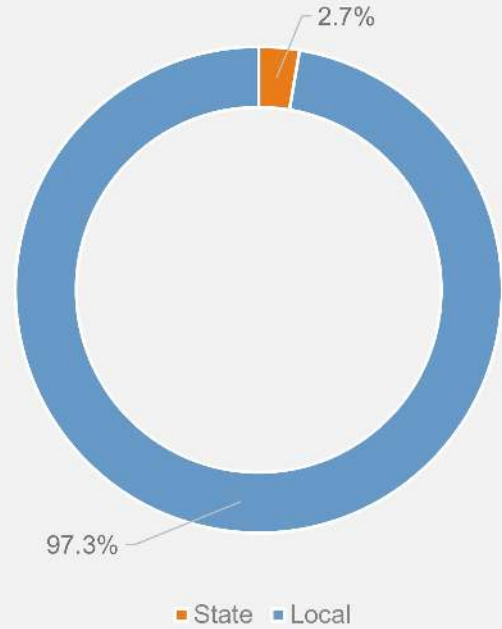
(In Comparison to Other Libraries of Similar Size and Population Area - From 2020 Data Edition)

2020 Willard Library

(less ORS pass-through revenue)



Average

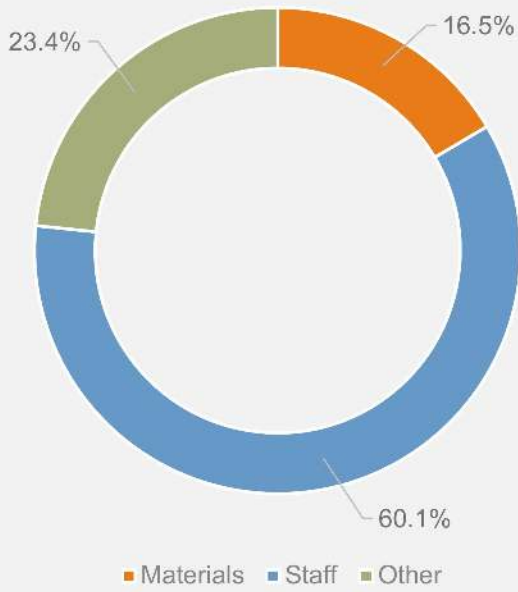


Expenditure Sources

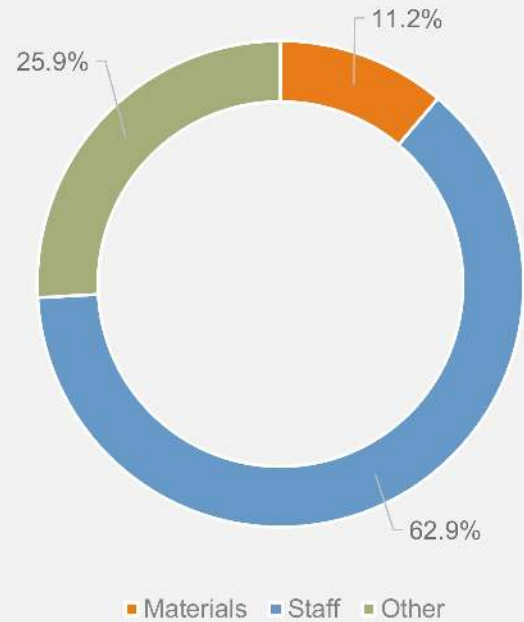
(In Comparison to Other Libraries of Similar Size and Population Area - From 2020 Data Edition)

2020 Willard Library

(less ORS pass-through expense)

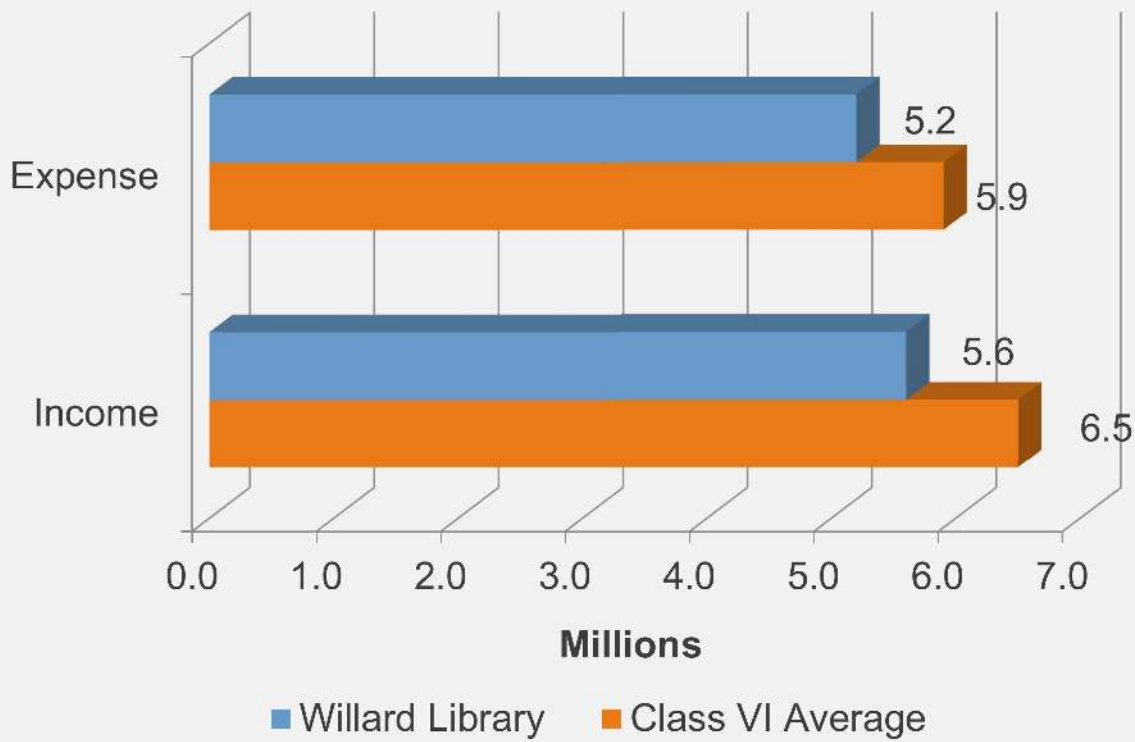


Average



Comparison of Average 2020 Operating Income and Expense

(In Comparison to Other Libraries of Similar Size and Population Area - From 2020 Data Edition)



Comparison of 2020 Library Staff

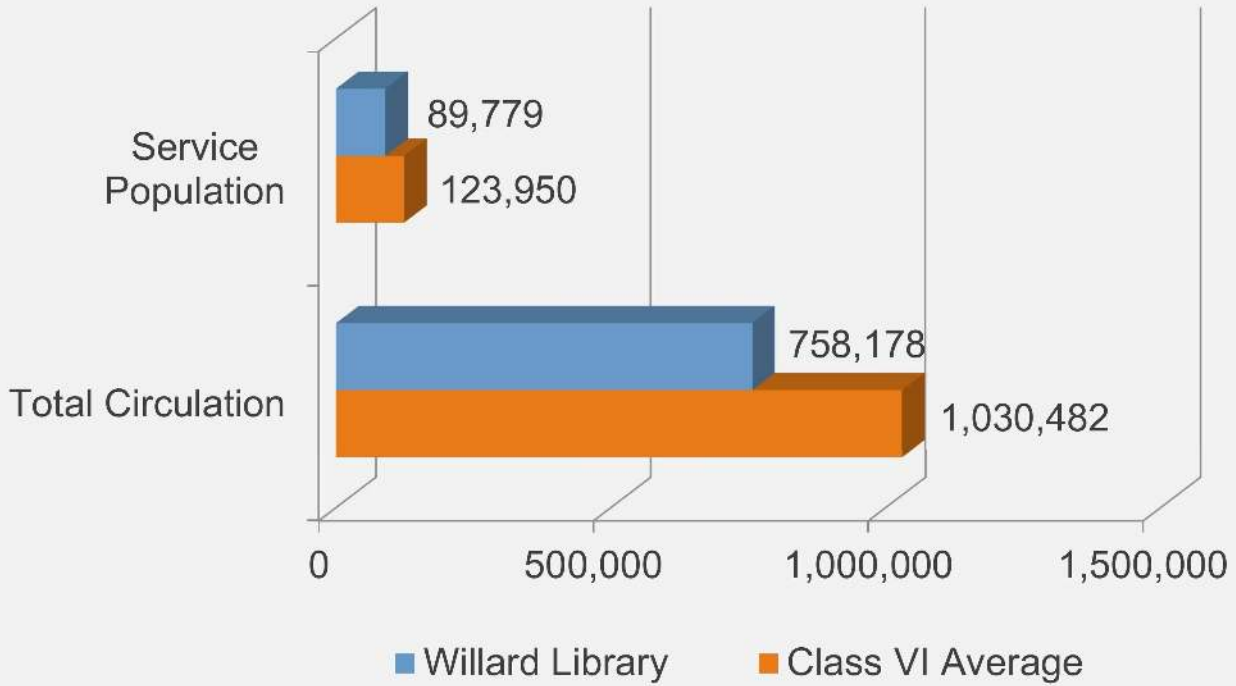
(In Comparison to Other Libraries of Similar Size and Population Area - From 2020 Data Edition)



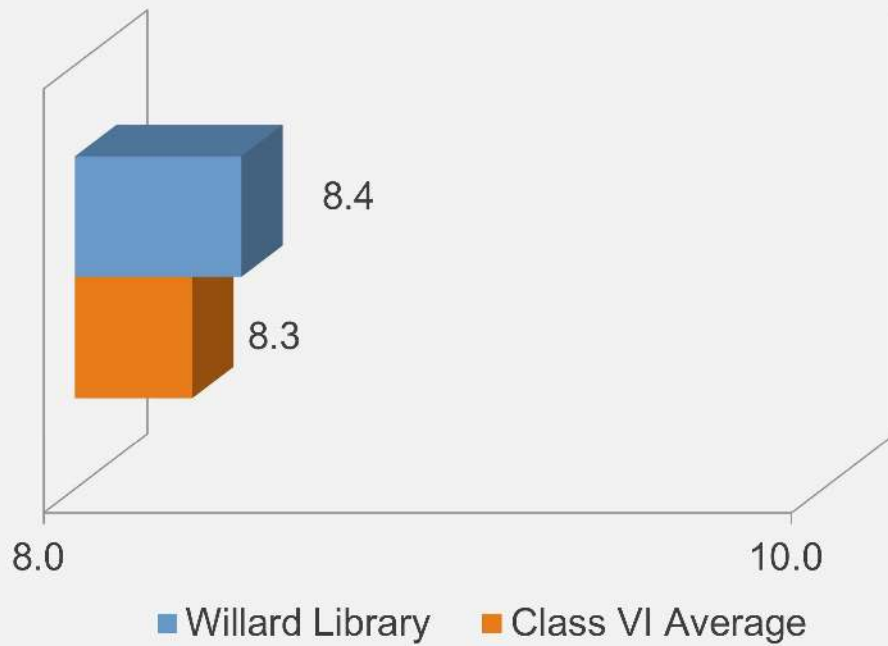
*Includes non-MLS Librarians

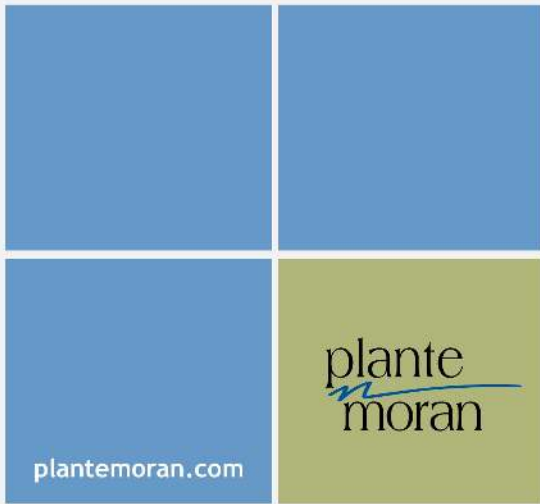
Comparison of 2020 Library Visits

(In Comparison to Other Libraries of Similar Size and Population Area - From 2020 Data Edition)



Comparison of 2020 Library - Circulation Per Population (In Comparison to Other Libraries of Similar Size and Population Area - From 2020 Data Edition)





THANK YOU

Kenley Penner, Partner
269.982.6065

Corey VanDyke, Principal
269.567.4648



RESOLUTION: The Board of Trustees of Willard Public Library elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80/20 Option for the medical benefit plan coverage years January 1, 2022, through June 30, 2022.

OFFERED BY: _____

SECONDED BY: _____

VOTE: _____

DATE: October 20, 2021

Board of Trustees Secretary

and/or

Board of Trustees President

269-968-8166
willardlibrary.org
7 W. Van Buren St.
Battle Creek, MI 49017

**Willard Library, Helen Warner Branch, and E-Branch
Library Statistical Report 2021/2022
1st Quarter**

	July - Sept 2021	July - Sept 2020	% Change
WILLARD LIBRARY*			
Adult Fiction	7,486	6,128	22%
Adult Nonfiction	7,482	6,566	14%
Paperbacks	3,708	2,325	59%
New Materials	13,424	12,713	6%
Special Collections	1,944	1,477	32%
Children's & YA Fiction	10,340	9,411	10%
Children's Nonfiction	3,413	2,242	52%
Audiobooks	2,773	2,834	-2%
DVDs	19,703	16,378	20%
Music CDs	2,164	1,236	75%
Total Circulation	72,437	61,310	18%
HELEN WARNER BRANCH*			
Adult Fiction	4,259	3,635	17%
Adult/Children's Nonfiction	3,454	3,111	11%
Paperbacks	568	430	32%
New Materials	8,524	8,343	2%
Special Collections	1,031	1,118	-8%
Children's & YA Fiction	6,954	6,017	16%
Audiobooks	936	1,120	-16%
DVDs	6,112	6,034	1%
Music CDs	495	412	20%
Total Circulation	32,333	30,220	7%
E-BRANCH			
Children's eBooks	3,087	5,206	-41%
Adult eBooks	18,959	20,275	-6%
Adult & Children's eAudiobooks	15,246	13,619	12%
Music Downloads	6,523	8,932	-27%
Digital Magazines	1,153	2,228	-48%
Digital Video	1,281	1,579	-19%
Total Circulation**	46,249	51,839	-11%
CHRONICLING BATTLE CREEK	115,872	46,864	147%
Grand Total	266,891	190,233	40%

**Willard Library, Helen Warner Branch, and E-Branch Combined
Library Statistical Report 2021/2022
1st Quarter**

	July - Sept 2021	July - Sept 2020	% Change
Circulation			
Adult Fiction	11,745	9,763	20%
Adult Nonfiction	10,936	9,677	13%
Paperbacks	4,276	2,755	55%
New Materials	21,948	21,056	4%
Special Collections	2,975	2,595	15%
Children's & YA Fiction	17,294	15,428	12%
Children's Nonfiction	3,413	2,242	52%
Audiobooks	3,709	3,954	-6%
DVDs	25,815	22,412	15%
Music CDs	2,659	1,648	61%
E-Branch Items	46,249	51,839	-11%
Total Circulation	151,019	143,369	5%
Chronicling Battle Creek	115,872	46,864	147%
Total Circulation including CBC	266,891	190,233	40%
People Counter*	36,924	22,291	66%
Programs			
Adult Audiences	212	681	-69%
Children's Audiences	1,052	1,679	-37%
Total Audiences	1,264	2,360	-46%
Public Computer Usage			
Computer Sessions	5,766	3,975	45%
Computer Time (Hours)	4,250	2,088	104%
Wireless Users	19,057	14,908	28%



REPORTS AND RECOMMENDATIONS October 2021

DIRECTOR'S REPORT: Catherine Lucas

- Barnum-Willard Trust
- State Librarian's Excellence Award
- Calhoun County Broadband Task Force
- COVID Boosters
- State Aid
- Census Information

FINANCIAL REPORT: Kathy Domenico, Director of Finance

- Revenue and Expenditures for September 2021

COLLECTION UPDATE: April Dillinger, Deputy Director of Administration

- Quarterly Statistics
- Publishing Delays

PROGRAM UPDATES: Matt Willis, Deputy Director of Operations

- Take & Makes, DIY with Beth
- Stories at Sundown, Peeks into the Past
- Using Social Media for Small Business Development
- Hunt-A-Killer: Class of '98
- Ongoing Customer Service Training for Reference Staff
- Battle Creek Reads Update

FACILITIES & IT: Chad Osborn, Director of IT & Facilities

- Downtown Building Leak

YOUTH SERVICES PROGRAMMING: Tynisha Dungey, Director of Youth Services & Community Engagement

- In-Person Youth Programming

CHANGE TEAM UPDATE: Tynisha Dungey, Director of Youth Services & Community Engagement

- "If You are Human, You are Biased" All Staff Training



**Willard Library Nomination
2021 State Librarian's Excellence Award**

Explain how you communicated with your library users to determine their library needs. (10 points)

Willard Library staff gathered feedback from the community in a multitude of ways to determine how best to meet guests' needs. When Willard Library closed to in-person visits in March 2020, staff checked and responded promptly to public desk voicemail messages, email, and social media comments directing the public to resources and pandemic information.

Willard Library initiated temporary curbside service on March 16, 2020, based on feedback from guests. Curbside service was suspended to comply with the governor's stay-at-home order, but resumed in June 2020. Because this service has been so popular, the Library continues to offer curbside service. It also provided an additional communication channel when guests picked up their materials. Public feedback regarding all services has been very positive, including a guest who stated that she "felt well-cared for and grateful for the library."

In March 2020, the Library also received a request via Facebook for reference assistance in Spanish. The Library immediately responded with a dedicated phone extension available to answer Spanish language questions.

Throughout the pandemic, the Library provided daily updates on services, programs, and safety measures via the website and social media. Guests routinely responded to the updates with questions, comments, or suggestions via calls, social media, or email.

What project(s) or events has the library has accomplished based on this communication? (20 points)

- Online card registration provided access to digital products such as Hoopla and Libby
- Daily updates on Willard's COVID-19 resources page
- Virtual programming on multiple channels: Facebook, YouTube, website, and public access television
- Virtual programming included Spanish and Burmese language programming
- Virtual programming included author series, fitness programs, DIY and Maker programs, storytimes, community conversations, genealogy, and local history
- A Library podcast was launched
- A TALK, text messaging service, launched that gave parents information to help build their child's early literacy skills
- Curbside service resumed in June 2020 (after a brief stint in March 2020)
- Remote Virtual Network Computing (VNC) connections were established between service desk and public computers to provide help while maintain social distancing
- Remote station set up with a phone and a VNC connected computer to provide in-depth help
- Expanded Youth Services/Reference Librarian to serve as the Youth and Social Services Librarian to address increased social service needs during pandemic
- Developed a voting resource guide for November 2020 election
- Provided socially-distanced study space available for high school students
- Distributed Grab n' Go kits for Babytime, Children, and Teens.
- Distributed Take & make crafting kits for adults

- Offered a book club in Spanish featuring the Battle Creek Reads pick, The Distance Between Us, by Reyna Grande
- Created a DEI Change Team focusing on DEI professional development, DEI policy review, and DEI Collection Equity Audit
- Commissioned local artists Jaziel Pugh to create an anime and pop culture mural in the Teen Room
- Pandemic response safety measures included point of contact shields, contactless soap dispensers, social distancing makers, occupancy sensors, signage, Clorox 360 daily cleanings, virtual staff meetings
- Became a Google Grow partner
- Chair Calhoun County Broadband Task Force

If you partnered with another group in the community, please describe the partnership. (10 points)

- MiBridges: Became a MiBridges Navigator Partner to address increased community needs during the pandemic.
- Community Action Agency of South Central Michigan and Battle Creek Public Schools: distributed free books, resource lists, and program information at the groups' respective food distribution points increasing the Library's ability to meet the needs of guests who were unable to visit the library.
- Battle Creek Latin-American Heritage Initiative: Spanish language book discussions and a bi-lingual virtual visit by Reyna Grande, author of "The Distance Between Us." Spanish language story times also resulted from this partnership.
- Battle Creek's Burma Center: developed and hosted a virtual, supportive discussion on the secondary trauma resulting from the Myanmar coup. The program, "Healing Together," was conducted in Burmese and English, facilitated by a library programmer, who is a native Burmese-language speaker.
- Calhoun Intermediate School District (CISD): The Library hosted community conversations to discuss the death of George Floyd, the impact on the community, and how to move forward. The Library facilitated a book club based on the book "Raising White Kids" by Jennifer Harvey jointly with the CISD.
- NAACP and the Battle Creek Coalition for Truth, Racial Healing, and Transformation: Co-hosted a community conversation to discuss racialized trauma.
- W.K. Kellogg Foundation's National Day of Racial Healing (WKKF): The Library produced a video on racial healing for a montage on the WKKF website and becoming a distribution point for yard signs.
- W.K. Kellogg Foundation (WKKF): Participated on the WKKF 2030 Racial Equity community task force to explore ways to address local inequities. The local planning proposal was submitted in Spring 2021.

Explain why you consider this superior customer service. (40 points)

Throughout the pandemic, Library staff held regular brainstorming sessions to develop customer service initiatives to ask: "What are the needs of our community right now and how can we meet them?"

Access to materials topped the list of guest requests. As the stay-at-home order was enacted, the Library started online card registration to provide residents a quick and easy way to access digital books, audiobooks, magazines, movies, and music.

The Library provided comprehensive and timely information on pandemic resources through a frequently updated COVID-19 Resources webpage.

The Library quickly created a vast array of virtual programs to help reduce social isolation. Virtual program access was expanded beyond Facebook Live to include YouTube (accessible without an account), Twitter, and the Library's website simultaneously. The Library produced local history programming and expanded the distribution through public access television in addition to the channels listed above.

Considering diverse groups within our community led to cooking programs entirely in Spanish and Burmese languages. The Library also held an interactive program in Burmese language for participants to support one another and process emotions surrounding the military coup in Myanmar.

After the library reopened under distancing guidelines in the summer of 2020, the computer needs of users was met by instituting remote help via a VNC connection between reference staff and public computers.

In order to expand our reach, the Library distributed free books and promotional materials through a local food distribution point in the community.

CONCLUSION

Throughout the pandemic and continuing today, Willard Library staff members make customer service the top priority. Staff continually anticipate residents needs and find ways to fulfill them creatively.



Willard Library
Supporting Documentation
2021 State Librarian's Excellence Award

Willard Library Supporting Documentation

Willard News Articles

- 5/21/20: Willard Library expands live video channels (p. 1)
- 6/4/20: Willard adds more live wellness programs (p. 2)
- 6/11/2020: Ad—Curbside Services (p. 3)
- 7/2/20: Library reopens with limited hours, express services (p. 4)
- 7/30/20: Willard Library resumes Stories at Sundown (p. 5)
- 9/10/20: Virtual programs to celebrate Hispanic Heritage Month (p. 6)
- 10/15/20: Willard offers grief support, activities for youth, families (p. 7)
- 11/18/20: Library closed to public due to coronavirus (p. 8)
- 11/26/20: Willard videos to help patrons learn about apps (p. 9)
- 6/13/21: Here's what's happening to bridge Calhoun County's digital divide (p. 10)

Guest Comments

- 7/10/20: Facebook/Public, Feeling safe in pandemic (p. 12)
- 11/12/20: Facebook/Public, Being there for needed assistance/open doors (p. 13)
- 1/22/21: Email, Appreciate Library support during pandemic and social unrest (p. 14)
- 2/1/21: Email, Grateful for Willard (p. 15)
- 5/10/21: Facebook/Public, Feedback on local history program (p. 16)
- 7/14/21: Facebook/Public, Appreciate virtual options (p. 17)
- 7/30/21: Google Review/Public, Great library experience/local history (p. 18)

Library Brochures / Resources

- 3/13/20: Website: First public message from Director (p. 19)
- 3/20/20: Website: COVID-19 Resources posted (p. 20)
- 6/2020: Brochure, Curbside Services Operations (p. 35)
- 6/29/20: Brochure, Library Services during Pandemic (p. 36)
- 2/9/21: Blog, Virtual menu for Educators (p. 38)
- 2/9/21: Brochure, Virtual menu for Educators (p. 39)
- 3/11/2021: Bookmark, Author event, *The Distance Between Us* (p. 41)
- 4/13/21: Bookmark, Author event, *A Woman is No Man* (p. 42)
- Summer 2021: Summer Program brochure (p. 43)

Willard Library Service Area Preliminary Census Figures

Township/City	New Total Population	+/- Actual Population	+/- % Population
Battle Creek	52,721	+374	+0.7%
Bedford Twp	9,198	-159	-1.7%
Convis Twp	1,508	-128	-7.8%
Emmett Twp	11,744	-26	-0.2%
Fredonia Twp	1,585	-41	-2.5%
Johnstown Twp (Barry Co)	2,841	-167	-5.6%
Leroy Twp	3,659	-53	-1.4%
Marshall Twp	2,205	-8	-0.4%
Newton Twp	2,781	+230	+9.0%
Pennfield Twp	8,781	-220	-2.4%
Springfield City	5,292	+32	+0.6%
TOTAL CHANGE	102,315	-166	-0.16%

Source: US Census Bureau, as of 10/8/21: [Census Population Figures](#)

Library of Michigan

Public Act 89, 1997

Comparison of State Aid Rates to Public Libraries and Cooperatives

Fiscal Year	Direct Aid Public Library Min. Requirements Per Capita	Indirect Aid Public Library Cooperative Membership Per Capita	Library Cooperative Per Capita	Total Per Capita Payment Rate	Library Cooperative Density/Sq. Miles Rate	County Reimbursable Salaries Annual Rate	Annual Disbursed Amount Total
1998	\$0.3410	\$0.3410	\$0.3410	\$1.0230	\$6.8300	\$3,341.00	\$9,710,900
1999	\$0.3890	\$0.3890	\$0.3890	\$1.1670	\$7.7800	\$3,861.00	\$11,098,800
2000	\$0.5008	\$0.5008	\$0.5008	\$1.5024	\$10.0162	\$4,807.79	\$14,350,700
2001	\$0.5021	\$0.5021	\$0.5021	\$1.5063	\$10.0430	\$4,820.66	\$14,350,700
2002	\$0.4382	\$0.4382	\$0.4382	\$1.3146	\$8.7646	\$4,207.05	\$13,327,000
2003	\$0.4149	\$0.4149	\$0.4149	\$1.2447	\$8.2980	\$3,983.25	\$12,660,600
2004	\$0.4356	\$0.4356	\$0.4356	\$1.3068	\$8.7120	\$4,181.80	\$13,327,100
2005	\$0.4348	\$0.4348	\$0.4348	\$1.3044	\$8.6916	\$4,221.14	\$13,327,100
2006	\$0.3611	\$0.3611	\$0.4344	\$1.1566	\$8.6887	\$3,493.98	\$11,827,100
2007	\$0.3952	\$0.3952	\$0.3952	\$1.1856	\$7.904	\$3,794.16	\$12,143,000
2008	\$0.3264	\$0.3264	\$0.3264	\$0.9792	\$6.5285	\$3,025.64	\$10,000,000
2009	\$0.3140	\$0.3140	\$0.3140	\$0.9420	\$6.2817	\$3,015.23	\$9,600,000
2010	\$0.1972	\$0.1972	\$0.1972	\$0.5916	\$3.9450	\$1,897.44	\$6,000,000
2011	\$0.1889	\$0.1889	\$0.1889	\$0.5667	\$3.7790	\$1,849.39	\$5,750,000
2012	\$0.2239	\$0.2239	\$0.2239	\$0.6717	\$4.4784	\$2,085.73	\$6,750,000
2013	\$0.2495	\$0.2495	\$0.2495	\$0.7485	\$4.9905	\$2,395.46	\$7,512,300
2014	\$0.2945	\$0.2945	\$0.2945	\$0.8835	\$5.8908	\$2,827.61	\$8,876,000
2015	\$0.2944	\$0.2944	\$0.2944	\$0.8832	\$5.8883	\$2,826.42	\$8,876,000
2016	\$0.3269	\$0.3269	\$0.3269	\$0.9807	\$6.5392	\$3,138.82	\$9,876,000
2017	\$0.3270	\$0.3270	\$0.3270	\$0.9810	\$6.5409	\$3,146.90	\$9,876,000
2018	\$0.3666	\$0.3666	\$0.3666	\$1.0998	\$7.3332	\$3,519.96	\$11,067,700
2019	\$0.3968	\$0.3968	\$0.3968	\$1.1944	\$7.9400	\$3,810.14	\$12,067,700