



Willard Library  
Board of Trustees  
Meeting Agenda  
October 15, 2025  
5:00 p.m.

Willard Library Programming Room, Second Floor

- |      |                                       |                     |
|------|---------------------------------------|---------------------|
| I.   | Approval of Minutes * (pg. 1)         | Michelle Herzing    |
| II.  | Public Comments                       |                     |
| III. | Financial Report                      | Kathy Domenico      |
|      | a. Approval of Expenditures * (pg. 3) |                     |
|      | b. Presentation of Audit (pg. 11)     | Jessie Klisz        |
| IV.  | Reports & Recommendations             |                     |
|      | a. Quarterly Statistics (pg. 70)      | April Dillinger     |
|      | b. Department Reports (pg. 73)        | Administrative Team |
| V.   | Other Business                        |                     |
| VI.  | Comments by Trustees                  |                     |
| VII. | Adjourn                               | Michelle Herzing    |

Action items indicated by an \*

**WILLARD PUBLIC LIBRARY BOARD OF TRUSTEES**

September 17, 2025

Willard Library Programming Room, Second Floor

**BOARD OF TRUSTEES**

Michelle Herzing, Kathy Baker, Salli Baltutat, Judy Williamson

**ADMINISTRATION**

Deputy Director April Dillinger, Director of Finance Kathy Domenico, Director of IT and Facilities Chad Osborn, Director of Youth Services and Community Engagement Tynisha Dungey

**MINUTES**

Michelle Herzing called the meeting to order at 5:00 p.m.

**APPROVAL OF MINUTES**

Salli Baltutat moved, with a second from Judy Williamson, to approve the minutes of the Board Meeting of August 20, 2025.

Motion approved 4– 0

**PUBLIC COMMENT**

None.

**FINANCIAL REPORT**

Kathy Domenico presented the financial report for the month of August. Revenue as of August 31, totaled \$228,165 and summer property taxes have just started to roll in. Expenditures, as of August 31, totaled \$1,244,098 and are similar to where we were at this same time last year.

Kathy Baker moved, with a second from Judy Williamson, to approve the August 2025 expenditures as presented.

Motion approved 4 – 0

Kathy Domenico asked board members for authorization to establish a secondary account with PNC. The secondary account would offer expanded interest earning options.

Michelle Herzing called for a motion to establish an additional PNC bank account, with Salli Baltutat and Matt Willis as the signers.

Salli Baltutat moved, with a second from Kathy Baker to approve the addition of a secondary PNC Bank account.

Motion approved 4 – 0

**LIBRARY RENOVATION PROPOSAL**

April Dillinger and Chad Osborn reviewed the Helen Warner Branch renovation proposal presented at the August 20 meeting.

The Board discussed project funding, cost estimates, and the library's partnership with the project architect. It was noted that more accurate figures would be available once design proposals are received.

Judy Williamson moved, with a second from Kathy Baker, to approve employing an architect to draft a design proposal for an addition to the Helen Warner Branch Library building.

**REPORTS & RECOMMENDATIONS**

April Dillinger presented the Director's Report. The Refer a Friend promotional campaign run through November. Staff recently received team building training from a True Colors facilitator and will utilize skills during upcoming team library site visits. Matt Willis is evaluating exit interview examples.

April Dillinger provided highlights from recent Adult Services programs. Maple scented candle making at the Helen Warner Branch was very well attended. The Willard Walking Club is gaining momentum. The Founding Documents Series kicked off on September 13 with a visit from author Akhil Reed Amar.

**OTHER BUSINESS**

Kathy Baker welcomed back members of the Michigan Job Challenge Program and thanked program staff for providing students with access to the library.

**COMMENTS**

Salli Baltutat expressed gratitude for the children's foam party at the Helen Warner Branch.

Kathy Baker inquired about after school teen room attendance. Tynisha Dungey stated attendance is similar to last year so far.

**ADJOURNED**

The meeting adjourned at 5:16 p.m.

  
KATHLEEN BAKER, Secretary  
Willard Public Library Board of Trustees

WILLARD PUBLIC LIBRARY  
 STATEMENT OF REVENUE AND EXPENDITURES  
 REVENUE

September 2025

	BUDGET	2025/2026 YTD	% YTD	VARIANCE	2024/2025 YTD
Taxes	5,825,851	756,289	12.98%	5,069,562	754,012
Casino PILT Disbursement	165,000	0	0.00%	165,000	0
State Sources	473,750	1,516	0.32%	472,234	1,393
Penal Fines	122,000	0	0.00%	122,000	0
Fees and Book Fines	56,000	14,417	25.74%	41,583	16,016
Local Contributions & Contracts	175,986	18,239	10.36%	157,747	14,216
Grant Funding	4,000	0	0.00%	4,000	0
Transfer to GF from Capital Projects	0	0	0.00%	0	0
Transfer to GF from Endowment	0	0	0.00%	0	0
<b>TOTAL</b>	<b>6,822,587</b>	<b>790,460</b>	<b>11.59%</b>	<b>6,032,127</b>	<b>785,637</b>

EXPENDITURES

	BUDGET	2025/2026 YTD	% YTD	VARIANCE	2024/2025 YTD
Total Expenditures	6,739,433	1,815,351	26.94%	4,924,082	1,524,043

REVENUE OVER EXPENDITURES

**(1,024,891)**

VARIANCES (+/-) Current in Bold

WILLARD PUBLIC LIBRARY  
STATEMENT OF REVENUE AND EXPENDITURES

September 2025

EXPENDITURES	BUDGET	2025/2026 YTD	% YTD	VARIANCE	2024/2025 YTD
Capital Expenditures	144,492	48,657	33.67%	95,835	10,272
Program Svs-Av, Books & Periodicals	1,137,400	379,101	33.33%	758,299	321,116
Program Svs-Imagination Library	15,500	0	0.00%	15,500	0
Personnel	3,785,800	927,592	24.50%	2,858,208	893,896
Office Supplies	50,000	6,382	12.76%	43,618	5,172
Repairs & Maintenance Supplies	40,000	10,574	26.44%	29,426	8,492
Purchased Services	724,000	209,782	28.98%	514,218	173,240
Communications	126,000	30,883	24.51%	95,117	34,925
Insurance	30,000	27,679	92.26%	2,321	26,621
Public Utilities	133,600	13,973	10.46%	119,627	10,918
Repairs & Maintenance Services	267,200	160,727	60.15%	106,473	39,391
Other Expenses (SBIT's)	85,441	0	0.00%	85,441	0
Transfers to Capital Projects	200,000	0	0.00%	200,000	0
<b>TOTAL</b>	<b>6,739,433</b>	<b>1,815,351</b>	<b>26.94%</b>	<b>4,924,082</b>	<b>1,524,043</b>

VARIANCES (+/-) Current in Bold

WILLARD PUBLIC LIBRARY

SUMMARY OF DISBURSEMENTS SEPTEMBER 2025

GENERAL FUND DISBURSEMENTS

Expenditures by check	284,864.37
<i>ELECTRONIC PAYMENTS (ACH)</i>	
Net payroll transfer	128,769.24
FICA & Federal withholding tax	41,778.38
State withholding tax	6,616.81
Battle Creek City withholding tax	1,212.95
City of Springfield withholding tax	9.05
MERS Retirement System	30,466.88
MERS Pension Funding	0.00
MPSERS Retirement System	3,162.56
MPSERS UAAL RATE STABILIZATION	0.00
Michigan Unemployment	0.00
BASIC (125 Plan 3rd party administrator)	2,713.84
MERS (Employee 457)	4,044.04
Friend of the Court	1,077.70
5th/3rd BANK (credit card)	12,997.38
Health Equity Employer Serv.	2,492.38
MESSA	56,762.28
Unum Life Insurance	587.53
Total Disbursements	577,555.39

**WILLARD PUBLIC LIBRARY CHECKS  
SEPTEMBER  
2025**

**MONTHLY CHECK REGISTER**

Check Number	Check Date	Vendor Name	Check Amount
055738	9/2/2025	ALLEGRA PRNT & IMAGING INC.	\$1,621.24
055739	9/2/2025	DEMCO INC	\$186.76
055740	9/2/2025	D. L. GALLIVAN LLC	\$904.16
055741	9/2/2025	GREENSCAPE SERVICES INC <i>Landsaping/Irrigation</i>	\$25,825.00
055742	9/2/2025	CODY HOFFMAN DBA RELIABLE PROPERTY MAINTENANCE LLC	\$2,700.00
055743	9/2/2025	EDWARD J KEHOE	\$210.00
055744	9/2/2025	LENOVO INC <i>Computers/Monitors</i>	\$36,832.01
055745	9/2/2025	OVERDRIVE INC	\$4,336.56
055746	9/2/2025	PRECISION PRINTER SERVICE INC	\$427.70
055747	9/2/2025	ROSE PEST SOLUTIONS INC	\$65.00
055748	9/2/2025	R W LAPINE INC	\$500.00
055749	9/2/2025	EDWARD STALLWORTH II	\$300.00
055750	9/2/2025	STEVEN B. TAPLIN DBA TAPLIN GROUP, LLC <i>LBP Removal</i>	\$5,800.00
055751	9/3/2025	MEDLER ELECTRIC COMPANY	\$113.95
055752	9/3/2025	SWEEPER DEPOT	\$170.00
055753	9/8/2025	ALLEGRA PRNT & IMAGING INC.	\$217.19
055754	9/8/2025	CINTAS CORPORATION NO. 2	\$2,463.71
055755	9/8/2025	FLYERS ENERGY LLC	\$51.12
055756	9/8/2025	CODY HOFFMAN DBA RELIABLE PROPERTY MAINTENANCE LLC	\$3,557.12
055757	9/8/2025	JULIE NILA JACKSON	\$150.00
055758	9/8/2025	MIX HARDWARE	\$72.95
055759	9/8/2025	KATHERINE AMANDA NICHOLS DBA PAININTHEARTBRAIN	\$150.00
055760	9/8/2025	OVERDRIVE INC	\$44.02
055761	9/8/2025	BLUE OX CREDIT UNION ATTN: JENNA DOHERTY	\$632.48
055762	9/8/2025	SENTINEL TECHNOLOGIES INC	\$179.63
055763	9/8/2025	T-MOBILE USA INC	\$55.00
055764	9/10/2025	DENNIS C. REID II DBA DCR2 STUDIOS	\$500.00
055764	9/24/2025	DENNIS C. REID II DBA DCR2 STUDIOS	(\$500.00)
055765	9/16/2025	BATTERIES PLUS #388	\$302.95
055766	9/16/2025	CITY OF BATTLE CREEK CITY TREASURER	\$892.31
055767	9/16/2025	DEMCO INC	\$341.48

Check Number	Check Date	Vendor Name	Check Amount
055768	9/16/2025	EDWARD J KEHOE	\$210.00
055769	9/16/2025	FIRE PROTECTION PROS LLC	\$512.75
055770	9/16/2025	FUN EXPRESS LLC	\$1,205.16
055771	9/16/2025	GORDON FOOD SERVICE INC PAYMENT PROCESSING CT	\$120.34
055772	9/16/2025	J & L ELECTRIC OF BATTLE CREEK INC	\$302.88
055773	9/16/2025	JESSICA M.S. ZIMMERMAN DBA JMSZ CONSULTING LLC	\$150.00
055774	9/16/2025	JULIE NILA JACKSON	\$150.00
055775	9/16/2025	KATHERINE AMANDA NICHOLS DBA PAININTHEARTBRAIN	\$150.00
055776	9/16/2025	LAKESHORE PARENT, LLC DBA LAKESHORE LEARNING MATERIALS, LLC	\$638.77
055777	9/16/2025	OVERDRIVE INC	\$10,203.87
055778	9/16/2025	PLANTE & MORAN LLP	\$27,000.00
055779	9/16/2025	PLUMERIA BOTANICAL BOUTIQUE	\$800.00
055780	9/16/2025	RACHEL S BEHR	\$100.00
055781	9/16/2025	CODY HOFFMAN DBA RELIABLE PROPERTY MAINTENANCE LLC	\$2,700.00
055782	9/16/2025	ROBERT POTTER	\$150.00
055783	9/16/2025	ROSE PEST SOLUTIONS INC	\$72.00
055784	9/16/2025	SEMCO ENERGY INC	\$438.45
055785	9/16/2025	SPECIALIZED LANUGAGE DEVELOPMENT CENTER DBA SLD READ	\$101.60
055786	9/16/2025	MISC STAFF REIMBURSEMENT <i>Workshop/Conference</i>	\$200.40
055787	9/16/2025	STAPLES INC STAPLES CONTRACT & COMMERCIAL LLC	\$1,049.80
055788	9/16/2025	THOMSON REUTERS - WEST PAYMENT CENTER	\$81.09
055789	9/19/2025	COMMUNICO LLC <i>Annual Agreement - Self Checkouts</i>	\$12,112.00
055790	9/24/2025	AUDIOCRAFT PUB INC	\$3,000.00
055791	9/24/2025	RACHEL S BEHR	\$100.00
055792	9/24/2025	CALHOUN COUNTY TREASURER	\$113.61
055793	9/24/2025	CONSUMERS ENERGY INC	\$3,474.22
055794	9/24/2025	CISD CALHOUN INTER SCHOOL	\$546.38
055795	9/24/2025	CINTAS CORPORATION NO. 2	\$205.75
055796	9/24/2025	DEMCO INC	\$99.99
055797	9/24/2025	FUN EXPRESS LLC	\$1,239.58
055798	9/24/2025	CODY HOFFMAN DBA RELIABLE PROPERTY MAINTENANCE LLC	\$3,000.00
055799	9/24/2025	JULIE NILA JACKSON	\$150.00
055800	9/24/2025	EDWARD J KEHOE	\$210.00
055801	9/24/2025	THE LIBRARY STORE INC	\$217.56
055802	9/24/2025	LIBRARY IDEAS LLC	\$675.00
055803	9/24/2025	MI MUNICIPAL LEAGUE	\$225.00
055804	9/24/2025	KATHERINE AMANDA NICHOLS DBA PAININTHEARTBRAIN	\$150.00

Check Number	Check Date	Vendor Name	Check Amount
055805	9/24/2025	ROBERT POTTER	\$150.00
055806	9/24/2025	PORCHLIGHT BOOK COMPANY	\$5,092.68
055807	9/24/2025	BLUE OX CREDIT UNION ATTN: JENNA DOHERTY	\$636.46
055808	9/24/2025	STAPLES INC STAPLES CONTRACT & COMMERCIAL LLC	\$27.87
055809	9/29/2025	ALLEGRA PRNT & IMAGING INC.	\$479.32
055810	9/29/2025	BARNES & NOBLE INC	\$709.23
055811	9/29/2025	RACHEL S BEHR	\$100.00
055812	9/29/2025	DEMCO INC	\$97.80
055813	9/29/2025	ROGERS GLASS WINDOW & DOOR INC	\$3,995.00
055814	9/29/2025	ELECTROCYCLE INC	\$173.00
055815	9/29/2025	CODY HOFFMAN DBA RELIABLE PROPERTY MAINTENANCE LLC	\$2,700.00
055816	9/29/2025	JULIE NILA JACKSON	\$150.00
055817	9/29/2025	J & L ELECTRIC OF BATTLE CREEK INC	\$165.00
055818	9/29/2025	KNIGHTWATCH INC	\$363.00
055819	9/29/2025	EDWARD J KEHOE	\$210.00
055820	9/29/2025	THE MITTEN WORD BOOKSHOP LLC DBA NEW STORY COMMUNITY BOOKS	\$223.15
055821	9/29/2025	MISC BANK TRANSFER - To avoid Dormant Status	\$5.00
055822	9/29/2025	KATHERINE AMANDA NICHOLS DBA PAININTHEARTBRAIN	\$150.00
055823	9/29/2025	OVERDRIVE INC	\$331.22
055824	9/29/2025	ROBERT POTTER	\$150.00
055825	9/29/2025	ROSE PEST SOLUTIONS INC	\$360.00
055826	9/29/2025	LINDA WHITLOCK DBA SECRET GARDENS LLC	\$250.00
055827	9/30/2025	MACQUAIRE EQUIPMENT CAPITAL INC	\$1,994.19
A05030	9/2/2025	BRODART COMPANY INC	\$109.92
A05031	9/2/2025	BLACKSTONE AUDIO BOOKS INC	\$646.38
A05032	9/2/2025	BATTLE CREEK PUBLIC SCHOOL	\$6,813.32
A05033	9/2/2025	BK TEACHOUT INVESTIGATIONS INC	\$2,840.63
A05034	9/2/2025	GALE/CENGAGE LEARNING INC	\$638.00
A05035	9/2/2025	INGRAM LIBRARY SERVICE INC	\$9,922.10
A05036	9/2/2025	LIBRARY DESIGN ASSOC INC	\$8,950.00
A05037	9/2/2025	MIDWEST TAPE INC.	\$210.33
A05038	9/8/2025	BRODART COMPANY INC	\$34.73
A05039	9/8/2025	BLACKSTONE AUDIO BOOKS INC	\$1,184.20
A05040	9/8/2025	BK TEACHOUT INVESTIGATIONS INC	\$3,209.28
A05041	9/8/2025	GALE/CENGAGE LEARNING INC	\$245.90
A05042	9/8/2025	DASTON CORPORATION	\$628.00
A05043	9/8/2025	INGRAM LIBRARY SERVICE INC	\$6,578.24

Check Number	Check Date	Vendor Name	Check Amount
A05044	9/8/2025	MIDWEST TAPE INC.	\$13,360.82
A05045	9/8/2025	METRO FIBERNET LLC	\$1,925.69
A05046	9/8/2025	WASTE MANAGEMENT OF MI COMMERCIAL SERVICES INC	\$170.43
A05047	9/16/2025	BK TEACHOUT INVESTIGATIONS INC	\$3,456.13
A05048	9/16/2025	GALE/CENGAGE LEARNING INC	\$157.44
A05049	9/16/2025	ONCELL SYSTEMS INC	\$2,495.00
A05050	9/16/2025	UNBOUND EVENTS INC DBA AUTHORS UNBOUND AGENCY	\$7,000.00
A05051	9/16/2025	UNIQUE INTEGRATED COMMUNICATIONS INC	\$532.60
A05052	9/24/2025	BRODART COMPANY INC	\$316.86
A05053	9/24/2025	BK TEACHOUT INVESTIGATIONS INC	\$3,132.42
A05054	9/24/2025	BASIC	\$180.82
A05055	9/24/2025	INGRAM LIBRARY SERVICE INC	\$7,929.89
A05056	9/24/2025	MIDWEST TAPE INC.	\$3,935.30
A05057	9/29/2025	BRODART COMPANY INC	\$473.50
A05058	9/29/2025	BK TEACHOUT INVESTIGATIONS INC	\$3,031.80
A05059	9/29/2025	GALE/CENGAGE LEARNING INC	\$647.01
A05060	9/29/2025	PLAYAWAY PRODUCTS LLC	\$1,202.77
A05061	9/29/2025	INGRAM LIBRARY SERVICE INC	\$6,897.93
A05062	9/29/2025	MIDWEST TAPE INC.	\$4,285.47
A05063	9/29/2025	UNBOUND EVENTS INC DBA AUTHORS UNBOUND AGENCY	\$2,250.00
			<b>Grand Totals</b> \$284,864.37

September  
2025

**OWEN ENDOWMENT FUND**

<b>2025/2026</b>	<b>Budget</b>	<b>YTD</b>
<b>Revenue &amp; Transfers</b>		
Contributions-Unrestricted	0	3,000
Transfer from General Fund	0	0
Interest Earnings	20,000	853
<b>Total Revenue</b>	<b>20,000</b>	<b>3,853</b>
<b>Expenditures</b>	0	0
Transfer to General Fund	0	0
<b>Total Expenditures/Transfers</b>	<b>0</b>	<b>0</b>
<b>Revenue Over Expenditures</b>	<b>20,000</b>	<b>3,853</b>
<b>Fund Balance Beg of Year</b>	<b>1,113,561</b>	<b>1,113,561</b>
<b>Fund Balance End of Year</b>	<b>1,133,561</b>	<b>1,117,414</b>

**CAPITAL IMPROVEMENT & AUTOMATION FUND**

<b>2025/2026</b>	<b>Budget</b>	<b>YTD</b>
<b>Revenue &amp; Transfers</b>		
Other Misc Revenue	0	0
Transfer from General Fund	200,000	0
Interest Earnings	10,000	703
<b>Total Revenue</b>	<b>210,000</b>	<b>703</b>
<b>Expenditures</b>		
Purchased Services	0	0
Furniture & Fixtures	0	0
Construction & Renovation	0	0
<b>Transfer to General Fund</b>	<b>0</b>	<b>0</b>
<b>Total Expenditures &amp; Transfers</b>	<b>0</b>	<b>0</b>
<b>Revenue Over Expenditures</b>	<b>210,000</b>	<b>703</b>
<b>Fund Balance Beg of Year</b>	<b>1,348,826</b>	<b>1,348,826</b>
<b>Fund Balance End of Year</b>	<b>1,558,826</b>	<b>1,349,529</b>

September 19, 2025

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, 2025 and have issued our report thereon dated September 19, 2025. 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 May 19, 2025, 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 dated August 11, 2025.

**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.

As described in Note 1, the Library adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The new accounting standard did not 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.

We noted 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.

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 liability and net OPEB asset. 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 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 19, 2025.

***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.

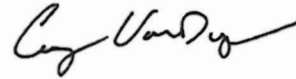
To the Board of Trustees  
Willard Public Library

September 19, 2025

This information 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**

A handwritten signature in black ink, appearing to read "Corey VanDyke". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Corey VanDyke, CPA  
Partner

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# Willard Public Library

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**Financial Report  
with Supplementary Information  
June 30, 2025**

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## Independent Auditor's Report

To the Board of Trustees  
Willard Public Library

### **Opinions**

We have audited the financial statements of the governmental activities and each major fund of Willard Public Library (the "Library") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Library as of June 30, 2025 and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

To the Board of Trustees  
Willard Public Library

In performing an audit in accordance with GAAS, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary 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 19, 2025

**Using This Annual Report**

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and the required supplementary 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 supplementary 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, 2025:

- Property tax revenue continued to climb into the 2024-2025 fiscal year.
- The Library invested in a large upgrade to its network infrastructure.

**Condensed Financial Information**

	2025	2024
<b>Assets</b>		
Current assets	\$ 6,310,732	\$ 6,363,399
Capital assets	6,617,299	6,013,098
Total assets	12,928,031	12,376,497
<b>Deferred Outflows of Resources</b>	749,921	1,095,989
<b>Liabilities</b>		
Other liabilities	100,906	105,438
Long-term debt	1,512,285	1,955,514
Total liabilities	1,613,191	2,060,952
<b>Deferred Inflows of Resources</b>	276,841	403,288
<b>Net Position</b>		
Net investment in capital assets	6,446,941	5,764,926
Restricted:		
Nonexpendable endowment	990,629	990,629
OPEB asset	47,154	-
Unrestricted	4,303,196	4,252,691
Total net position	\$ 11,787,920	\$ 11,008,246

	2025	2024
<b>Revenue</b>		
Property taxes	\$ 5,609,180	\$ 5,405,909
Other	1,329,291	1,215,164
Total revenue	6,938,471	6,621,073
<b>Expenses - Library services</b>	6,158,797	5,711,092
<b>Changes in Net Position</b>	779,674	909,981
<b>Net Position - Beginning of year</b>	11,008,246	10,098,265
<b>Net Position - End of year</b>	<u>\$ 11,787,920</u>	<u>\$ 11,008,246</u>

**Changes in Net Position**

The \$4.3 million in unrestricted net position of the governmental activities represents the accumulated results of all past years' operations. The unrestricted net position 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 position from year to year.

As reported in the statement of activities, the cost of all library activities this year was approximately \$6.2 million. The majority of the expenses were funded through property tax revenue (\$5.6 million) and other revenue (\$1.3 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 \$6.2 million, which is a decrease of approximately \$89,000 from last year's fund balance.

In the General Fund, the Library's principal operating fund, fund balance increased by approximately \$86,000 during the 2024-2025 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, decreased in fund balance due to increased capital outlay expenses during the 2024-2025 year.

**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, reduced to 1.9986 mills by MCL 211.34d in the current year. 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 \$6.89 million. That amount is above the original budget estimate of \$6.74 million and above the final amended budget of \$6.84 million. The actual expenditures of the General Fund were \$6.40 million, which was below the original budget estimate of \$6.79 million and below the final amended budget of \$6.68 million. The approximate \$277,000 variance between the final amended budget and the 2025 actual results was primarily due to the carryover in the amounts budgeted for materials and purchased services, as well as a decrease in personnel. The General Fund ended with a fund balance of \$3.71 million.

### **Current Year Highlights**

The 2024-2025 fund year was marked by significant investment in facilities, expanded programming, and steady progress on the Library's 2023-2026 strategic plan. With the plan's guiding priorities of "discover, grow, and connect," the Library delivered meaningful outcomes for the community while strengthening its role as a safe, welcoming, and innovative institution.

Overall visits increased by 3 percent to 208,688, and new material checkouts rose 4 percent, highlighting the public's continued enthusiasm for the Library's collections, even as circulation declined slightly by 2 percent to 685,900 items, in large part due to the temporary closure of the Children's Room for renovations.

Safety and accessibility were also strengthened. Phase 3 of the fob and magnet lock system was completed, restroom doors on the main floor were fitted with push-button openers, and upgraded first aid equipment was upgraded, including an additional AED. A new medical emergency response team, composed of trained staff volunteers, was established to support on-site preparedness. At the same time, the downtown location received refreshed landscaping and live planters inside the Library, creating a more welcoming, vibrant, and inspiring atmosphere for visitors.

Programming thrived across all age groups. Creative Space participation increased by 46 percent to 2,642 attendees. Monday night children's programming rose 25 percent to 1,399 attendees, while Saturday "Simply Stories" storytimes broadened family options. The Library hosted quarterly Tween Nights to provide safe after-hours activities for youth, opened the Teen Room on early release days, and presented diverse offerings such as a Grady Hendrix author event for horror fans and a growing Trivia Night series. A highlight of the year was the 20th anniversary of Battle Creek Reads, which brought together more than 300 people in a shared celebration and author event.

Progress in literacy and collections was equally strong. Two new storytime models were developed to support varied learning styles, and kindergarten readiness was enhanced by incorporating early literacy strategies into weekly sessions. Adult reading programs flourished with the Winter Reading program more than doubling to 137 participants and the Summer Reading program drawing in 154 participants. Youth literacy initiatives grew as well, including a 15 percent increase in the Favorite Author Club Jr. The Library also curated special displays of local and Michigan authors, expanded dementia-friendly large print titles, and launched a book lease program that allows popular adult titles to be available to browsers.

Technology upgrades were another priority. All public computers were replaced, a new digitization Conversion Corner opened at the Helen Warner Branch, and "Book a Librarian" sessions supported more than 170 one-on-one appointments with patrons. Seasonal workshops, such as "New Year, New Device," helped patrons navigate new technology. The Library's communications strategy expanded reach with promotional videos streamed on TV platforms, social media campaigns highlighting services like the Seed Library and Battle Creek Reads, and digital billboard advertising across the city.

Community partnerships deepened engagement and extended impact. Dementia Friendly Nights offered support for caregivers, while weekly yoga, cardio drumming, Tai Chi, and a new walking club promoted health and wellness. Collaborations with CareWell Health Partners, Compassion Care of Michigan, and the Disability Network delivered timely educational sessions, while outreach at Juneteenth Family Day, Pride Festival, and Hispanic Heritage Month broadened connections with diverse audiences. Meanwhile, the "Peeks into the Past" video series and "Things Worth Remembering" displays highlighted Battle Creek's history, reinforcing the Library's role as a cultural anchor.

Staff development and organizational culture were also advanced. Employees received legal information and MeL training, customer service workshops led by Laurie Guest, and an all-staff AI training session. Initiatives to promote inclusion included workshops on the theory of enchantment and the anatomy of peace, while staff morale was boosted through recognition events like the Winter Breakfast and Staff Appreciation Week.

Taken together, these accomplishments underscore the Library's resilience and momentum. Even with temporary disruptions from construction, the Library achieved meaningful growth in visits, programming, technology, and partnerships. Entering the next year of the strategic plan, the Library is well positioned to continue fostering discovery, supporting literacy, and building connections that enrich the entire Battle Creek, Michigan community.

#### ***Capital Assets and Debt Administration***

The most visible accomplishment this year was the renovation of the Children's Room, which required a temporary closure but ultimately transformed the space into a modern and engaging destination for families. The project featured new carpet, shelving, furniture, displays, and a redesigned service desk, as well as a raised ceiling that creates a brighter and more open environment.

A highlight of the renovation is the forest-themed play and programming structure, fully ADA accessible, which fosters both imaginative exploration and early literacy. This inviting centerpiece reflects the Library's dedication to providing inclusive, enriching experiences for children of all abilities.

#### ***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.

**Willard Public Library**

**Statement of Net Position/Governmental Funds Balance Sheet**

**June 30, 2025**

	General Fund	Permanent Fund Owen Endowment Fund	Capital Improvement Fund	Balance Sheet - Modified Accrual	Adjustments (Note 2)	Statement of Net Position - Full Accrual
<b>Assets</b>						
Cash and cash equivalents (Note 3)	\$ 3,316,059	\$ 1,113,560	\$ 1,342,826	\$ 5,772,445	\$ -	\$ 5,772,445
Receivables	303,515	-	-	303,515	-	303,515
Prepaid assets	187,618	-	-	187,618	-	187,618
Net OPEB asset - MPERS (Note 10)	-	-	-	-	47,154	47,154
Capital assets: (Note 4)	-	-	-	-	-	-
Assets not subject to depreciation	-	-	-	-	980,185	980,185
Assets subject to depreciation - Net	-	-	-	-	5,637,114	5,637,114
Total assets	3,807,192	1,113,560	1,342,826	6,263,578	6,664,453	12,928,031
<b>Deferred Outflows of Resources</b>						
Deferred MPERS pension costs (Note 10)	-	-	-	-	97,982	97,982
Deferred MERS pension costs (Note 9)	-	-	-	-	639,638	639,638
Deferred MPERS OPEB costs (Note 10)	-	-	-	-	12,301	12,301
Total deferred outflows of resources	-	-	-	-	749,921	749,921
Total assets and deferred outflows of resources	<u>\$ 3,807,192</u>	<u>\$ 1,113,560</u>	<u>\$ 1,342,826</u>	<u>\$ 6,263,578</u>	<u>7,414,374</u>	<u>13,677,952</u>
<b>Liabilities</b>						
Accounts payable	\$ 97,097	\$ -	\$ -	\$ 97,097	\$ -	\$ 97,097
Accrued liabilities	3,809	-	-	3,809	-	3,809
Noncurrent liabilities:						
Due within one year:						
Compensated absences (Note 5)	-	-	-	-	216,000	216,000
Current portion of subscription liability (Note 6)	-	-	-	-	82,639	82,639
Due in more than one year:						
Compensated absences (Note 5)	-	-	-	-	217,000	217,000
Net pension liability - MPERS (Note 10)	-	-	-	-	302,708	302,708
Subscription liability - Net of current portion (Note 6)	-	-	-	-	606,219	606,219
Total liabilities	100,906	-	-	100,906	1,512,285	1,613,191

See notes to financial statements.

**Willard Public Library**

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

**June 30, 2025**

	General Fund	Permanent Fund Owen Endowment Fund	Capital Improvement Fund	Balance Sheet - Modified Accrual	Adjustments (Note 2)	Statement of Net Position - Full Accrual
<b>Deferred Inflows of Resources</b>						
Revenue in support of pension contributions made subsequent to the report date (Note 10)	\$ -	\$ -	\$ -	\$ -	22,341	\$ 22,341
Deferred MPERS pension costs (Note 10)	-	-	-	-	99,466	99,466
Deferred MPERS OPEB costs (Note 10)	-	-	-	-	73,405	73,405
Deferred MERS pension costs (Note 9)	-	-	-	-	81,629	81,629
Total deferred inflows of resources	-	-	-	-	276,841	276,841
<b>Total liabilities and deferred inflows of resources</b>	100,906	-	-	100,906	1,789,126	1,890,032
<b>Equity</b>						
Fund balances:						
Nonspendable:						
Prepays	187,618	-	-	187,618	(187,618)	-
Endowment fund	-	990,629	-	990,629	(990,629)	-
Committed - 60-day reserve fund	1,010,915	-	-	1,010,915	(1,010,915)	-
Assigned:						
Endowment fund - Interest	-	122,931	-	122,931	(122,931)	-
Capital improvements - Future projects	217,000	-	1,342,826	1,342,826	(1,342,826)	-
Sick payable	2,290,753	-	-	217,000	(217,000)	-
Unassigned	-	-	-	2,290,753	(2,290,753)	-
Total fund balances	3,706,286	1,113,560	1,342,826	6,162,672	(6,162,672)	-
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,807,192</b>	<b>\$ 1,113,560</b>	<b>\$ 1,342,826</b>	<b>\$ 6,263,578</b>		
<b>Net position:</b>						
Net investment in capital assets					6,446,941	6,446,941
Restricted:						
Nonexpendable endowment					990,629	990,629
OPEB asset					47,154	47,154
Unrestricted					4,303,196	4,303,196
Total net position					<b>\$ 11,787,920</b>	<b>\$ 11,787,920</b>

# Willard Public Library

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

Year Ended June 30, 2025

	Permanent Fund		Capital Improvement Fund	Statement of Revenue, Expenditures, and Changes in Fund Balances - Modified		Adjustments (Note 2)	Statement of Activities - Full Accrual
	General Fund	Owen Endowment Fund		Accrual	Full Accrual		
<b>Revenue</b>							
Property taxes	\$ 5,609,180	\$ -	\$ -	\$ 5,609,180	\$ -	\$ -	\$ 5,609,180
State sources - Unrestricted	492,948	-	-	492,948	4,118	-	497,066
Fees and book fines	63,232	-	-	63,232	-	-	63,232
Penal fines	134,963	-	-	134,963	-	-	134,963
Casino PLT disbursement	177,833	-	-	177,833	-	-	177,833
Interest	42,793	29,341	17,536	89,670	-	-	89,670
Local contributions, contracts, and other	366,527	-	-	366,527	-	-	366,527
<b>Total revenue</b>	<b>6,887,476</b>	<b>29,341</b>	<b>17,536</b>	<b>6,934,353</b>	<b>4,118</b>		<b>6,938,471</b>
<b>Expenditures</b>							
Library services and materials - Audiovisual, books, and periodicals	1,019,537	-	-	1,019,537	(483,103)	-	536,434
Support services - General administration:							
Personnel	3,591,299	-	-	3,591,299	(182,759)	-	3,408,540
Communications	123,355	-	-	123,355	-	-	123,355
Office supplies	47,877	-	-	47,877	-	-	47,877
Public utilities	121,479	-	-	121,479	-	-	121,479
Depreciation	-	-	-	-	975,198	-	975,198
Purchased services	674,902	-	-	674,902	(89,212)	-	585,690
Insurance	26,621	-	-	26,621	-	-	26,621
Repairs and maintenance	155,660	-	-	155,660	(45,097)	-	110,563
Repairs and maintenance supplies	34,476	-	-	34,476	-	-	34,476
Capital expenditures	523,346	-	621,969	1,145,315	(961,987)	-	183,328
Debt service - SBITA payments:							
Principal	77,814	-	-	77,814	(77,814)	-	-
Interest	5,236	-	-	5,236	-	-	5,236
<b>Total expenditures</b>	<b>6,401,602</b>	<b>-</b>	<b>621,969</b>	<b>7,023,571</b>	<b>(864,774)</b>		<b>6,158,797</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>485,874</b>	<b>29,341</b>	<b>(604,433)</b>	<b>(89,218)</b>	<b>868,892</b>		<b>779,674</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in (Note 7)	-	-	400,000	400,000	-	-	400,000
Transfers out (Note 7)	(400,000)	-	-	(400,000)	-	-	(400,000)
<b>Total other financing (uses) sources</b>	<b>(400,000)</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Net Change in Fund Balances/Net Position</b>	<b>85,874</b>	<b>29,341</b>	<b>(204,433)</b>	<b>(89,218)</b>	<b>868,892</b>		<b>779,674</b>
<b>Fund Balances/Net Position - Beginning of year</b>	<b>3,620,412</b>	<b>1,084,219</b>	<b>1,547,259</b>	<b>6,251,890</b>	<b>4,756,356</b>		<b>11,008,246</b>
<b>Fund Balances/Net Position - End of year</b>	<b>\$ 3,706,286</b>	<b>\$ 1,113,560</b>	<b>\$ 1,342,826</b>	<b>\$ 6,162,672</b>	<b>\$ 5,625,248</b>		<b>\$ 11,787,920</b>

**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.

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 accounts. Intergovernmental receivables are shown for revenue recognized during the year and received within 60 days of year end.

**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.

**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 greater than \$2,500 and 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.

**Note 1 - Significant Accounting Policies (Continued)**

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
Subscription-based IT arrangements	5

**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 future periods and will not be recognized as an inflow of resources (revenue) until that time. The Library has various deferred inflows of resources, which are outlined in Notes 9 and 10, that arise under the full accrual basis of accounting and are, therefore, reported only in the government-wide statement of net position. These deferred inflows relate 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 nonexpendable, which has been restricted by donors to be maintained in perpetuity, and restricted for the OPEB asset. 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 2024 property tax revenue was levied and collectible on December 1, 2024 and is recognized as revenue in the year ended June 30, 2025 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2024 taxable valuation of the participating municipalities totaled \$2.8 billion before adjustments, on which taxes levied consisted of 2.0 mills, reduced to 1.9986 mills by MCL 211.34d, for operating purposes. This resulted in approximately \$5.6 million for General Fund operations. This amount was reported in the General Fund as tax revenue.

**Note 1 - Significant Accounting Policies (Continued)**

**Pension and Other Postemployment Benefit (OPEB) Plan**

The Library offers pension benefits to all retirees and OPEB benefits to MPSERS retirees. For the purpose 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. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. 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.

**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.

**Subscriptions**

The Library obtains the right to use vendors' information technology software through various long-term contracts. The Library recognizes a subscription liability and an intangible right-of-use subscription asset (the "subscription asset") in the applicable governmental or business-type activities column in the government-wide financial statements.

At the commencement of a subscription, the Library initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the Library determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

- The Library uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Library generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancelable period of the subscription.

The Library monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

**Note 1 - Significant Accounting Policies (Continued)**

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the statement of net position.

**Upcoming Accounting Pronouncements**

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Library's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the Library's financial statements for the year ending June 30, 2026.

**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:

<b>Total Fund Balances - Modified Accrual Basis</b>	<b>\$ 6,162,672</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets (including SBITAs) are not financial resources and are not reported in the funds	6,617,299
Subscription liabilities are not due and payable in the current period and are not reported in the funds	(170,358)
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	(433,000)
Net MPERS pension liability and OPEB asset and related deferred inflows and outflows	(318,142)
Net MERS pension liability and related deferred inflows and outflows	(48,210)
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	(22,341)
<b>Total Net Position - Full Accrual Basis</b>	<b>\$ 11,787,920</b>

June 30, 2025

**Note 2 - Reconciliation of Individual Fund Columns of the Statement of Net Position/Statement of Activities (Continued)**

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:

<b>Net Change in Fund Balances - Modified Accrual Basis</b>	<b>\$ (89,218)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays, including SBITAs, 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	1,579,399
Capital costs are allocated over their estimated useful lives as depreciation	(975,198)
Principal payments on SBITAs are an expenditure in the governmental funds but not in the statement of activities (where it reduces the subscription liability)	77,814
Increase in the accrual for long-term compensated absences is reported as revenue in the statement of activities but not in the fund financial statements	16,000
Some employee costs (pension and OPEB) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	<u>170,877</u>
<b>Change in Net Position - Full Accrual Basis</b>	<b><u>\$ 779,674</u></b>

**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 six 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 bank deposits of approximately \$3.1 million (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.

**Note 4 - Capital Assets**

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

	Balance July 1, 2024	Reclassifications	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated - Land	\$ 980,185	\$ -	\$ -	\$ -	\$ 980,185
Capital assets being depreciated:					
Buildings and improvements	4,649,885	-	608,186	-	5,258,071
Equipment	1,753,088	-	188,981	-	1,942,069
Furniture and fixtures	1,601,626	-	299,129	-	1,900,755
Land improvements	258,636	-	-	-	258,636
Books, periodicals, etc.	3,786,452	-	483,103	(489,811)	3,779,744
Subscription assets	401,187	-	-	-	401,187
Subtotal	12,450,874	-	1,579,399	(489,811)	13,540,462
Accumulated depreciation:					
Buildings and improvements	2,931,663	-	281,806	-	3,213,469
Equipment	1,582,447	-	98,537	-	1,680,984
Furniture and fixtures	1,557,031	-	61,521	-	1,618,552
Land improvements	247,399	-	11,237	-	258,636
Books, periodicals, etc.	938,947	-	441,860	(489,811)	890,996
Subscription assets	160,474	-	80,237	-	240,711
Subtotal	7,417,961	-	975,198	(489,811)	7,903,348
Net capital assets being depreciated	5,032,913	-	604,201	-	5,637,114
Net governmental activities capital assets	<u>\$ 6,013,098</u>	<u>\$ -</u>	<u>\$ 604,201</u>	<u>\$ -</u>	<u>\$ 6,617,299</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 6 compensated absence days annually to be used during the fiscal year. These compensated absence days are forfeited at the end of each fiscal year.

Vacation time is granted upon an employees' anniversary date. Typically, library employees are allowed to carry forward to the next year up to 3 unused vacation days.

As of June 30, 2025, the Library had the following liability recorded:

	Balance June 30, 2025	Amount Due within One Year
Sick leave benefit	\$ 217,000	\$ -
Employee compensated absences	216,000	216,000
Total	<u>\$ 433,000</u>	<u>\$ 216,000</u>

**Note 6 - Subscriptions**

The Library obtains the right to use vendors' information technology software through various long-term contracts. Payments are generally fixed monthly.

Subscription asset activity of the Library is included in Note 4.

Future principal and interest payment requirements related to the Library's subscription liability at June 30, 2025 are as follows:

Years	Principal	Interest	Total
2026	\$ 82,639	\$ 2,802	\$ 85,441
2027	87,719	219	87,938
<b>Total</b>	<b>\$ 170,358</b>	<b>\$ 3,021</b>	<b>\$ 173,379</b>

**Note 7 - Interfund Transfers**

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Capital Improvement Fund	\$ 400,000

Transfers into the Capital Improvement Fund totaling \$400,000 from the General Fund are to provide funding for various future capital projects planned.

**Note 8 - 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 9 - 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 supplementary information of this defined benefit plan. This report can be obtained at [www.mersofmichigan.com](http://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.

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.

June 30, 2025

**Note 9 - Municipal Employees' Retirement System of Michigan (Continued)**

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, 2024 measurement date, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	17
Active plan members	<u>34</u>
Total employees covered by the plan	<u><u>62</u></u>

***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, 2025, 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 12.69 and 8.48 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, 2025 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, 2024 measurement date. The December 31, 2024 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

June 30, 2025

**Note 9 - 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
<b>Balance at December 31, 2023</b>	\$ 7,550,358	\$ 6,656,840	\$ 893,518
Changes for the year:			
Service cost	232,407	-	232,407
Interest	542,430	-	542,430
Differences between expected and actual experience	36,670	-	36,670
Changes in assumptions	22,633	-	22,633
Contributions - Employer	-	550,190	(550,190)
Contributions - Employee	-	84,846	(84,846)
Net investment income	-	501,620	(501,620)
Benefit payments, including refunds and other miscellaneous adjustments	(223,662)	(223,662)	-
Administrative expenses	-	(15,217)	15,217
Net changes	610,478	897,777	(287,299)
<b>Balance at December 31, 2024</b>	<b>\$ 8,160,836</b>	<b>\$ 7,554,617</b>	<b>\$ 606,219</b>

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

For the year ended June 30, 2025, the Library recognized pension expense of \$395,165.

At June 30, 2025, 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	\$ 45,381	\$ (81,629)
Changes in assumptions	235,933	-
Net difference between projected and actual earnings on pension plan investments	228,371	-
Employer contributions to the plan subsequent to the measurement date	129,953	-
Total	<b>\$ 639,638</b>	<b>\$ (81,629)</b>

June 30, 2025

**Note 9 - 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 (\$129,953), which will impact the net pension liability in fiscal year 2025, rather than pension expense.

Years Ending June 30	Amount
2026	\$ 241,239
2027	226,460
2028	(49,614)
2029	9,973
2030	(2)
Total	<u>\$ 428,056</u>

**Actuarial Assumptions**

The total pension liability in the December 31, 2024 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 7.18 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, 2024 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 7.18 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, 2024, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.16
Private investments	20.00	6.50

**Note 9 - 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 7.18 percent, as well as what the Library's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.18%)	Current Discount Rate (7.18%)	1 Percentage Point Increase (8.18%)
Net pension liability (asset) of the Library	\$ 1,852,014	\$ 606,219	\$ (412,367)

***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***

For the 2024 MERS plan valuation, the MERS retirement board adopted the results of an experience study covering the period January 1, 2019 through December 31, 2023.

**Note 10 - Michigan Public School Employees' Retirement System**

***Plan Description***

The Library participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers 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 supplementary 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, 2025

**Note 10 - 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 10 - 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, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%

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, 2025 were \$53,763, which include the Library's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2025, the Library's required and actual pension contributions include an allocation of \$22,341 in revenue received from the State of Michigan and remitted to the System to fund the MPERS unfunded actuarial accrued liability (UAAL) stabilization rate, as well as \$2,597 of a one-time state payment received and remitted to the System for the purpose of contributing additional assets to the System.

The Library's required and actual OPEB contributions to the plan for the year ended June 30, 2025 were \$3,334, which include the Library's contributions required for those members with a defined contribution benefit.

***Net Pension Liability***

At June 30, 2025, the Library reported a liability of \$302,708 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023, which used update procedures to roll forward the estimated liability to September 30, 2024. 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, 2024 and 2023, the Library's proportion was 0.001236 percent and 0.001226 percent, respectively, representing a change of 0.848 percent.

***Net OPEB Asset***

At June 30, 2025, the Library reported an asset of \$47,154 for its proportionate share of the net OPEB asset. The net OPEB asset for fiscal year 2025 was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2023, which used update procedures to roll forward the estimated asset to September 30, 2024. The Library's proportion of the net OPEB asset 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, 2024 and 2023, the Library's proportion was 0.001095 percent and 0.001073 percent, respectively, representing a change of 2.069 percent.

**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

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

For 2025, the Library recognized pension recovery of \$36,572, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2025, 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	\$ 8,213	\$ (3,289)
Changes in assumptions	31,559	(22,179)
Net difference between projected and actual earnings on pension plan investments	-	(57,769)
Changes in proportion and differences between the Library's contributions and proportionate share of contributions	10,817	(16,229)
The Library's contributions to the plan subsequent to the measurement date	47,393	-
	<u>97,982</u>	<u>(99,466)</u>
Total	<u>\$ 97,982</u>	<u>\$ (99,466)</u>

The \$22,341 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, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending</u>	<u>Amount</u>
2026	\$ (19,432)
2027	5,203
2028	(19,931)
2029	(14,717)
Total	<u>\$ (48,877)</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, 2025, the Library recognized OPEB recovery of \$37,003.

June 30, 2025

**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

At June 30, 2025, 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	\$ -	\$ (49,969)
Changes in assumptions	10,299	(1,184)
Net difference between projected and actual earnings on OPEB plan investments	-	(8,927)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	984	(13,325)
Employer contributions to the plan subsequent to the measurement date	1,018	-
Total	\$ 12,301	\$ (73,405)

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 asset and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2026	\$ (29,208)
2027	(9,583)
2028	(9,381)
2029	(8,505)
2030	(4,587)
Thereafter	(858)
Total	\$ (62,122)

**Actuarial Assumptions**

The total pension liability and total OPEB liability as of September 30, 2024 are based on the results of an actuarial valuation as of September 30, 2023 and rolled forward. The total pension liability and total OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75 percent
Health care cost trend rate - OPEB	6.50% - 7.25%	Year 1 graded to 3.5 percent in year 15
Mortality basis		PubT-2010 Male and Female Employee Mortality Tables, scaled 100 percent (retirees: 116 percent for males and 116 percent for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010
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 2017 to 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension liability and total OPEB liability as of September 30, 2024 are based on the results of an actuarial valuation date of September 30, 2023 and rolled forward using generally accepted actuarial procedures, including the experience study.

June 30, 2025

**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

Significant assumption changes since the prior measurement date, September 30, 2023, for the pension and OPEB plans include a decrease in the health care cost trend rate of 0.25 percentage points for members under 65 and an increase of 0.25 percentage points for members over 65. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2023.

**Discount Rate**

The discount rate used to measure the total pension and total OPEB liability was 6.00 percent as of September 30, 2024. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that library contributions will be made at statutorily required rates.

Based on those assumptions, the pension 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 %	5.30 %
Private equity pools	16.00	9.00
International equity pools	15.00	6.50
Fixed-income pools	13.00	2.20
Real estate and infrastructure pools	10.00	7.10
Absolute return pools	9.00	5.20
Real return/opportunistic pools	10.00	6.90
Short-term investment pools	2.00	1.40
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.3 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%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the Library	\$ 443,773	\$ 302,708	\$ 185,244

**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

***Sensitivity of the Net OPEB Asset to Changes in the Discount Rate***

The following presents the net OPEB asset of the Library, calculated using the current discount rate. It also reflects what the Library's net OPEB asset 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%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB asset of the Library	\$ (36,441)	\$ (47,154)	\$ (56,416)

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

The following presents the net OPEB asset of the Library, calculated using the current health care cost trend rate. It also reflects what the Library's net OPEB asset 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	Current Rate	1 Percentage Point Increase
Net OPEB asset of the Library	\$ (56,416)	\$ (47,154)	\$ (37,220)

***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 11 - 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 12 - Funds Held in Endowment/Trust**

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 \$1,181,104.

There were no withdrawals past earnings on principal from the endowment funds held at Battle Creek Community Foundation during the year.

The Library is also a beneficiary of a trust held with Edward Jones Investments to benefit the enhancement of the Library's collections, public programming, and facility and technology needs. The Library, while a beneficiary of the trust, is not a trustee of the trust, and the trust is not part of the Library's basic financial statements. Distributions of the estate are under the sole discretion of the trustee, who is not subject to any fiduciary standard of duty or obligation to make distributions. The full amount of the trust is approximately \$969,000.

**June 30, 2025**

**Note 12 - Funds Held in Endowment/Trust (Continued)**

During the year, the Library received distributions of \$152,372 from the trust. All of the funds were placed in the General Fund.

**Note 13 - 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, 2025, the Library's property tax revenue was reduced by approximately \$51,000 under these programs.

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## Required Supplementary Information

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**Required Supplementary Information  
Budgetary Comparison Schedule  
General Fund**

**Year Ended June 30, 2025**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 5,657,365	\$ 5,582,300	\$ 5,609,180	\$ 26,880
State sources - Unrestricted	523,000	486,500	492,948	6,448
Fees and book fines	50,000	56,000	63,232	7,232
Penal fines	100,000	122,000	134,963	12,963
Casino PILT disbursement	150,000	165,000	177,833	12,833
Interest - Investment earnings	25,000	43,000	42,793	(207)
Local contributions, contracts, and other	233,600	383,589	366,527	(17,062)
Total revenue	6,738,965	6,838,389	6,887,476	49,087
<b>Expenditures</b>				
Program services - Audiovisual, books, and periodicals	1,109,800	1,104,552	1,019,537	85,015
Support services - General administration:				
Personnel	3,753,900	3,631,600	3,591,299	40,301
Communications	129,000	121,000	123,355	(2,355)
Office supplies	52,500	51,500	47,877	3,623
Public utilities	133,600	133,600	121,479	12,121
Purchased services	712,000	732,040	674,902	57,138
Insurance	26,621	26,621	26,621	-
Repairs and maintenance	254,200	186,200	155,660	30,540
Repairs and maintenance supplies	43,000	45,000	34,476	10,524
Capital expenditures	498,465	563,745	523,346	40,399
Debt service:				
Principal	73,186	77,814	77,814	-
Interest	7,527	5,236	5,236	-
Total expenditures	6,793,799	6,678,908	6,401,602	277,306
<b>Excess of Revenue (Under) Over Expenditures</b>	(54,834)	159,481	485,874	326,393
<b>Other Financing Uses - Transfers out</b>	(200,000)	(400,000)	(400,000)	-
<b>Net Change in Fund Balance</b>	(254,834)	(240,519)	85,874	326,393
<b>Fund Balance - Beginning of year</b>	3,620,412	3,620,412	3,620,412	-
<b>Fund Balance - End of year</b>	<u>\$ 3,365,578</u>	<u>\$ 3,379,893</u>	<u>\$ 3,706,286</u>	<u>\$ 326,393</u>

**Willard Public Library**

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

	Last Ten Plan Years									
	Plan Years Ended September 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability	0.00124 %	0.00123 %	0.00119 %	0.00116 %	0.00166 %	0.00273 %	0.00320 %	0.00339 %	0.00431 %	0.00491 %
Library's proportionate share of the net pension liability	\$ 302,708	\$ 396,824	\$ 449,293	\$ 275,139	\$ 570,245	\$ 905,515	\$ 963,460	\$ 879,447	\$ 1,075,896	\$ 1,198,871
Library's covered payroll	\$ 109,575	\$ 103,604	\$ 100,918	\$ 94,008	\$ 93,562	\$ 175,426	\$ 223,054	\$ 256,094	\$ 327,842	\$ 410,442
Library's proportionate share of the net pension liability as a percentage of its covered payroll	276.26 %	383.02 %	445.21 %	292.68 %	609.48 %	516.18 %	431.94 %	343.41 %	328.18 %	292.09 %
Plan fiduciary net position as a percentage of total pension liability	74.44 %	65.91 %	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %

See notes to required supplementary information.

**Willard Public Library**

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

	<b>Last Ten Fiscal Years</b>									
	<b>Years Ended June 30</b>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 53,763	\$ 50,168	\$ 54,164	\$ 39,468	\$ 34,547	\$ 47,194	\$ 75,458	\$ 82,067	\$ 82,714	\$ 105,846
Contributions in relation to the statutorily required contribution	53,763	50,168	54,164	39,468	34,547	47,194	75,458	82,067	82,714	105,846
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Library's Covered Payroll</b>	<b>\$ 111,958</b>	<b>\$ 107,480</b>	<b>\$ 102,448</b>	<b>\$ 96,347</b>	<b>\$ 93,584</b>	<b>\$ 104,148</b>	<b>\$ 193,335</b>	<b>\$ 233,689</b>	<b>\$ 272,784</b>	<b>\$ 353,069</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>48.02 %</b>	<b>46.68 %</b>	<b>52.87 %</b>	<b>40.96 %</b>	<b>36.92 %</b>	<b>45.31 %</b>	<b>39.03 %</b>	<b>35.12 %</b>	<b>30.32 %</b>	<b>29.98 %</b>

See notes to required supplementary information.

**Willard Public Library**

Required Supplementary Information  
 Schedule of the Library's Proportionate Share of the  
 Net OPEB Liability (Asset)  
 Michigan Public School Employees' Retirement System

	Last Eight Plan Years							
	2024	2023	2022	2021	2020	2019	2018	2017
Library's proportion of the net OPEB (asset) liability	0.00110 %	0.00107 %	0.00107 %	0.00107 %	0.00107 %	0.00203 %	0.00264 %	0.00342 %
Library's proportionate share of the net OPEB (asset) liability	\$ (47,154)	\$ (6,071)	\$ 22,701	\$ 16,294	\$ 57,392	\$ 145,425	\$ 209,511	\$ 302,800
Library's covered payroll	\$ 109,575	\$ 103,604	\$ 100,918	\$ 94,008	\$ 93,562	\$ 175,426	\$ 223,054	\$ 256,094
Library's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(43.03)%	(5.86)%	22.49 %	17.33 %	61.34 %	82.90 %	93.93 %	118.24 %
Plan fiduciary net position as a percentage of total OPEB liability	143.08 %	105.04 %	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

See notes to required supplementary information.

**Willard Public Library**

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

	<b>Last Eight Fiscal Years Years Ended June 30</b>							
	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution \$	3,334	8,830	8,246	7,852	7,788	8,369	15,186	16,896
Contributions in relation to the statutorily required contribution	3,334	8,830	8,246	7,852	7,788	8,369	15,186	16,896
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Library's Covered Payroll</b>	<b>\$ 111,958</b>	<b>\$ 107,480</b>	<b>\$ 102,448</b>	<b>\$ 96,347</b>	<b>\$ 93,584</b>	<b>\$ 104,148</b>	<b>\$ 193,335</b>	<b>\$ 233,689</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>2.98 %</b>	<b>8.22 %</b>	<b>8.05 %</b>	<b>8.15 %</b>	<b>8.32 %</b>	<b>8.04 %</b>	<b>7.85 %</b>	<b>7.23 %</b>

See notes to required supplementary information.

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

	<b>Last Ten Calendar Years</b>									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 232,407	\$ 226,972	\$ 214,605	\$ 212,162	\$ 193,030	\$ 172,893	\$ 180,593	\$ 173,325	\$ 158,161	\$ 160,944
Interest	542,430	504,887	478,936	439,057	371,924	340,325	319,354	289,525	287,932	241,873
Differences between expected and actual experience	36,670	(8,816)	(151,180)	10,951	74,369	(134,238)	98,537	(6,723)	(378,237)	130,577
Changes in assumptions	22,633	75,127	-	330,397	375,703	135,884	-	-	-	161,654
Benefit payments, including refunds, and other miscellaneous adjustments	(223,662)	(196,581)	(184,622)	(145,038)	(137,491)	(98,736)	(100,543)	(73,239)	(37,824)	(14,776)
<b>Net Change in Total Pension Liability</b>	610,478	601,589	357,739	847,529	877,535	416,128	497,941	382,888	30,032	680,272
<b>Total Pension Liability - Beginning of year</b>	7,550,358	6,948,769	6,591,030	5,743,501	4,865,966	4,449,838	3,951,897	3,569,009	3,538,977	2,858,705
<b>Total Pension Liability - End of year</b>	<b>\$ 8,160,836</b>	<b>\$ 7,550,358</b>	<b>\$ 6,948,769</b>	<b>\$ 6,591,030</b>	<b>\$ 5,743,501</b>	<b>\$ 4,865,966</b>	<b>\$ 4,449,838</b>	<b>\$ 3,951,897</b>	<b>\$ 3,569,009</b>	<b>\$ 3,538,977</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 550,190	\$ 530,008	\$ 408,354	\$ 400,194	\$ 153,004	\$ 133,084	\$ 134,095	\$ 127,294	\$ 110,988	\$ 109,701
Contributions - Member	84,846	83,233	85,381	86,676	84,564	83,375	81,049	76,000	72,494	74,344
Net investment income (loss)	501,620	658,526	(653,670)	684,956	626,956	502,163	(150,760)	424,891	314,591	(41,433)
Administrative expenses	(15,217)	(13,515)	(11,171)	(8,069)	(8,673)	(8,661)	(7,289)	(6,701)	(6,196)	(5,822)
Benefit payments, including refunds	(223,662)	(196,581)	(184,622)	(145,038)	(137,491)	(116,648)	(100,543)	(73,239)	(37,824)	(14,776)
<b>Net Change in Plan Fiduciary Net Position</b>	897,777	1,061,671	(355,728)	1,018,719	718,360	593,313	(43,448)	548,245	454,053	122,014
<b>Plan Fiduciary Net Position - Beginning of year</b>	6,656,840	5,595,169	5,950,897	4,932,178	4,213,818	3,620,505	3,663,953	3,115,708	2,661,655	2,539,641
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 7,554,617</b>	<b>\$ 6,656,840</b>	<b>\$ 5,595,169</b>	<b>\$ 5,950,897</b>	<b>\$ 4,932,178</b>	<b>\$ 4,213,818</b>	<b>\$ 3,620,505</b>	<b>\$ 3,663,953</b>	<b>\$ 3,115,708</b>	<b>\$ 2,661,655</b>
<b>Library's Net Pension Liability - Ending</b>	<b>\$ 606,219</b>	<b>\$ 893,518</b>	<b>\$ 1,353,600</b>	<b>\$ 640,133</b>	<b>\$ 811,323</b>	<b>\$ 652,148</b>	<b>\$ 829,333</b>	<b>\$ 287,944</b>	<b>\$ 453,301</b>	<b>\$ 877,322</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	92.57 %	88.17 %	80.52 %	90.29 %	85.87 %	86.60 %	81.36 %	92.71 %	87.30 %	75.21 %
<b>Covered Payroll</b>	\$ 2,063,400	\$ 2,046,534	\$ 2,016,764	\$ 2,182,230	\$ 2,094,898	\$ 1,902,192	\$ 1,982,078	\$ 1,920,389	\$ 1,777,552	\$ 1,821,734
<b>Library's Net Pension Liability as a Percentage of Covered Payroll</b>	29.38 %	43.66 %	67.12 %	29.33 %	38.73 %	34.28 %	41.84 %	14.99 %	25.50 %	48.16 %

See notes to required supplementary information.

**Willard Public Library**

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

	<b>Last Ten Fiscal Years Years Ended June 30</b>									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 250,191	\$ 230,008	\$ 208,354	\$ 179,580	\$ 165,852	\$ 139,227	\$ 134,095	\$ 127,294	\$ 110,988	\$ 109,701
Contributions in relation to the actuarially determined contribution	250,191	230,008	208,354	179,580	165,852	139,227	134,095	127,294	110,988	109,701
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 2,063,400</b>	<b>\$ 2,046,534</b>	<b>\$ 2,016,764</b>	<b>\$ 2,182,230</b>	<b>\$ 2,094,898</b>	<b>\$ 1,902,192</b>	<b>\$ 1,982,078</b>	<b>\$ 1,920,389</b>	<b>\$ 1,777,552</b>	<b>\$ 1,821,734</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>12.13 %</b>	<b>11.24 %</b>	<b>10.33 %</b>	<b>8.23 %</b>	<b>7.92 %</b>	<b>7.32 %</b>	<b>6.77 %</b>	<b>6.63 %</b>	<b>6.24 %</b>	<b>6.02 %</b>

The Library has contributed additional contributions beyond the actuarially determined contributions above in the following amounts: \$200,000 for the year ended June 30, 2025; \$400,000 for the year ended June 30, 2024; \$200,000 for the year ended June 30, 2023; \$200,000 for the year ended June 30, 2022; and \$20,000 for the year ended June 30, 2021.

**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 end of the fiscal year in which the contributions are reported.

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      15 years
- Asset valuation method      5-year smoothed market
- Inflation      2.5 percent
- Salary increase      3.00 percent long-term wage inflation
- Investment rate of return      7.18 percent - Net of administrative and investment expenses
- Retirement age      55-60 years of age
- Mortality      Public 2010 Mortality tables
- Other information      None

See notes to required supplementary information.

***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, 2025 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.

During the year, expenditures were incurred that were in excess of the amounts budgeted, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Support services - General administration - Communications	\$ 121,000	\$ 123,355	\$ (2,355)

***Pension Information - Michigan Public School Employees' Retirement System***

The required contributions for the year ended June 30, 2025 include a one-time contribution of \$2,597, referred to as 147c(2), related to funding received from the State and remitted to the System for the purpose of contributing additional assets to the System.

**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:

**2023**

The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

**2022**

The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.80 percentage points.

**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:

***2024***

The health care cost trend rate used in the September 30, 2024 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage points for members over 65.

***2023***

The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.

***2022***

The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.95 percentage points. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.

***2021***

The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.

***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 supplementary 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.

During the measurement year ended December 31, 2021, the assumed rate of return was lowered from 7.60 to 7.25 percent.

During the measurement year ended December 31, 2023, the assumed rate of return was lowered from 7.25 to 7.18 percent.

During the measurement year ended December 31, 2024, the MERS Retirement Board adopted the results of an experience study covering the period January 1, 2019 through December 31, 2023.

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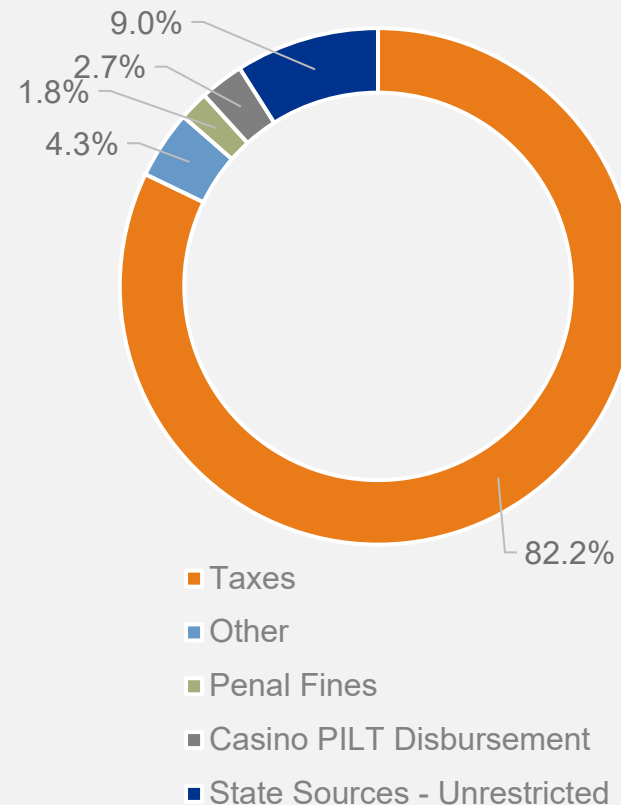
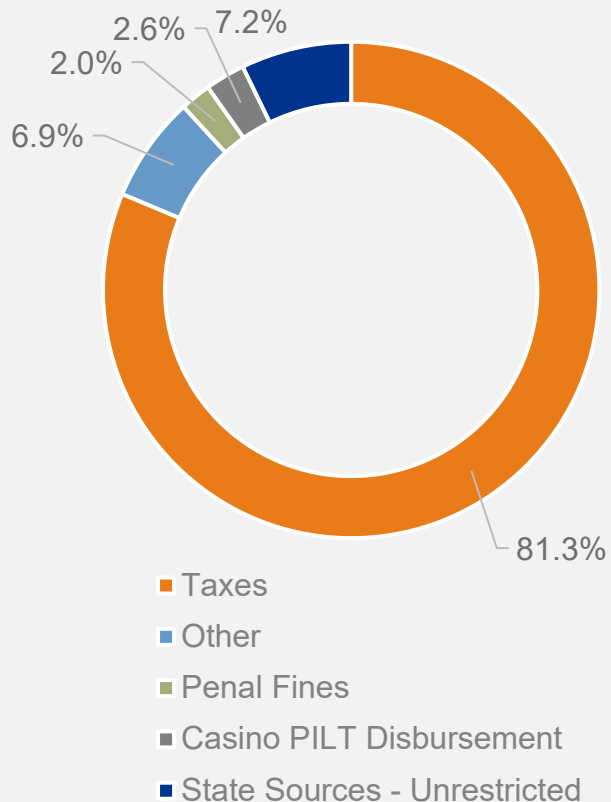


## Willard Library

FOR YEAR ENDED JUNE 30, 2025

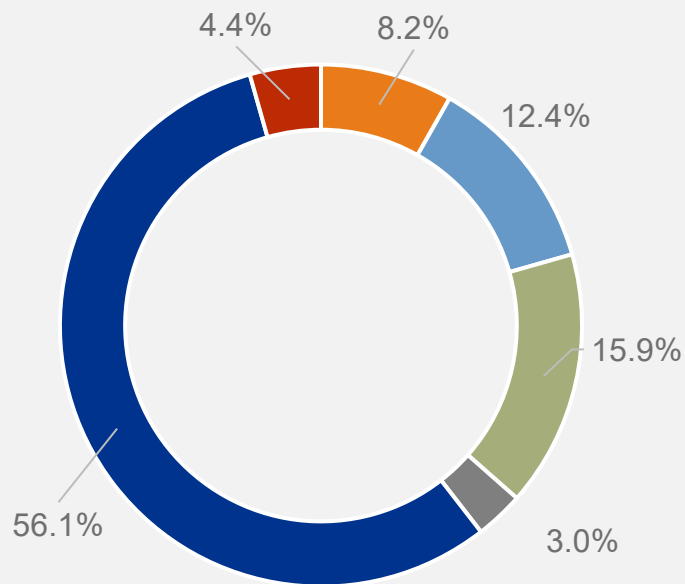
# Revenue - General Fund Year Ended June 30

**2025**  
**\$ 6,887,476**



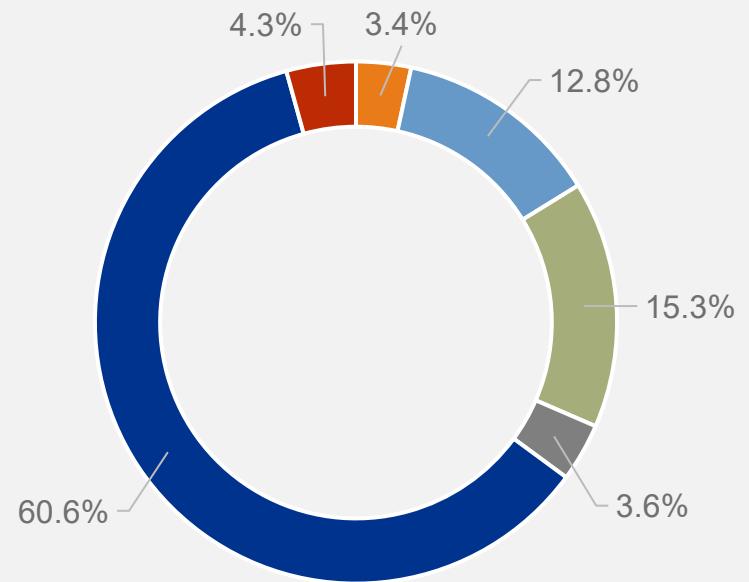
# Expenditures - General Fund

## Year Ended June 30 *(not including transfers)*



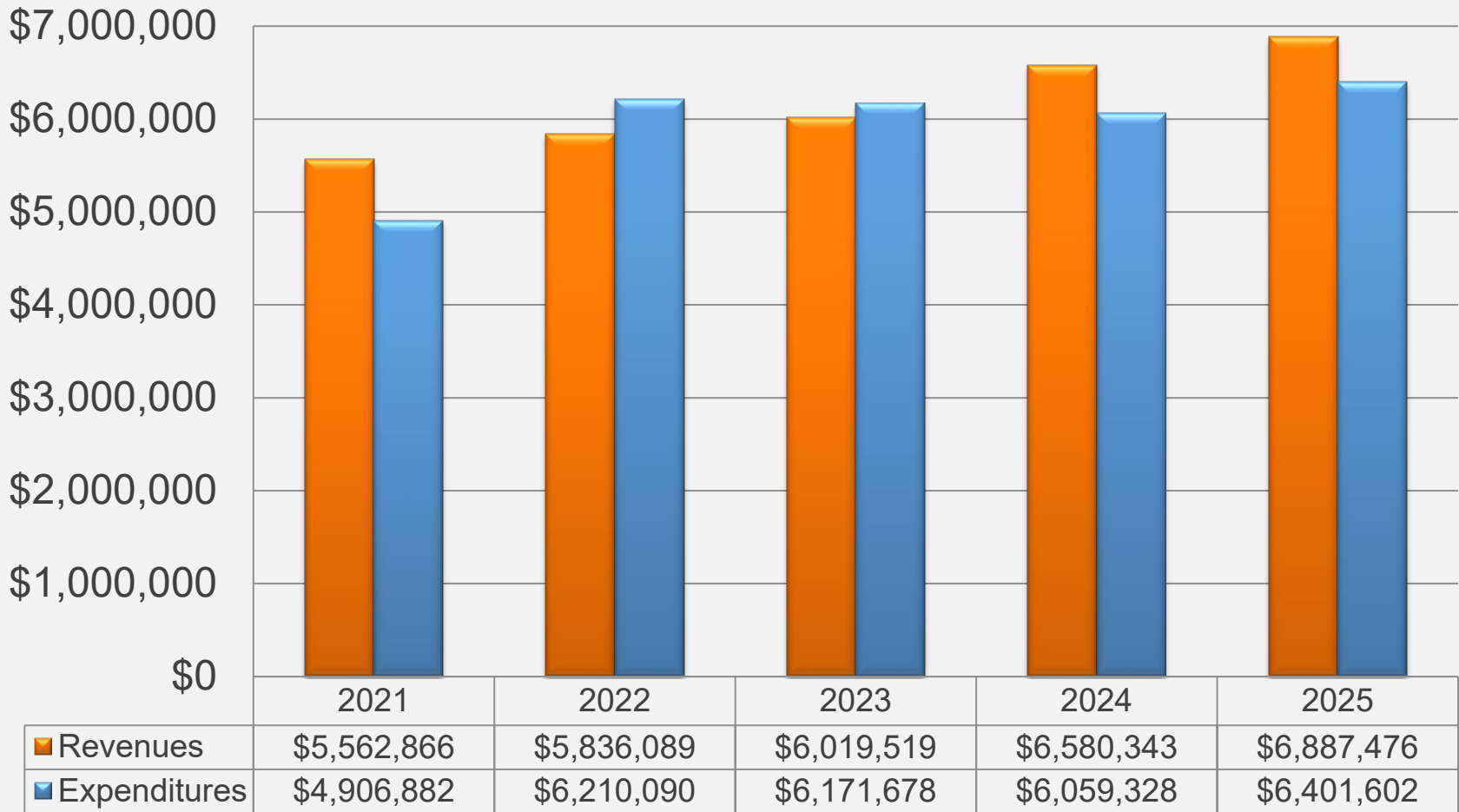
- Capital
- Purchased Services
- Materials
- Personnel
- Repairs & Maintenance
- Other, inc. Debt Service

**2024**  
**\$6,059,328**



- Capital
- Purchased Services
- Materials
- Personnel
- Repairs & Maintenance
- Other, inc. Debt Service

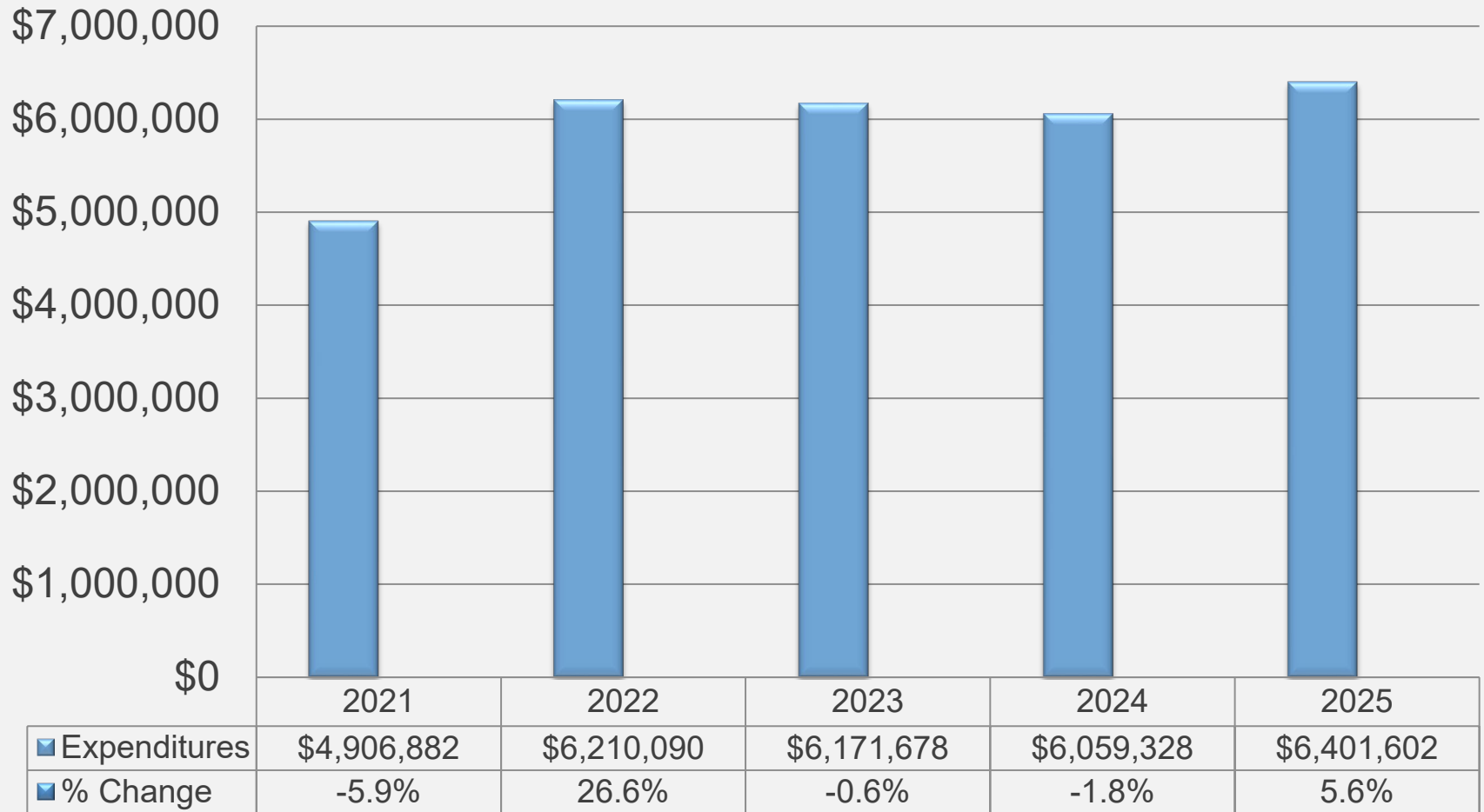
# General Fund Operations *(not including transfers)*



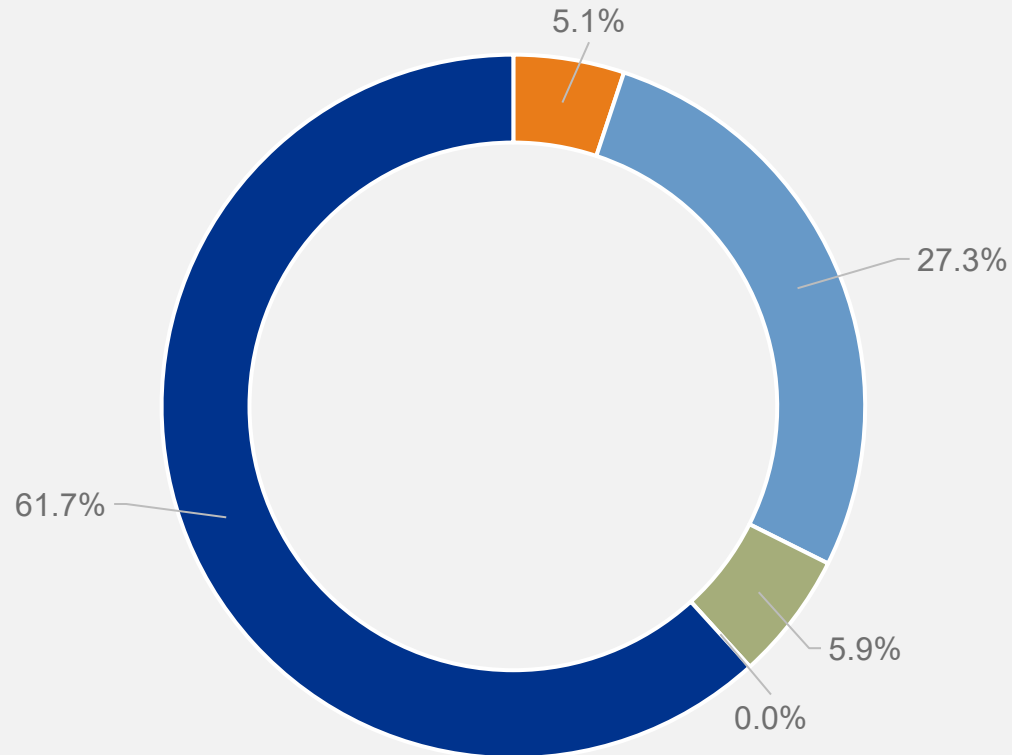
# General Fund Revenue



# General Fund Expenditures (not including transfers)



# Fund Balance - General Fund



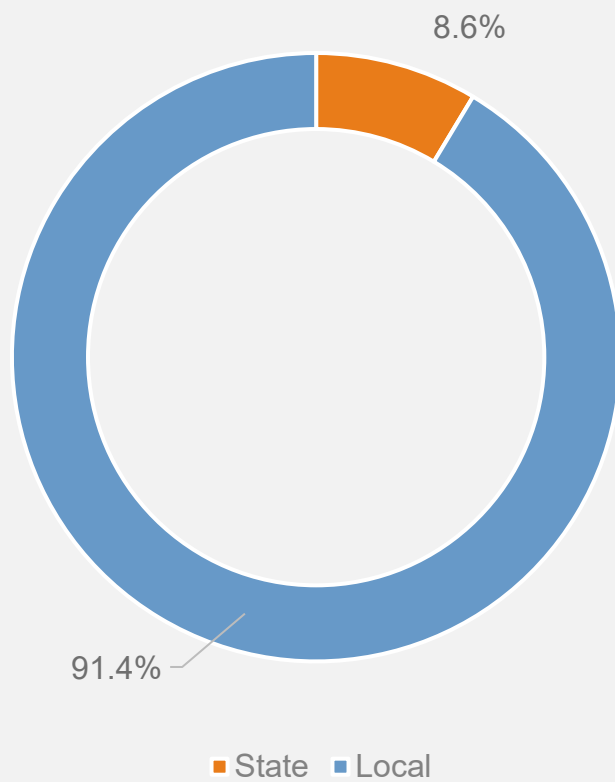
- Non-spendable - Prepaid assets
- Committed - 60 day reserve fund
- Assigned - Sick payable
- Assigned - Budgeted use of fund balance
- Unassigned

# Revenue Sources

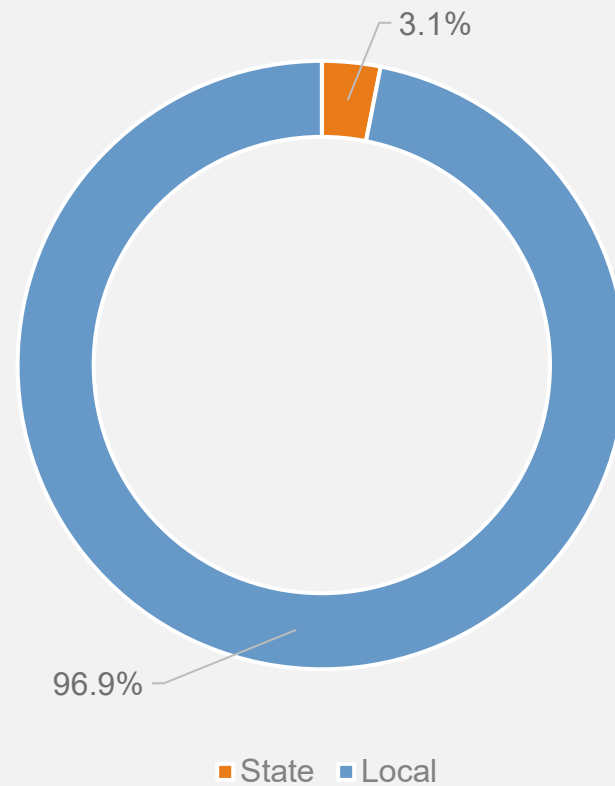
(In Comparison to Other Libraries of Similar Size and Population Area - From 2024 Data Edition)

## 2024 Willard Library

(less ORS pass-through revenue)



## Average

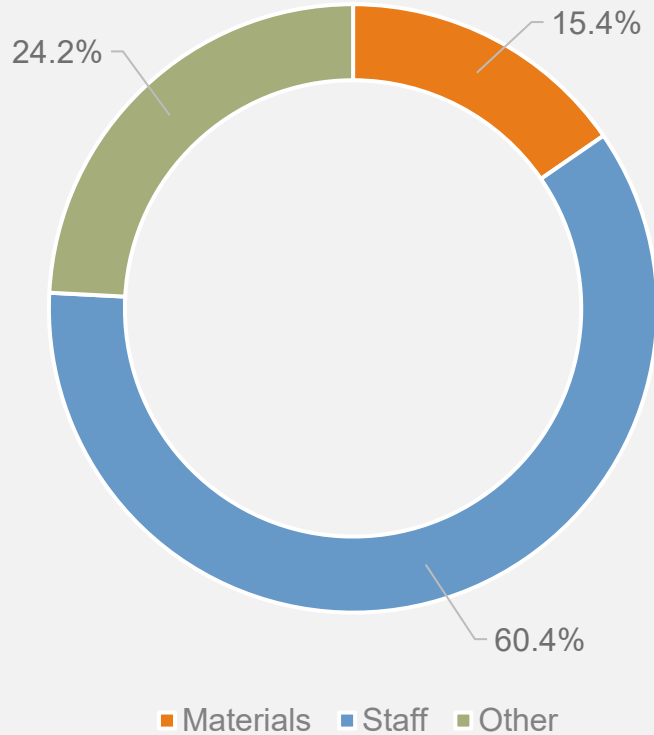


# Expenditure Sources

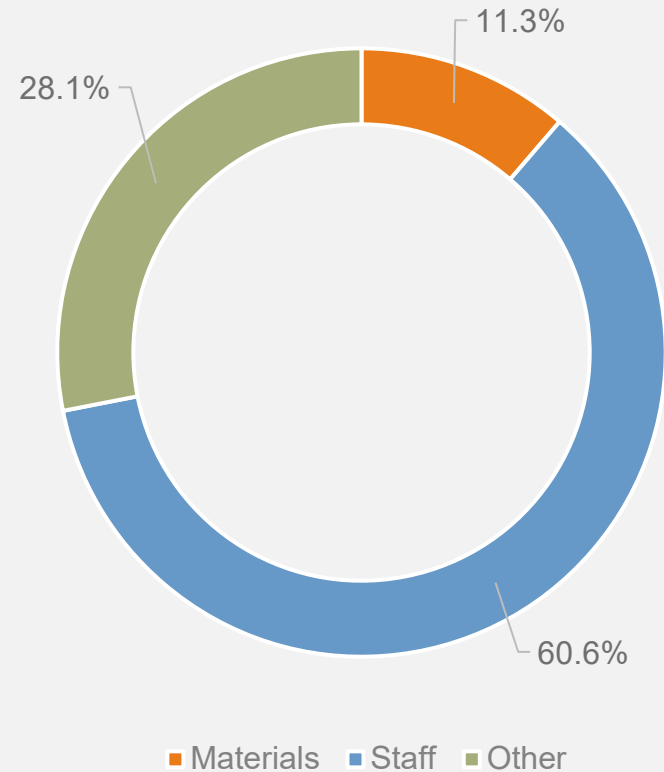
(In Comparison to Other Libraries of Similar Size and Population Area - From 2024 Data Edition)

## 2024 Willard Library

(less ORS pass-through expense)

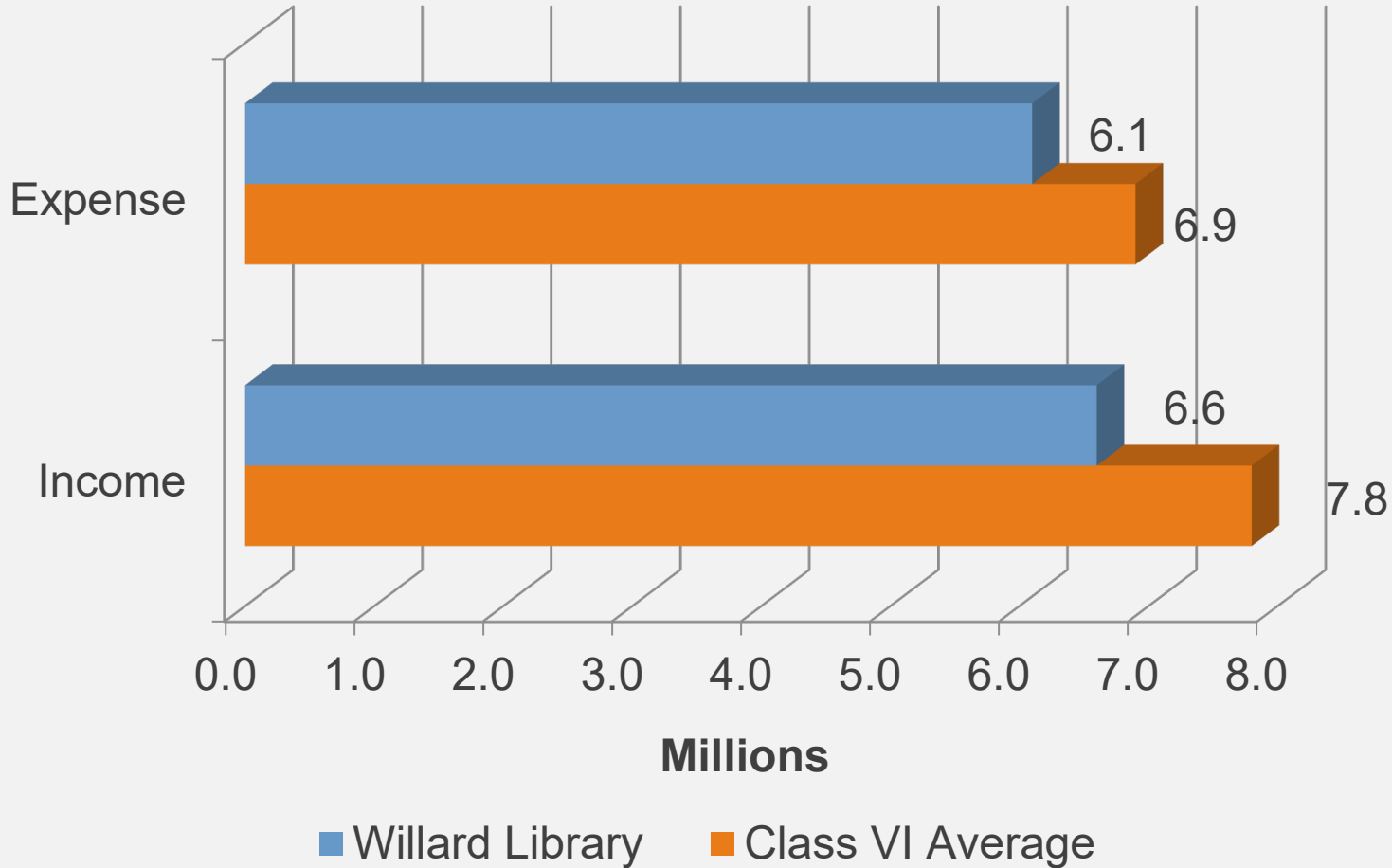


## Average



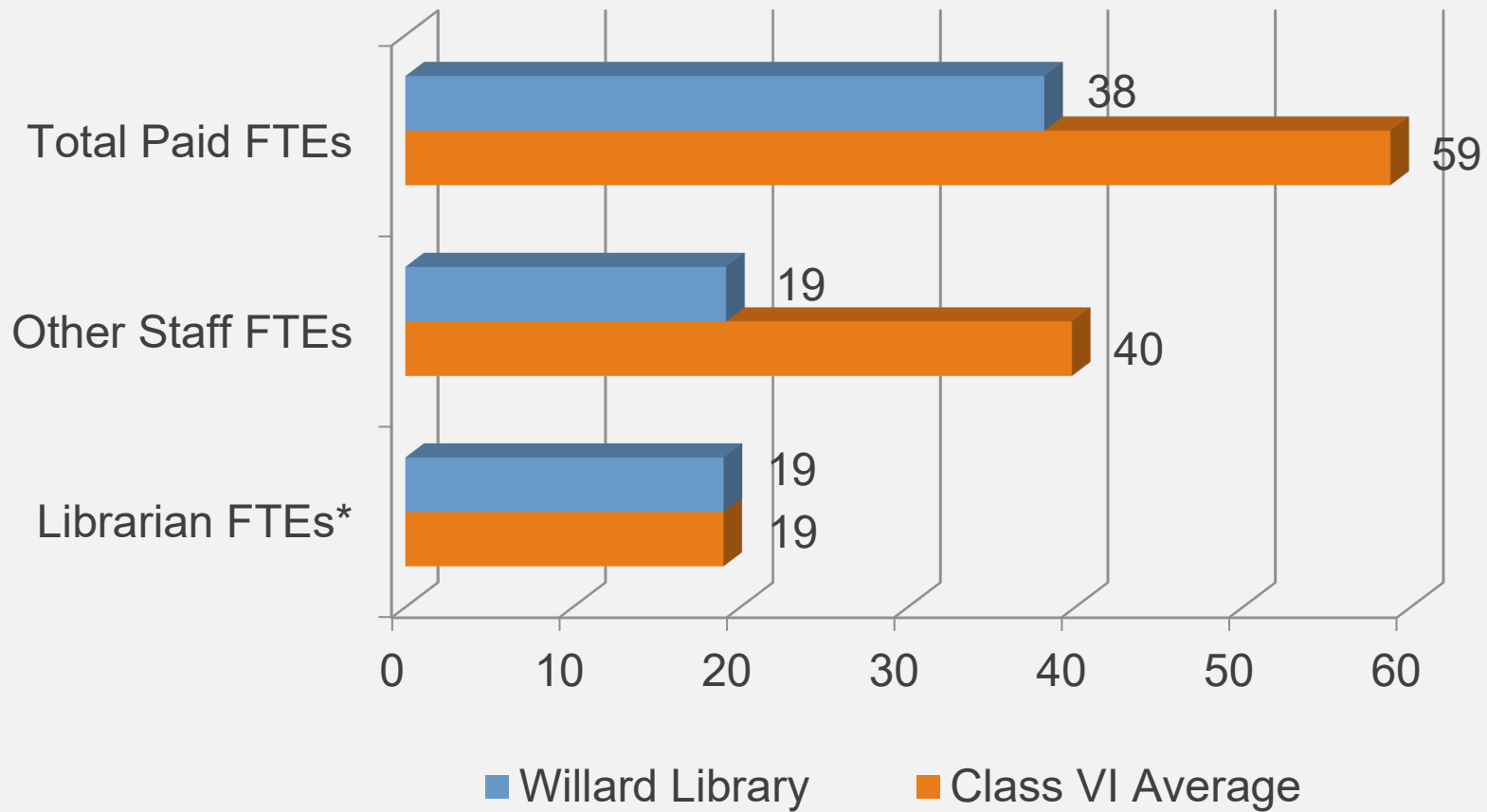
# Comparison of Average 2024 Operating Income and Expense

(In Comparison to Other Libraries of Similar Size and Population Area - From 2024 Data Edition)



# Comparison of 2024 Library Staff

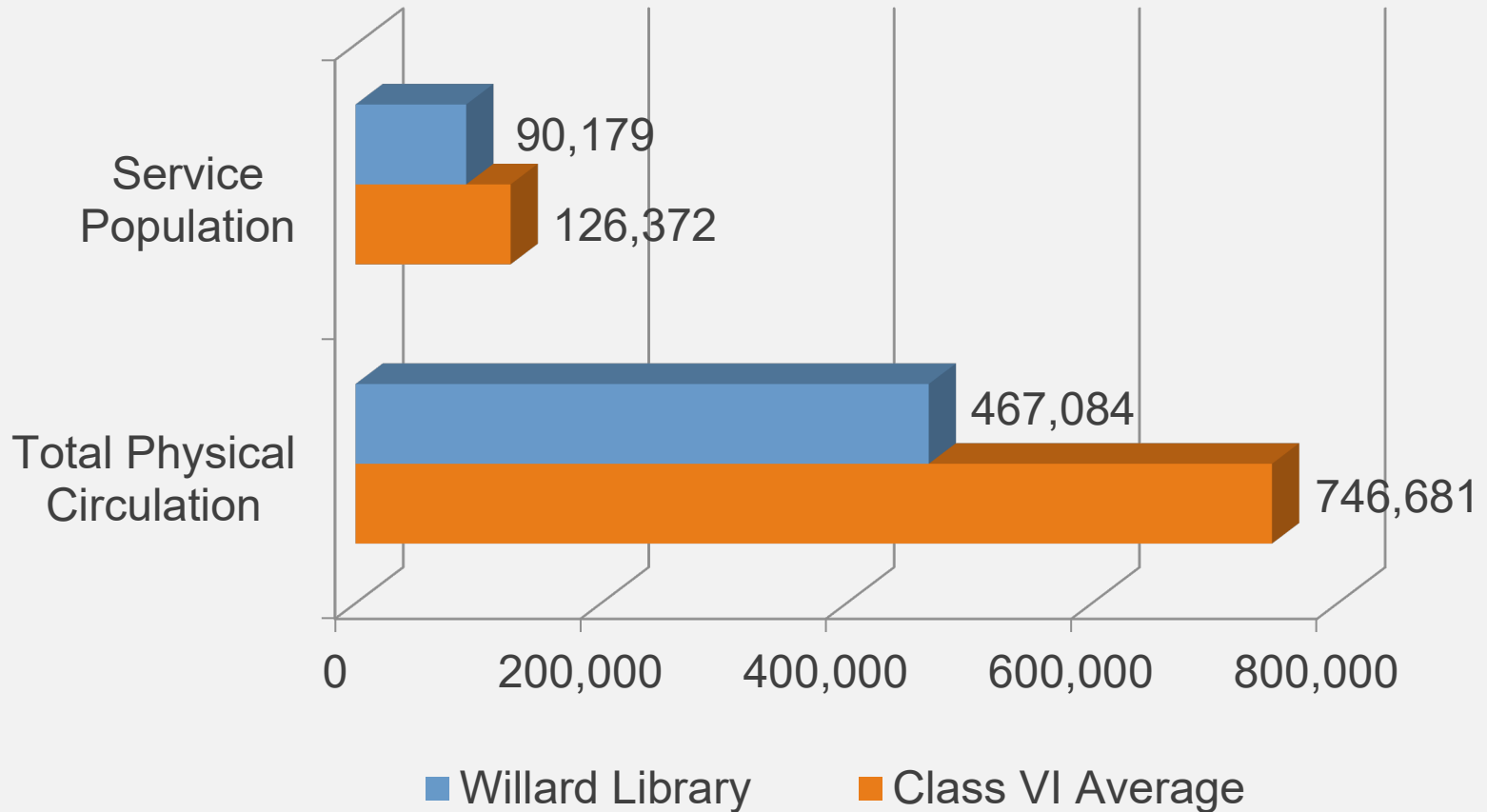
(In Comparison to Other Libraries of Similar Size and Population Area - From 2024 Data Edition)



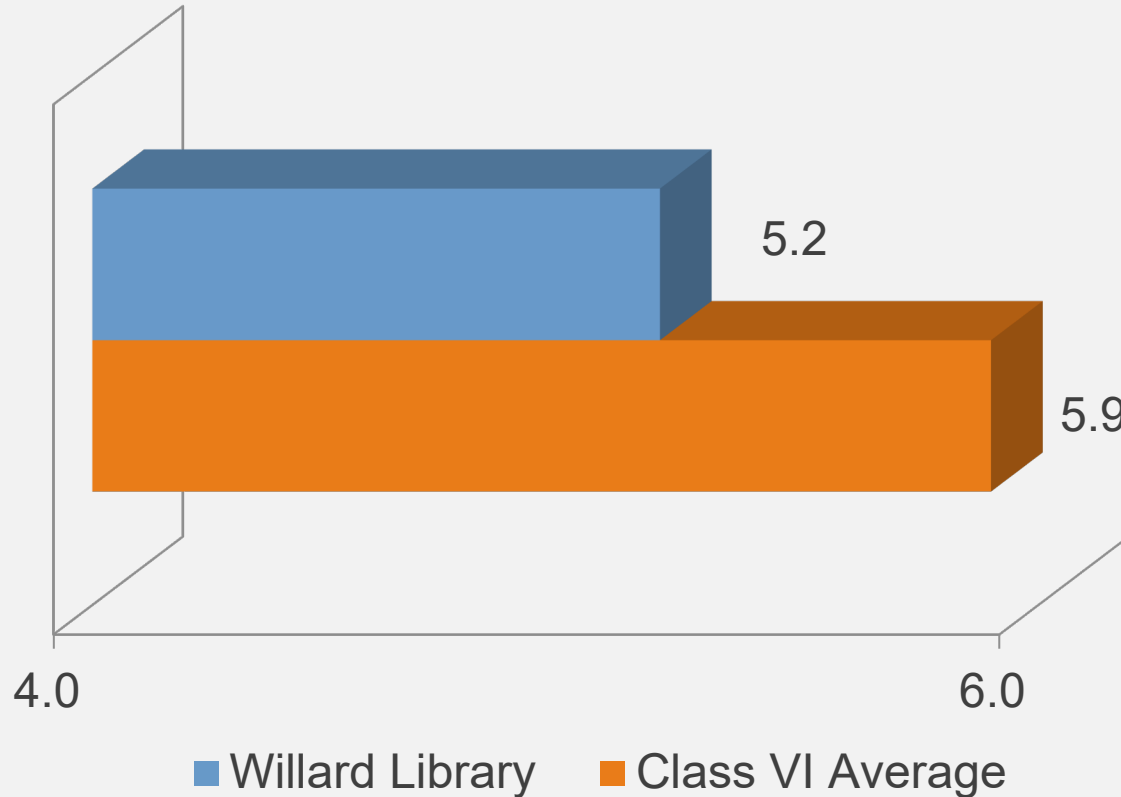
\*Includes non-MLS Librarians

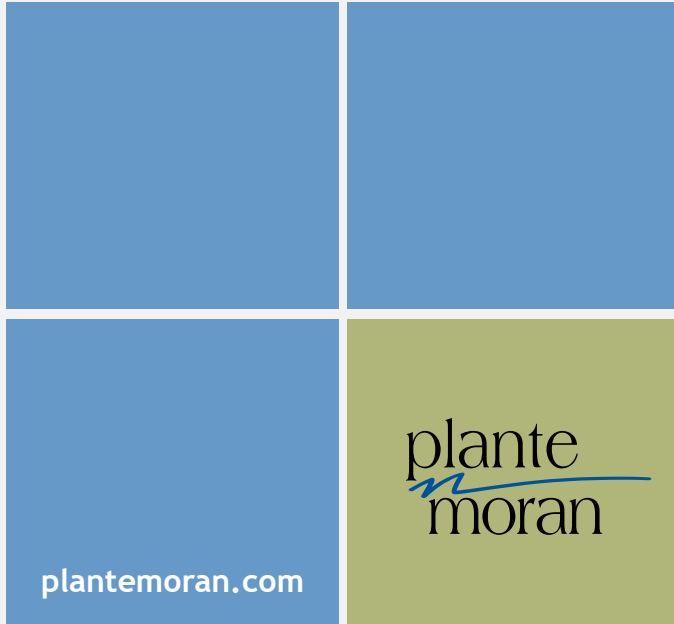
# Comparison of 2024 Library Visits

(In Comparison to Other Libraries of Similar Size and Population Area - From 2024 Data Edition)



# Comparison of 2024 Library - Circulation Per Population (In Comparison to Other Libraries of Similar Size and Population Area - From 2024 Data Edition)





■ THANK YOU

**Willard Library, Helen Warner Branch, and E-Branch  
Library Statistical Report 2025/2026  
1st Quarter**

	July - Sept 2025	July - Sept 2024	% Change
<b>WILLARD LIBRARY*</b>			
Adult Fiction	6,648	6,752	-2%
Adult Nonfiction	7,149	7,518	-5%
Paperbacks	1,500	1,804	-17%
New Materials	13,688	15,078	-9%
Special Collections	2,257	2,026	11%
Children's & YA Fiction	17,890	17,578	2%
Children's Nonfiction	4,018	3,428	17%
Audiobooks	2,874	2,637	9%
DVDs	23,025	25,320	-9%
Music CDs	1,261	1,022	23%
<b>Total Circulation</b>	<b>80,310</b>	<b>83,163</b>	<b>-3%</b>
<b>HELEN WARNER BRANCH*</b>			
Adult Fiction	4,132	3,911	6%
Adult/Children's Nonfiction	3,656	3,844	-5%
Paperbacks	203	356	-43%
New Materials	9,419	10,055	-6%
Special Collections	1,197	1,160	3%
Children's & YA Fiction	9,982	9,978	0%
Audiobooks	1,112	652	71%
DVDs	6,797	7,366	-8%
Music CDs	444	326	36%
<b>Total Circulation</b>	<b>36,942</b>	<b>37,648</b>	<b>-2%</b>
<b>E-BRANCH</b>			
Children's eBooks	2,127	1,927	10%
Adult eBooks	20,272	21,335	-5%
Adult & Children's eAudiobooks	28,767	25,364	13%
Music Downloads	4,959	5,411	-8%
Digital Magazines	4,529	3,469	31%
Digital Video	980	1,162	-16%
<b>Total Circulation**</b>	<b>61,634</b>	<b>58,668</b>	<b>5%</b>
<b>CHRONICLING BATTLE CREEK</b>	<b>32,835</b>	<b>39,839</b>	<b>-18%</b>
<b>Grand Total</b>	<b>211,721</b>	<b>219,318</b>	<b>-3%</b>

**Willard Library, Helen Warner Branch, and E-Branch Combined  
Library Statistical Report 2025/2026  
1st Quarter**

	<b>1st Quarter</b>		
	<b>July 2025 - Sept 2025</b>	<b>July 2024 - Sept 2024</b>	<b>% Change</b>
<b>Circulation</b>			
Adult Fiction	10,780	10,663	1%
Adult Nonfiction	10,805	11,362	-5%
Paperbacks	1,703	2,160	-21%
New Materials	23,107	25,133	-8%
Special Collections	3,454	3,186	8%
Children's & YA Fiction	27,872	27,556	1%
Children's Nonfiction	4,018	3,428	17%
Audiobooks	3,986	3,289	21%
DVDs	29,822	32,686	-9%
Music CDs	1,705	1,348	26%
E-Branch Items	61,634	58,668	5%
<b>Total Circulation</b>	<b>178,886</b>	<b>179,479</b>	<b>-0.3%</b>
Chronicling Battle Creek	32,835	39,839	-18%
<b>Total Circulation including CBC</b>	<b>211,721</b>	<b>219,318</b>	<b>-3%</b>
<b>People Counter*</b>			
	<b>53,547</b>	<b>53,949</b>	<b>-1%</b>
<b>Programs</b>			
Adult Audiences	1,760	913	93%
Children's Audiences	3,417	2,253	52%
<b>Total Audiences</b>	<b>5,177</b>	<b>3,166</b>	<b>64%</b>
<b>Public Computer Usage</b>			
Computer Sessions	9,260	9,046	2%
Computer Time (Hours)	7,966	8,635	-8%
Wireless Users	23,059	22,406	3%

Willard Library Helen Warner Branch High Impact Programming  
Library Statistical Report 2025/2026  
1st QUARTER

	1st Quarter		
	July 2025 - Sept 2025	July 2024 - Sept 2024	% Change
<b>We support creativity</b>			
Creative Space Program Attendance	678	623	9%
<b>We area a community hub that offers casual settings for conversation, collaboration, and media consumption.</b>			
Meeting Room Use-Sessions	574	596	-4%
<b>We build a strong foundation of literacy and foster a love of reading.</b>			
Babytime & Storytime Attendance	1,007	1,139	-12%
Adult Literary Event Attendance	99	33	200%
<b>We present opportunities for growth in digital literacy.</b>			
Book a Librarian-Sessions	25	29	-14%
<b>We deliver enriching experiences that enhance quality of life.</b>			
Monday Night Children's Programming	271	276	-2%
<b>Total Impactful Programs</b>	<b>2,654</b>	<b>2,696</b>	<b>-2%</b>



## REPORTS AND RECOMMENDATIONS

October 2025

### **DIRECTOR'S REPORT: Matt Willis, Director**

- Update on Book Lease Program Vendor

### **ADULT PROGRAMS UPDATE: Matt Willis, Director**

- Genealogy Lock-in
- Unmasked with Paul Holes

### **YOUTH PROGRAMS UPDATE: Tynisha Dungey, Director of Youth Services and Community Outreach**

- Johnathan Rand School Visit