

**Public Libraries of Saginaw, Michigan and Component Units**

**Financial Statements**

**June 30, 2021**



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**Public Libraries of Saginaw, Michigan and Component Units**  
**List of Appointed Officials**  
**June 30, 2021**

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Library Board

Ann Schneider Branch	President
Ralph Martin	Vice President
Diane Kloc	Treasurer
Michael Thompson	Secretary
Pamela Clark	Board Member
Bob Johnson	Board Member
Trisha Baker	Board Member

Administration

Maria McCarville	Library Director
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## Independent Auditors' Report

To the Board  
Public Libraries of Saginaw, Michigan and Component Units  
Saginaw, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the blended component units, and each major fund of the Public Libraries of Saginaw, Michigan and Component Units (Library), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of employer contributions, schedule of changes in net pension liability (asset) and related ratios, schedule of the library's proportionate share of the net pension liability, schedule of the library's pension contributions, schedule of the library's proportionate share of the net OPEB liability, and schedule of the library's OPEB contributions identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who 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.

## **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Public Libraries of Saginaw, Michigan and Component Units basic financial statements. The other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, is the responsibility of management and, other than the prior year information, was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion" paragraph, the other supplementary information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

## **Prior Year Supplementary Information**

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Public Libraries of Saginaw, Michigan and Component Units' basic financial statements for the year ended June 30, 2020, which are not presented with the accompanying financial statements and we expressed a qualified opinion due to not reflecting the depreciation on the exhaustible assets of Hoyt Trust, a component unit. That audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Public Libraries of Saginaw's basic financial statements as a whole. The 2020 information in the comparative other supplementary schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, except for the effects on the supplementary information of the qualified opinion as explained in the “Basis for Qualified Opinion” paragraph, the 2020 information in the comparative supplementary schedules is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

*Yeo & Yeo, P.C.*

Saginaw, Michigan  
September 27, 2021

# Public Libraries of Saginaw, Michigan and Component Units

## Management's Discussion and Analysis

### June 30, 2021

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This section of the financial report presents our discussion and analysis of the Public Libraries of Saginaw, Michigan and Component Units (Library) financial performance during the year ended June 30, 2021. It is meant to provide an overall review of the Library's financial activities and provide a look at its past and current financial position. Readers should also review the Library's financial statements, immediately following this section, to enhance their understanding of the Library's financial performance.

This financial report is presented in the format required by the Governmental Accounting Standards Board (GASB) in their Statement Number 34, issued in June of 2000. Certain comparative information is required to be contained in financial statements that are prepared according to GASB 34 guidelines.

#### **Using this Annual Report**

This annual report consists of the following four parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements
- Required Supplemental Information
- Other Supplemental Information

These statements are organized to help the reader understand the financial position of the Public Libraries of Saginaw, Michigan and Component Units as a whole. The Government-wide Financial Statements provide information about the activities of the Library as a whole. The fund financial statements provide the next level of detail, providing more detailed information about the Library's funds. The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by required supplemental information that supports and further explains the financial statements with a comparison of the Library's budget for the year.

#### **Government-Wide Financial Statements**

The Government-wide statements provide financial information of the Library as a whole. They report on the governmental activities of the Library, which includes most of the Library's basic services, including programming and technology. These activities are mostly funded by property taxes, penal fines and state shared revenue. The governmental activities also include the Library's component units, Hoyt Trust and Saginaw Public Libraries Foundation. These statements use the full accrual basis of accounting, similar to private sector companies. There are two Government-wide statements: The Statement of Net Position and the Statement of Activities.

The **Statement of Net Position** includes all the assets and liabilities of the Library, whether short-term or long-term, and regardless of whether or not they are currently available. As a result, capital assets and long-term obligations of the Library are included in this statement.

The **Statement of Activities** accounts for current year revenues regardless of when cash is received or paid, consistent with the full accrual basis method of accounting. The intent of this statement is to summarize and simplify the user's analysis of the costs of various Library services.

When analyzed together, these two statements help the reader determine whether the Library is financially stronger or weaker as a result of the year's activities. Both statements report the Library's net position, which is the difference between the library's assets and deferred outflows and liabilities and deferred inflows. The change in net position is one way to measure the Library's financial health or position. Over time, increases and decreases in the Library's net position are an indicator of whether the Library's financial health is improving or deteriorating. However, the Library's goal is to provide services to our patrons not generate profits as in the private sector. As a result, other non-financial factors should be considered in assessing the overall health of the Library. Such factors would include the



**Public Libraries of Saginaw, Michigan and Component Units**  
**Management's Discussion and Analysis**  
**June 30, 2021**

condition of the Library's building and the property tax base of the library.

**Fund Financial Statements**

The fund financial statements focus on providing more detailed information about the major funds of the Library and not on the Library as a whole, as reported in the Government-wide statements. The fund level statements are reported on a *modified accrual basis*. Only those assets that are "*measurable*" and "*currently available*" are reported. Liabilities are recognized to the extent they are normally expected to be paid with current financial resources. The fund statements provide a detailed short-term view of the Library's operations and help in determining whether there are more or less financial resources available in the near future to finance the Library's programs and services provided.

In general, the fund financial statements have changed very little as a result of GASB 34 requirements and are comparable to prior year financial statements. The primary difference is that the Account Groups (General Fixed Assets and general Long-term Debt) are no longer reported.

**Summary of Net Assets**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets	\$ 10,523,717	\$ 9,448,952
Noncurrent assets	15,473,918	14,410,841
Deferred outflows	<u>465,632</u>	<u>692,270</u>
Total assets and deferred outflows	<u>26,463,267</u>	<u>24,552,063</u>
<b>Liabilities</b>		
Current liabilities	2,599,872	1,895,082
Noncurrent liabilities	1,560,418	2,337,053
Deferred inflows	<u>1,043,723</u>	<u>624,648</u>
Total liabilities and deferred inflows	<u>5,204,013</u>	<u>4,856,783</u>
<b>Net Position</b>		
Invested in capital assets	13,578,458	12,759,483
Restricted	4,373,617	4,166,074
Unrestricted	<u>3,307,179</u>	<u>2,769,723</u>
Total net position	<u>\$ 21,259,254</u>	<u>\$ 19,695,280</u>

The net assets for the Library were \$21,259,254 at June 30, 2021. Unrestricted net assets will be used for funding future programming, capital improvements, material, technology upgrades, and for maintaining adequate cash flow to eliminate the need for borrowing.

Unrestricted net assets are similar but not identical to fund balance. A reconciliation of the difference between the change in net assets and a change in fund balance is included the basic financial statements.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Management's Discussion and Analysis**  
**June 30, 2021**

**Statement of Net Assets Operating Results**

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Program revenue		
Charge for services	\$ 65,609	\$ 83,947
Operating grants and contributions	835,817	959,647
Capital Grants and Contributions	114,763	153,416
General revenue		
Property tax	2,559,339	2,510,242
Personal property tax reimbursement	98,529	91,384
Penal fines	240,870	285,914
State aid - unrestricted	108,145	99,825
Interest and investment earnings	577,880	70,442
Other	50,709	83,220
	<u>4,651,661</u>	<u>4,338,037</u>
<b>Expenses</b>		
Main Library	1,559,314	2,102,637
Zauel Library	594,825	677,237
Butman-Fish Library	497,582	720,336
Ruth Brady Wickes Library	112,396	148,590
Hoyt Trust	319,450	959,678
Saginaw Public Library Foundation	4,120	8,219
Total expenses	<u>3,087,687</u>	<u>4,616,697</u>
Change in net position	1,563,974	(278,660)
Net position, beginning of year	<u>19,695,280</u>	<u>19,973,940</u>
Net position - end of year	<u>\$ 21,259,254</u>	<u>\$ 19,695,280</u>

As shown, the net position for the Library increased by \$1,563,974 during the year.

The *Statement of Activities* presented later in the government-wide financial statements provides greater detail on the Library's annual activity. As reported in the statement of activities, the cost of all government activities this year was \$3.09 million. However, the amount that was ultimately financed by our taxpayers through property taxes was \$2.56 million. Nearly 5.2% of the Library's revenue is from penal fines and 2.3% is from unrestricted state shared revenue.

Up until July 1, 2004, the Library levied 4 mills in property taxes on City of Saginaw, Kochville and Zilwaukee properties. Beginning July 1, 2004, we are able to levy only 3.9947 mills because of the Headlee Tax rollback.

**Local Property Tax History**

<u>Fiscal Year</u>	<u>Revenue</u>	<u>% of Revenue</u>	<u>Local Property Taxes</u>
2021	62%	\$	2,537,941
2020	60%		2,484,153
2019	55%		2,509,034
2018	52%		2,503,990
2017	62%		2,497,373
2016	60%		2,564,867
2015	58%		2,582,115
2014	56%		2,611,774
2013	63%		2,704,348
2012	64%		2,813,046

Local property tax revenues in the table include the receipt of delinquent taxes from prior years.

**Budgetary Highlights**

Fund balance was not used to balance the budget in 2020-2021. Revenues (excluding Zauel) for the Library decreased by approximately 3.2% and the end of year fund balance increased by 18.0%. The increase in fund balance was due to significant decrease

**Public Libraries of Saginaw, Michigan and Component Units**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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in expenses due to library being closed for three months due to COVID-19 pandemic. Therefore, the Library is continuing to operate within current revenue collections while providing excellent library services, which is our top priority.

The MPSERS retirement plan contributions as a percentage of covered employee payroll increased from 40.69% in 2020 to 44.83% in 2021. The MERS retirement plan contribution as a percentage of covered payroll was 4.03%

**Budget Adjustments**

There were six budget adjustments over \$5,000 this year. A decrease of \$7,275 was made from the Butman Fish Salaries expense due to a replacement of a Librarian. An increase of \$6,500 was made for the Butman Fish Health Insurance expense due to an employee switching from taking individual to family insurance during the fiscal year. An increase of \$7,000 was made for the Ruth Brady Wickes Heat and Utilities due to a broken water pipe. A decrease of \$7,000 was made to Ruth Brady Wickes Security Guard Service due to COVID-19 closing. A decrease of \$7,500 was made for Zauel Library Salaries due to replacing a Branch Head. An increase of \$7,500 was made for Zauel Library Retirement due to replacement of Branch Head being in MPSERS retirement system.

**Revenue Threats**

Current local taxes continue to be a concern. The decrease in taxable values has had a large impact on the Library budget. The number of vacant homes/lots in the City of Saginaw continues to increase and we expect that tax revenue will continue to decline.

Tax abatements continue to affect our revenues. DDA and TIF plans acted on by both the City of Saginaw and Kochville Township continue to have a negative impact on the budget. Governor Rick Snyder signed into law PA 505-510, providing for specially dedicated

library millages to be exempt from a number of tax captures. It is expected that PA 505-510 will provide some relief in the future.

In addition, State of Michigan changes to the Personal Property Tax have had an impact on the budget and our ability to plan in advance for promised reimbursements. The budgeted amount of Personal Property Tax reimbursement was \$80,000, while the actual amount was more at \$98,529. Based on the information known at this time, it is difficult to know if the State of Michigan will continue to fund the reimbursements at the current rate.

The 2020-2021 Penal Fines resulted in \$161,977 being collected instead of the budgeted amount of \$130,000.

**Requests for Information**

This financial report is designed to provide a general overview for anyone interested in the Library's finances and to demonstrate the Library's accountability for the money it received. Questions concerning this report or requests for additional information should be addressed to:

Library Director  
Public Libraries of Saginaw  
505 Janes Avenue  
Saginaw, MI 48607  
(989) 755-9833

**Public Libraries of Saginaw, Michigan and Component Units**  
**Statement of Net Position**  
**June 30, 2021**

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**Assets**

Current assets

Cash and cash equivalents	\$ 7,862,962
Investments	2,140,766
Accounts receivable	33,415
Promises to give, current portion, net of discount	27,500
Due from other governmental units	391,813
Prepaid expenses	67,261
Total current assets	10,523,717

Noncurrent assets

Assets held by others	1,016,766
Promises to give, less current portion, net of discount	19,320
Capital assets not being depreciated	35,000
Capital assets, net of accumulated depreciation	13,543,458
MERS asset	859,374
Total noncurrent assets	15,473,918
Total assets	25,997,635

**Deferred Outflows of Resources**

Deferred amount relating to net pension asset - MERS	147,669
Deferred amount relating to net pension liability - MPSERS	253,340
Deferred amount relating to net OPEB liability - MPSERS	64,623
Total deferred outflows of resources	465,632

See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Statement of Net Position**  
**June 30, 2021**

**Liabilities**

Current liabilities

Accounts payable	\$ 82,428
Accrued payroll and related liabilities	53,425
Accrued compensated absences	39,019
Note payable - Line of credit	2,425,000
Total current liabilities	2,599,872

Long-term liabilities

Net pension liability - MPSERS	1,402,187
Net OPEB liability - MPSERS	158,231
Total long-term liabilities	1,560,418
Total liabilities	4,160,290

**Deferred Inflows of Resources**

Deferred amount relating to net pension liability - MERS	155,112
Deferred amount relating to net pension liability - MPSERS	555,551
Deferred amount relating to net OPEB liability - MPSERS	333,060
Total deferred inflows of resources	1,043,723

**Net position**

Invested in capital assets	13,578,458
Restricted for:	
Restricted for Hoyt Trust	1,312,601
Restricted for Saginaw Public Library Foundation	1,653,570
Restricted for Zauel operations	1,370,366
Unrestricted	3,344,259
<b>Total net position</b>	<b>\$ 21,259,254</b>

See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Statement of Activities**  
**Year Ended June 30, 2021**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Primary government</b>					
Governmental activities					
Main Library	\$ 1,559,314	\$ 58,164	\$ 65,613	\$ -	\$ (1,435,537)
Zael	594,825	7,445	696,239	-	108,859
Butman Fish	497,582	-	-	-	(497,582)
Ruth Brady Wickes	112,396	-	-	-	(112,396)
Hoyt Trust	319,450	-	71,200	114,763	(133,487)
Saginaw Public Library Foundation	4,120	-	2,765	-	(1,355)
Total governmental activities	<u>\$ 3,087,687</u>	<u>\$ 65,609</u>	<u>\$ 835,817</u>	<u>\$ 114,763</u>	<u>(2,071,498)</u>
General revenues					
Property taxes, levied for general purposes					2,536,332
Personal property tax reimbursement					98,529
Payment in lieu of taxes					23,007
Penal fines					240,870
State aid - unrestricted					108,145
Interest and investment earnings					577,880
Other					50,709
Total general revenues					3,635,472
Change in net position					1,563,974
Net position - beginning					19,695,280
<b>Net position - ending</b>					<b>\$ 21,259,254</b>

See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Balance Sheet**  
**June 30, 2021**

	Primary Government	Component Units			Total Reporting Entity
	General Fund	Hoyt Trust	Saginaw Public Libraries Foundation	Eliminating Entries	2021
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 3,757,557	\$ 3,163,200	\$ 942,205	\$ -	\$ 7,862,962
Investments	-	1,429,401	711,365	-	2,140,766
Accounts receivable	-	33,415	-	-	33,415
Promises to give, current portion, net of discount	-	27,500	-	-	27,500
Interest receivable	21,727	-	-	(21,727)	-
Due from other governmental units	391,813	-	-	-	391,813
Due from other funds	43,455	115,511	-	(158,966)	-
Loan receivable	3,000,000	-	-	(3,000,000)	-
Prepaid expenses	67,261	-	-	-	67,261
Total current assets	<u>7,281,813</u>	<u>4,769,027</u>	<u>1,653,570</u>	<u>(3,180,693)</u>	<u>10,523,717</u>
Noncurrent assets					
MERS asset	859,374	-	-	-	859,374
Promises to give, less current portion, net of discount	-	19,320	-	-	19,320
Assets held by others	-	1,016,766	-	-	1,016,766
Capital assets	-	10,647,454	-	-	10,647,454
Total noncurrent assets	<u>859,374</u>	<u>11,683,540</u>	<u>-</u>	<u>-</u>	<u>12,542,914</u>
<b>Total assets</b>	<u>\$ 8,141,187</u>	<u>\$ 16,452,567</u>	<u>\$ 1,653,570</u>	<u>\$ (3,180,693)</u>	<u>\$ 23,066,631</u>

See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Balance Sheet**  
**June 30, 2021**

	Primary Government	Component Units			Total Reporting Entity
	General Fund	Hoyt Trust	Saginaw Public Libraries Foundation	Eliminating Entries	2021
<b>Liabilities</b>					
Current liabilities					
Accounts payable	\$ 63,580	\$ 18,848	\$ -	\$ -	\$ 82,428
Accrued payroll and related liabilities	44,009	31,143	-	(21,727)	53,425
Due to other funds	115,511	43,455	-	(158,966)	-
Line of credit	-	2,425,000	-	-	2,425,000
Total current liabilities	223,100	2,518,446	-	(180,693)	2,560,853
Noncurrent liabilities					
Mortgage payable	-	3,000,000	-	(3,000,000)	-
Total liabilities	223,100	5,518,446	-	(3,180,693)	2,560,853
<b>Deferred inflows of resources</b>					
Unavailable revenue					
Property taxes	59,774	-	-	-	59,774
Payment in lieu of taxes	23,007	-	-	-	23,007
Total deferred inflows of resources	82,781	-	-	-	82,781
<b>Fund balance</b>					
Non spendable for					
Prepaid expense	67,261	-	-	-	67,261
MERS asset	859,374	-	-	-	859,374
Invested in capital assets	-	10,647,454	-	-	10,647,454
Restricted					
ZaueI operations	1,370,366	-	-	-	1,370,366
Hoyt Trust	-	1,312,601	-	-	1,312,601
Saginaw Public Libraries Foundation	-	-	1,653,570	-	1,653,570
Committed for:					
Technology upgrade	634,960	-	-	-	634,960
Materials	298,763	-	-	-	298,763
Procurements and operations	389,450	-	-	-	389,450
Unassigned (deficit)	4,215,132	(1,025,934)	-	-	3,189,198
Total fund balance	7,835,306	10,934,121	1,653,570	-	20,422,997
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 8,141,187</b>	<b>\$ 16,452,567</b>	<b>\$ 1,653,570</b>	<b>\$ (3,180,693)</b>	<b>\$ 23,066,631</b>

See Accompanying Notes to the Financial Statements



**Public Libraries of Saginaw, Michigan and Component Units**  
**Reconciliation of the Balance Sheet of**  
**Governmental Funds to the Statement of Net Position**  
**June 30, 2021**

<b>Total fund balance</b>	<b>\$ 20,422,997</b>
Total net position reported for governmental activities in the statement of net position is different because:	
Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	
Property taxes	59,774
Payment in lieu of taxes	23,007
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Those assets consist of:	
Land	35,000
Buildings and building improvements	2,266,115
Furniture and equipment	1,051,565
Leasehold improvements	3,722,578
Library books	834,094
Accumulated depreciation	(4,978,348)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Compensated absences payable	(39,019)
Deferred outflows (inflows) or resources.	
Deferred outflow of resources resulting from net pension asset - MERS	147,669
Deferred inflow of resources resulting from net pension asset - MERS	(155,112)
Deferred outflow of resources resulting from net pension liability - MPSERS	253,340
Deferred inflow of resources resulting from net pension liability - MPSERS	(555,551)
Deferred outflow of resources resulting from net OPEB liability - MPSERS	64,623
Deferred inflow of resources resulting from net OPEB liability - MPSERS	(333,060)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability - MPSERS	(1,402,187)
Net OPEB liability - MPSERS	(158,231)
<b>Net position of governmental activities</b>	<b><u>\$ 21,259,254</u></b>

See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended June 30, 2021**

	Primary Government	Component Units			Total Reporting Entity
	General Fund	Hoyt Trust	Saginaw Public Library Foundation	Eliminating Entries	June 30, 2021
<b>Revenues</b>					
Current local taxes	\$ 2,507,514	\$ -	\$ -	\$ -	\$ 2,507,514
Interest on delinquent taxes	1,009	-	-	-	1,009
Payments in lieu of taxes	29,359	-	-	-	29,359
Personal property tax reimbursement	98,529	-	-	-	98,529
Delinquent taxes	1,609	-	-	-	1,609
Contract income	833,797	188,444	-	(296,686)	725,555
State aid	108,145	-	-	-	108,145
State aid - Unfunded Actuarial Accrued Liability (UAAL)	50,709	-	-	-	50,709
Grants	28,482	-	-	-	28,482
Contributions and gifts	7,815	152,548	2,765	-	163,128
Book fines and fees	5,699	-	-	-	5,699
Penal fines	240,870	-	-	-	240,870
Telefacsimile fees	6,225	-	-	-	6,225
Copy machines	3,540	-	-	-	3,540
Investment income	481	6,789	973	-	8,243
Loan interest	86,909	-	-	(86,909)	-
Unrealized and realized gains on investments	-	264,908	136,666	-	401,574
Change in value of assets held by others	-	168,063	-	-	168,063
Concessions	13,065	-	-	-	13,065
Processing data entry	37,080	-	-	-	37,080
Miscellaneous	-	33,415	-	-	33,415
<b>Total revenues</b>	<b>4,060,837</b>	<b>814,167</b>	<b>140,404</b>	<b>(383,595)</b>	<b>4,631,813</b>

See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Year Ended June 30, 2021**

	Primary Government	Component Units			Total Reporting Entity
	General Fund	Hoyt Trust	Saginaw Public Library Foundation	Eliminating Entries	June 30, 2021
<b>Expenditures</b>					
Main Library	\$ 1,722,074	\$ -	\$ -	\$ (188,444)	\$ 1,533,630
Zael	754,190	-	-	(108,242)	645,948
Butman Fish	485,390	-	-	-	485,390
Ruth Brady Wickes	116,701	-	-	-	116,701
Hoyt Trust	-	406,359	-	(86,909)	319,450
Saginaw Public Libraries Foundation	-	-	4,120	-	4,120
	<u>3,078,355</u>	<u>406,359</u>	<u>4,120</u>	<u>(383,595)</u>	<u>3,105,239</u>
Total expenditures					
Excess of revenues over expenditures	982,482	407,808	136,284	-	1,526,574
Fund balance - beginning of year	<u>6,852,824</u>	<u>10,526,313</u>	<u>1,517,286</u>	<u>-</u>	<u>18,896,423</u>
<b>Fund balance - end of year</b>	<u>\$ 7,835,306</u>	<u>\$ 10,934,121</u>	<u>\$ 1,653,570</u>	<u>\$ -</u>	<u>\$ 20,422,997</u>

See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2021**

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<b>Net change in fund balances</b>	<b>\$ 1,526,574</b>
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays and library books as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(353,764)
Capital outlay	32,001
Library books	144,280
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Property taxes	26,200
Payment in lieu of taxes	(6,352)
Change in compensated absences payable	124,067
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds the equals actual pension contributions.	
Net change in the deferrals of resources related to the net pension asset - MERS	(97,726)
Net change in net pension liability - MPSERS	545,959
Net change in the deferrals of resources related to the net pension liability - MPSERS	(452,875)
Net change in net OPEB liability - MPSERS	170,722
Net change in the deferrals of resources related to the net OPEB liability - MPSERS	(95,112)
<b>Change in net position of governmental activities</b>	<b><u>\$ 1,563,974</u></b>

See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 1 - Significant Accounting Policies**

The financial statements of the Public Libraries of Saginaw, Michigan and Component Units (Library) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to the Library. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies are described below.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component units. Governmental activities are normally supported by taxes and inter-governmental revenue.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenue are reported as general revenue.

**Reporting Entity**

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Public Libraries of Saginaw, Michigan and its component units. The component units discussed below are included in the Library's reporting entity because of the significance of their operational or financial relationships with the Library.

**Component Units**

The component units' columns in the financial statements include the financial data of the Library's two component units, Hoyt Trust and Saginaw Public Libraries Foundation. These units have substantially the same board members as the Public Libraries of Saginaw, Michigan.

**Hoyt Trust**

The Hoyt Trust was established under the will of Jesse Hoyt in June of 1882. The endowment to the Hoyt Trust included money to construct the Hoyt Library. The funds of the Hoyt Trust are controlled by the Hoyt Trust Board and are reserved for the purpose of maintaining the Hoyt Library as a reference library per the terms of the will of Jesse Hoyt. By the 1920's the Hoyt Trust was no longer financially capable of supporting Hoyt Library services. The Hoyt Trust's inability to support the Hoyt Library led to the merger of Hoyt Library and the Public Libraries of Saginaw with the Public Libraries of Saginaw renting the Hoyt Library from the Hoyt Trust. Since that time the Trust has continued to provide modest financial support to the Hoyt Library.

The Library's financial statements include complete financial statements of the Hoyt Trust.

**Saginaw Public Libraries Foundation**

The Saginaw Public Libraries Foundation was created to provide a means of giving into posterity to the Public Libraries of Saginaw. This foundation raises money to be used to purchase books and other library materials as a supplement to the regular library materials budget. Only a portion of the earnings from the Foundation investments are used annually, allowing the principal to remain to generate earnings for future library materials support and services.

The Library's financial statements include complete financial statements of the Saginaw Public Libraries Foundation. The Foundation assets are held in trust at Tri-Star Trust. Complete audited financial statements of the Saginaw Public Library Foundation can be obtained from the administrative offices of the Public Libraries of Saginaw, Michigan at 505 Janes Street, Saginaw, Michigan 48607.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Library reports only one fund as follows:

- The General Fund is used to record the operations of the Library which pertain to maintaining and operating the Public Libraries of Saginaw, Michigan. Included are all transactions related to the approved current operating budget.

**Assets, Liabilities and Net Position or Equity**

Cash and investments – The Library has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of 3 months or less when acquired. Investments are stated at fair value based on a quoted market price. Certificates of deposit are stated at cost which approximates fair value.

Receivables and payables – All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Property taxes are assessed as of December 31 and the related taxes become a lien on March 1 of the following year. The Libraries' taxes are due in July with the final collection date on February 28 before they are added to the County tax rolls. The delinquent real property taxes of the Library are purchased by Saginaw County. These taxes have been recorded as revenue in the current year.

Prepaid items – Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the Library follows the consumption method, and they therefore are capitalized as prepaid items in both entity-wide and fund financial statements.

MERS asset – This amount represents refundable payments in excess of Annual Required Contributions.

Promises to give – Contributions are recognized when the donor makes a promise to give to the Library that is, in substance, unconditional. Contribution revenue from these promises to give is included in contributions and gifts under Hoyt Trust on the statement of revenue, expenditures and changes in fund balance. The Library considers the promises to give to be fully collectible; accordingly, no allowance for doubtful accounts is required.

The Library uses the income approach to value unconditional promises to give, in the aggregate on an annual basis, under the fair value option.

Assets held by others – These assets are held by the bank and are for the benefit of the Hoyt Trust. The Trust may petition for distribution of principal for special projects and renovations.

Capital assets – Purchased or constructed capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the Library as

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

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assets with an initial individual cost of more than \$5,000, except books which are capitalized annual as a group. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The Library does not have infrastructure assets. Buildings, furniture and equipment, books, and leasehold improvements are depreciated using the straight-line method over the following useful lives:

Building and building improvements	20 to 50 years
Furniture and equipment	5 to 10 years
Leasehold improvements	20 to 50 years
Books	5 years

Deferred outflows of resources – The Library reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. The Library also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date in relation to the MPSERS plan. This amount will reduce net pension and OPEB liability in the following year.

Compensated absences – Sick days are earned by employees at the rate of one per month. Unlimited unused sick days may be accumulated by an employee. Retiring employees who meet certain age and years of service requirements are paid for accumulated sick days to a maximum of 90 days at half of their normal rate.

The liability for compensated absences reported in the government-wide financial statements consists of earned but unused accumulated vacation and sick leave benefits. The liability has been calculated based

on the balances as of June 30, 2021 for those employees eligible for payout.

Pension - MERS – For purposes of measuring the Net Pension Liability/Asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported to MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension - MPSERS – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB) - MPSERS – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

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Deferred inflows of resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For the Library, this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. The Library reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Equity – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the Library's highest level of decision-making, its Library Board. A fund balance commitment may be established, modified, or rescinded by a resolution of the Library Board.

Assigned – amounts intended to be used for specific purposes, as determined by the Library Board. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Library's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the Library's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

**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, deferred outflows, liabilities, deferred inflows 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.

**Adoption of New Accounting Standards**

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting



**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

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for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

**Upcoming Accounting and Reporting Changes**

In addition, the Governmental Accounting Standards Board has released the following Statements.

Statement No. 87, *Leases* increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The requirements of this Statement are effective for the fiscal year ending June 30, 2022.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement. The requirements of this Statement are effective for the fiscal year ending June 30, 2022.

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement is effective for the year ending June 30, 2023.

Statement No. 93, *Replacement of Interbank Offered Rates* establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. This statement is effective for the year ending June 30, 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

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significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement is effective for the year ending June 30, 2023.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This statement is effective for the year ending June 30, 2023.

The Library is evaluating the impact that the above GASBs will have on its financial reporting.

**Note 2 - Budgetary Policies and Data**

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the State. The law requires appropriation acts to be adopted for the General Fund.

The Board adopts appropriations utilizing the modified-accrual basis of accounting for all governmental funds. The appropriation level adopted by the Board is the level of control authorized under the Act. The Act requires expenditures to be budgeted on a functional basis. A library is not considered to be in violation of the Act if reasonable procedures are in use by the library to detect violations.

The Public Libraries of Saginaw uses these procedures in establishing the budgetary data reflected in the financial statements:

The Library Director submits to the Board a proposed budget by July 1 of each year. The budget includes proposed expenditures and the means of financing them.

A public hearing is conducted to obtain taxpayer comments.

The Library Director is authorized to transfer budgeted amounts between functions up to \$3,000; however, any revisions that alter the total expenditures of any fund must be approved by the Board.

The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Budgeted amounts are as originally adopted, or as amended by the Board throughout the year. The budget was amended at its June meeting.

Encumbrance accounting is employed in the General Fund. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 3 - Deposits, Investments and Assets Held by Others**

At year end, the Library and its component units' deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Component Units	Total
Cash and cash equivalents	\$ 3,757,557	\$ 4,105,405	\$ 7,862,962
Investments	-	2,140,766	2,140,766
Assets held by others	-	1,016,766	1,016,766
<b>Total</b>	<b><u>\$ 3,757,557</u></b>	<b><u>\$ 7,262,937</u></b>	<b><u>\$ 11,020,494</u></b>

The breakdown between deposits and investments for the Library is as follows:

	Governmental Activities	Component Units	Total
Deposits in checking, savings, and certificate of deposit accounts	\$ 3,756,947	\$ 4,105,405	\$ 7,862,352
Investments in securities, mutual funds, and similar vehicles	-	2,140,766	2,140,766
Petty cash and cash on hand	610	-	610
Assets held by others	-	1,016,766	1,016,766
<b>Total</b>	<b><u>\$ 3,757,557</u></b>	<b><u>\$ 7,262,937</u></b>	<b><u>\$ 11,020,494</u></b>

As of June 30, 2021, the Public Libraries of Saginaw, Michigan and Component Units investments consisted of the following:

	Cost	Fair Value
Assets held by others	<u>\$ 561,362</u>	<u>\$ 1,016,766</u>

Credit risk – State statutes authorize the Library to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the Library is allowed to

invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools. The Library has no investment policy that would further limit its investment choices.

Concentration of credit risk – The Library has no policy that would limit the amount that may be invested with any one issuer.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned. The Library does not have a deposit policy for custodial credit risk. As of June 30, 2021, the Library's and the component units' bank balances was in excess of the amount insured by the FDIC by \$1,798,102 and \$3,352,015, respectively.

**Note 4 - Promises to Give**

Promises to give are scheduled to be collected as follows:

2022	\$ 27,500
2023	<u>20,000</u>
	47,500
Less discount to fair value	<u>(680)</u>
	<u>\$ 46,820</u>

Management has elected the fair value option for promises to give in order to simplify the accounting for promises to give made in multiple years. The promises to give are discounted using the applicable federate rate of 1.02%.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Note 5 - Fair Value Measurements**

The Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Library has the following recurring fair value measurements as of June 30, 2021:

- Mutual funds of \$2,033,387 are valued using quoted market prices (Level 1 inputs).
- Assets held by others of \$1,016,766 are valued at quoted prices for similar assets and liabilities in active markets. Assets are held by Huntington Bank (Level 2 inputs).
- Alternative investments of \$107,379 are valued at quoted prices for similar assets and liabilities in active markets. Assets are held by Merrill Lynch (Level 2 inputs).
- Promises to give of \$46,820 use the income approach to value unconditional promises to give, in the aggregate on an annual basis, under the fair value option (Level 3 inputs).

Changes in fair values for the years ended June 30, 2021 for items measured on a recurring basis using significant unobservable inputs (Level 3) are as follows:

Beginning balance	\$ 284,488
Less: collections	(238,500)
Change in discount to fair value	832
Ending balance	<u>\$ 46,820</u>

Qualitative information about level 3 fair value measurements are as follows:

	Fair value at June 30, 2021	Valuation techniques	Unobservable input	Range (weighted average)
Promises to give	<u>\$ 46,820</u>	Present value of future cash flows	Interest rate Years	1.02% 2 years

**Note 6 - Capital Assets**

Capital assets activity of the primary government and component unit for the current year was as follows:

	Balance July 1, 2020	Additions	Disposals	Balance June 30, 2021
Capital assets not being depreciated				
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
Construction in Progress	9,650,996	1,032,068	10,683,064	-
Total capital assets not being depreciated	<u>9,685,996</u>	<u>1,032,068</u>	<u>10,683,064</u>	<u>35,000</u>
Capital assets being depreciated				
Building and building improvements	2,266,115	-	-	2,266,115
Hoyt building	-	10,683,064	-	10,683,064
Furniture and equipment	1,019,564	32,001	-	1,051,565
Leasehold improvements	3,722,578	-	-	3,722,578
Library books	886,552	144,280	196,738	834,094
Total capital assets being depreciated	<u>7,894,809</u>	<u>10,859,345</u>	<u>196,738</u>	<u>18,557,416</u>
Less: Accumulated depreciation	<u>4,821,322</u>	<u>389,374</u>	<u>196,738</u>	<u>5,013,958</u>
Net capital assets being depreciated	<u>3,073,487</u>	<u>10,469,971</u>	<u>-</u>	<u>13,543,458</u>
Governmental activities capital assets, net	<u>\$ 12,759,483</u>	<u>\$ 11,502,039</u>	<u>\$ 10,683,064</u>	<u>\$ 13,578,458</u>

Depreciation for the fiscal year ended June 30, 2021, amounted to \$353,764 for the primary government and \$35,610 for the component units.

**Public Libraries of Saginaw, Michigan and Component Units**  
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Depreciation expense was charged to activities of the Library as follows:

Governmental activities	
Main library	\$ 275,936
ZaueI	17,688
Butman Fish	53,065
Ruth Brady Wickes	<u>7,075</u>
Total governmental activities	<u>\$ 353,764</u>
Component Unit	
Hoyt Trust	<u>\$ 35,610</u>

**Note 7 - Tax Abatements**

The Library receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by the City Saginaw, Zilwaukee Township, and Kochville Township. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties

For the fiscal year ended June 30, 2021, the Library's property tax revenue was not materially reduced under these programs.

**Note 8 - Employee Retirement and Benefit Systems - MERS**

**Defined benefit pension plan**

Plan description – The Library participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all eligible employees of the Library. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries.

MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided – Benefits provided include plans with multipliers ranging of 1.50%. Vesting periods are 10 years. Normal retirement age is 60 with early retirement at 50 with 30 years of service. Final average compensation is calculated based on 3 years. Member contributions are 4.0%.

Employees covered by benefit terms – At the December 31, 2020 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	6
Inactive employees entitled to, but not yet receiving benefits	15
Active employees	<u>11</u>
	<u>32</u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. For the year ending June 30, 2021, employer contributions were \$24,322.

Net pension liability/asset – The employer's net pension liability/asset was measured as of December 31, 2020, and the total pension liability/asset used to calculate the net pension liability/asset was determined by an annual actuarial valuation as of that date.

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Actuarial assumptions – The total pension liability/asset in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.50%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 7.35%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.75% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

Mortality rates used were based on the 2014 Group Annuity Mortality Table of a 50% male and 50% female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long - Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global equity	60.00%	8.65%	5.19%	2.50%	3.70%
Global fixed income	20.00%	3.76%	0.75%	2.50%	0.30%
Private investments	20.00%	9.06%	1.81%	2.50%	1.25%
	<u>100.00%</u>		<u>7.75%</u>		<u>5.25%</u>

Discount rate – The discount rate used to measure the total pension liability is 8.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/asset.

**Changes in Net Pension Liability (Asset)**

<b>Total Pension Liability</b>	
Service cost	\$ 69,055
Interest on the total pension liability	171,333
Benefit payments and refunds	(58,023)
Experience difference	(58,745)
Changes in actuarial assumptions	<u>152,700</u>
Net change in total pension liability	276,320
Total pension liability - beginning	<u>2,248,859</u>
Total pension liability - ending (a)	<u>\$ 2,525,179</u>
<b>Plan Fiduciary Net Position</b>	
Employer contributions	\$ 25,090
Employee contributions	25,593
Pension plan net investment income (loss)	392,475
Benefit payments and refunds	(58,023)
Pension plan administrative expense	<u>(6,108)</u>
Net change in plan fiduciary net position	379,027
Plan fiduciary net position - beginning	<u>3,005,526</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,384,553</u>
Net pension liability (asset) (a-b)	<u>\$ (859,374)</u>
Plan fiduciary net position as a percentage of total pension liability	134.03%
Covered employee payroll	\$ 627,769
Net pension liability (asset) as a percentage of covered employee payroll	-136.89%

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Sensitivity of the net pension liability/asset to changes in the discount rate – The following presents the net pension liability/asset of the employer, calculated using the discount rate of 8%, as well as what the employer’s net pension liability/asset would be using a discount rate that is 1% point lower (7%) or 1% higher (9%) than the current rate.

	1% Increase	Current Discount Rate	1% Decrease
Net pension asset	\$ 1,174,278	\$ 859,374	\$ 467,264

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2021, the employer recognized pension expense of \$2,804. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Total to Amortize
Differences in experience	\$ 38,217	\$ (39,163)	\$ (946)
Differences in assumptions	101,800	-	101,800
Net difference between projected and actual earning on plan investments	-	(115,949)	(115,949)
Contributions subsequent to the measurement date	7,652	-	-
Total	\$ 147,669	\$ (155,112)	\$ (15,095)

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2022.

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

Year Ended,		
2022	\$	46,419
2023		34,625
2024		(63,225)
2025		(32,914)
	\$	(15,095)

**Note 9 - Pension Plan and Post-Employment Benefits - MPSERS**

**Plan Description**

The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System’s pension plan was established by the State to provide retirement, survivor, and disability benefits to public school employees. In addition, the System’s health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees’ Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

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The System's financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools)

**Benefits Provided**

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

**Contributions**

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded

(overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 19-year period beginning Oct. 1, 2019 and ending Sept. 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2020.

Pension Contribution Rates		
<u>Benefit Structure</u>	<u>Member</u>	<u>Employer</u>
Basic	0.0 - 4.0%	13.39 - 19.41%
Member Investment Plan	3.0 - 7.0%	13.39 - 19.41%
Pension Plus	3.0 - 6.4%	16.46%
Pension Plus 2	6.2%	19.59%
Defined Contribution	0.0%	13.39%

Required contributions to the pension plan from the Library were \$112,177 for the year ending September 30, 2020.

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

June 30, 2021, the Library reported a liability of \$1,402,187 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2019. The Library's proportionate share of the net pension liability was based on statutorily required contributions in relation to all employers' statutorily required contributions for the measurement period. At September 30, 2020, the Library's proportionate share percent was 0.00408 percent, which was a decrease of 0.00180 from its proportion measured as of September 30, 2019.

For the plan year ending September 30, 2020, the Library recognized pension expense of \$4,185 for the measurement period. For the reporting period ending June 30, 2021, the Library recognized total pension contribution expense of \$80,095.



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At June 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Difference between expected and actual experience	\$ 21,424	\$ 2,993	\$ 18,431
Changes in assumptions	155,376	-	155,376
Net difference between projected and actual earnings on pension plan investments	5,891	-	5,891
Changes in proportion and differences between employer contributions and proportionate share of contributions	600	507,621	(507,021)
Employer contributions subsequent to the measurement date	70,049	44,937	-
<b>Total</b>	<b>\$ 253,340</b>	<b>\$ 555,551</b>	<b>\$ (327,323)</b>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Plan Year (To Be Recognized in Future Pension Expenses)	
2021	\$ (89,863)
2022	(93,296)
2023	(99,276)
2024	(44,888)
	<u>\$ (327,323)</u>

**Actuarial Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

*Summary of Actuarial Assumptions:*

- Valuation Date: September 30, 2019
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
  - MIP and Basic Plans: 6.80% net of investment expenses
  - Pension Plus Plan: 6.80% net of investment expenses
  - Pension Plus 2 Plan: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members

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- Mortality:
  - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
  - Active Members: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total pension liability as of September 30, 2020, is based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4892 years.

The recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Long-Term Expected Return on Plan Assets**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset

allocation as of September 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.6 %
Alternative Investment Pools	16.0	9.3
International Equity	15.0	7.4
Fixed Income Pools	10.5	0.5
Real Estate and Infrastructure Pools	10.0	4.9
Absolute Return Pools	9.0	3.2
Real Return/Oppportunistic Pools	12.5	6.6
Short Term Investment Pools	2.0	(0.1)
	100.0%	

*\*Long-term rates of return are net of administrative expenses and 2.1% inflation.*

**Rate of Return**

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 5.37%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Discount Rate**

A discount rate of 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.80% (6.80% for the Pension Plus plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

**Sensitivity of the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Library's proportionate share of the net pension liability, calculated using a discount rate of 6.80% (6.80% for the Pension plus plan, 6.00% for the Pension Plus 2 plan), as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease *	Current Single Discount Rate Assumption *	1% Increase *
5.80% / 5.80% / 5.00%	6.80% / 6.80% / 6.00%	7.80% / 7.80% / 7.00%
\$ 1,814,894	\$ 1,402,187	\$ 1,060,146

\*Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus, and Pension Plus 2.

**Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS Comprehensive Annual Financial Report, available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Payables to the Pension Plan**

There were no significant payables to the pension plan that are not ordinary accruals to the Library.

**Note 10 - Postemployment Benefits Other Than Pensions (OPEB)**

**Plan Description**

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Benefits Provided**

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning with fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the

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premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

**Contributions**

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2017 valuation will be amortized over a 19-year period beginning Oct. 1, 2019 and ending Sept. 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year 2020.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.09%
Personal Healthcare Fund (PHF)	0.0%	7.57%

Required contributions to the OPEB plan from the Library were \$20,868 for the year ended September 30, 2020.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2021, the Library reported a liability of \$158,231 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2019. The Library's proportion of the net OPEB liability was determined by dividing

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each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2020, the Library's proportion was 0.00295 percent, which was a decrease of 0.00163 percent from its proportion measured as of September 30, 2019.

For the plan year ending September 30, 2020, the Library recognized OPEB expense of (\$60,416) during the measurement period. For the reporting period ending June 30, 2021, the Library recognized total OPEB contribution expense of \$14,889.

At June 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Difference between expected and actual experience	\$ -	\$ 117,897	\$ (117,897)
Changes in assumptions	52,172	-	52,172
Net difference between projected and actual earnings on OPEB plan investments	1,321	-	1,321
Changes in proportion and differences between employer contributions and proportionate share of contributions	428	215,163	(214,735)
Employer contributions subsequent to the measurement date	10,702	-	-
<b>Total</b>	<b>\$ 64,623</b>	<b>\$ 333,060</b>	<b>\$ (279,139)</b>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be

recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Plan Year (To Be Recognized in Future OPEB Expenses)	
2021	\$ (73,531)
2022	(71,579)
2023	(60,796)
2024	(42,505)
2025	(30,728)
	<u>\$ (279,139)</u>

**Actuarial Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

*Summary of Actuarial Assumptions:*

- Valuation Date: September 30, 2019
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.95% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 3.5%
- Healthcare Cost Trend Rate: 7.0% Year 1 graded to 3.5% Year 15; 3.0% Year 120
- Mortality:

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- Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
- Active Members: Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

*Other Assumptions:*

- Opt Out Assumptions: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2017 valuation. The total OPEB liability as of September 30, 2020, is based on the results of an actuarial valuation date of September 30, 2019, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 5.6018 years.

The recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2020 MPSERS Comprehensive Annual Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Long-Term Expected Return on Plan Assets**

The long-term expected rate of return on 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.6 %
Alternative Investment Pools	16.0	9.3
International Equity	15.0	7.4
Fixed Income Pools	10.5	0.5
Real Estate and Infrastructure Pools	10.0	4.9
Absolute Return Pools	9.0	3.2
Real Return/Oppportunistic Pools	12.5	6.6
Short Term Investment Pools	2.0	(0.1)
	100.0%	

*\*Long-term rates of return are net of administrative expenses and 2.1% inflation.*

**Rate of Return**

For the fiscal year ended September 30, 2020, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 5.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

**Discount Rate**

A discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.95%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Library's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the Library's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the Library's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
\$ 203,265	\$ 158,231	\$ 120,315

**Sensitivity of the Library's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate**

The following presents the Library's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the Library's proportionate share of net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ 118,864	\$ 158,231	\$ 203,006

**OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2020 MPERS Comprehensive Annual Financial Report, available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

**Payables to the OPEB Plan**

There were no significant payables to the OPEB plan that are not ordinary accruals to the Library.

**Note 11 - Long-Term Debt**

Other long-term obligations include compensated absences, claims and judgements, termination benefits, and certain risk liabilities.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current
Compensated absences	\$ 163,086	\$ 131,247	\$ 255,314	\$ 39,019	\$ 127,657

**Note 12 - Line of Credit**

Hoyt Trust has an unsecured line of credit arrangement totaling \$3,000,000. This arrangement provides for borrowing amounts for short-term use at 2.89%. As of June 30, 2021, the organization had drawn \$2,425,000 of their balance that is due back to the credit organization. Interest expense for the year was \$90,751 with accrued interest of \$9,416.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**Note 13 - Eliminating Entries**

All significant interfund transactions between the Library and its component units, Hoyt Trust and Saginaw Public Library Foundation, have been eliminated in the consolidated statements. These were for contractual rent payments that the Library owed the Hoyt Trust totaling \$188,444 and \$108,242 from Zauel to the Library for a contractual management fee. These two transactions make up the total contract income elimination of \$296,686 on the statement of revenues, expenditures and changes in fund balance. Charges from November 2020 through June 2021 were not charged to the Library as of year end causing a due to other funds in the amount of \$115,511 for the Library and a due from other funds in the amount of \$115,511 in Hoyt Trust that is eliminated on the balance sheet.

Also, there was a loan receivable and loan payable for \$3,000,000 from Public Libraries of Saginaw, Michigan to the Hoyt Trust for the Hoyt Trust renovation project. This was eliminated on the balance sheet. With the loan receivable and note payable, there was accrued interest receivable and payable eliminated of \$21,727. There was also a due to other funds and due from other funds eliminated for \$43,455 for two payments missed on the mortgage during the fiscal year. On the statement of revenues, expenditures and change in fund balance, interest income and interest expense of \$86,909 was eliminated.

**Note 14 - Risk Management**

The Library participated in a self-insurance program through the Middle Cities Association. This program provides substantially all the insurance needs of the Library including property, general liability, automobile, umbrella, and library commission legal liability. Payments made for the year ended June 30, 2021 were \$32,097 for the governmental activities and \$0 was paid from the component units. The contributions made by the Library fund the program at two times the expected claims. The possibility of additional claims does exist, but any liability to the Library would be immaterial due to the aggregate stop-loss coverage. There is also a possibility of a refund due the Library. Therefore, no contingent

liabilities or assets have been recognized on the Library's financial statements for the year ended June 30, 2021. The Library uses a commercial carrier for its workers' compensation insurance. There have been no claims for commercial insurance for the last three years.



**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues</b>				
Current local taxes	\$ 2,250,000	\$ 2,250,000	\$ 2,507,514	\$ 257,514
Interest on delinquent taxes	7,000	7,000	1,009	(5,991)
Payments in lieu of taxes	30,000	30,000	29,359	(641)
Personal property tax reimbursement	80,000	80,000	98,529	18,529
Delinquent taxes	3,500	3,500	1,609	(1,891)
Contract income	845,242	845,242	833,797	(11,445)
State aid	61,000	61,000	108,145	47,145
State aid - Unfunded Actuarial Accrued Liability (UAAL)	72,000	72,000	50,709	(21,291)
Grants	65,000	65,000	28,482	(36,518)
Contributions and gifts	56,800	56,800	7,815	(48,985)
Book fines and fees	8,500	8,500	5,699	(2,801)
Penal fines	190,000	190,000	240,870	50,870
Telefacsimile fees	7,500	7,500	6,225	(1,275)
Copy machines	5,300	5,300	3,540	(1,760)
Investment interest	18,000	18,000	481	(17,519)
Loan interest	-	-	86,909	86,909
Universal service fund	16,000	16,000	-	(16,000)
Concessions	21,000	21,000	13,065	(7,935)
Processing data entry	37,080	37,080	37,080	-
 Total revenues	 <u>3,773,922</u>	 <u>3,773,922</u>	 <u>4,060,837</u>	 <u>286,915</u>

**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Expenditures</b>				
Main Library	\$ 2,156,625	\$ 2,156,625	\$ 1,722,074	\$ (434,551)
Zael	887,932	887,932	754,190	(133,742)
Butman Fish	632,525	632,525	485,390	(147,135)
Ruth Brady Wickes	<u>156,535</u>	<u>156,535</u>	<u>116,701</u>	<u>(39,834)</u>
 Total expenditures	 <u>3,833,617</u>	 <u>3,833,617</u>	 <u>3,078,355</u>	 <u>(755,262)</u>
 Excess (deficiency) of revenues over expenditures	 <u>(59,695)</u>	 <u>(59,695)</u>	 <u>982,482</u>	 <u>1,042,177</u>
 Fund balance - beginning of year	 <u>6,852,824</u>	 <u>6,852,824</u>	 <u>6,852,824</u>	 <u>-</u>
 <b>Fund balance - end of year</b>	 <u><b>\$ 6,793,129</b></u>	 <u><b>\$ 6,793,129</b></u>	 <u><b>\$ 7,835,306</b></u>	 <u><b>\$ 1,042,177</b></u>

**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**Schedule of Employer Contributions**  
**June 30, 2021**

Fiscal Year Ended	Annual Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2015	\$ 70,939	\$ 70,939	\$ -	\$ 738,147	9.61%
6/30/2016	28,196	28,196	-	750,567	3.76%
6/30/2017	-	-	-	569,922	-
6/30/2018	12,246	12,246	-	568,693	2.15%
6/30/2019	17,924	17,924	-	592,319	3.03%
6/30/2020	25,319	25,319	-	645,258	3.92%
6/30/2021	24,322	24,322	-	604,266	4.03%

Notes: GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Date will be added as information is available until 10 years of such data is available.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	18
Asset valuation method	10-year smoothed value of assets
Inflation	3-4%
Salary increases	4.50%
Investment rate of return	8.00%
Retirement age	60
Mortality	2014 Group annuity mortality table of 50% male and 50% female blend

**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**  
**June 30, 2021**

Fiscal year ended June 30,	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Service cost	\$ 69,055	\$ 81,898	\$ 48,609	\$ 46,900	\$ 48,087	\$ 61,871	\$ 60,210
Interest on the total pension liability	171,333	157,158	139,433	132,752	132,012	115,439	103,705
Benefit payments and refunds	(58,023)	(56,740)	(53,566)	(50,488)	(35,899)	(25,745)	(16,866)
Experience differences	(58,745)	48,306	(24,472)	(44,968)	(127,064)	(8,559)	-
Changes in actuarial assumptions	152,700	66,345	-	-	-	72,516	-
Other changes	-	-	96,499	-	-	3,608	3,241
	<u>276,320</u>	<u>296,967</u>	<u>206,503</u>	<u>84,196</u>	<u>17,136</u>	<u>219,130</u>	<u>150,290</u>
Net change in total pension liability	276,320	296,967	206,503	84,196	17,136	219,130	150,290
Total pension liability - beginning	<u>2,248,859</u>	<u>1,951,892</u>	<u>1,745,389</u>	<u>1,661,193</u>	<u>1,644,057</u>	<u>1,424,927</u>	<u>1,274,638</u>
Total pension liability - ending (a)	<u>\$ 2,525,179</u>	<u>\$ 2,248,859</u>	<u>\$ 1,951,892</u>	<u>\$ 1,745,389</u>	<u>\$ 1,661,193</u>	<u>\$ 1,644,057</u>	<u>\$ 1,424,928</u>
<b>Plan Fiduciary Net Position</b>							
Employer contributions	\$ 25,090	\$ 24,391	\$ 17,924	\$ 12,246	\$ -	\$ 28,196	\$ 70,939
Employee contributions	25,593	23,889	23,353	21,275	26,059	28,318	33,797
Pension plan net investment income (loss)	392,475	363,514	(110,570)	329,445	257,170	(35,171)	131,380
Benefit payments and refunds	(58,023)	(56,740)	(53,566)	(50,488)	(35,899)	(25,745)	(16,866)
Pension plan administrative expense	(6,108)	(6,266)	(5,435)	(5,212)	(5,072)	(5,017)	(4,867)
	<u>379,027</u>	<u>348,788</u>	<u>(128,294)</u>	<u>307,266</u>	<u>242,258</u>	<u>(9,419)</u>	<u>214,383</u>
Net change in plan fiduciary net position	379,027	348,788	(128,294)	307,266	242,258	(9,419)	214,383
Plan fiduciary net position - beginning	<u>3,005,526</u>	<u>2,656,738</u>	<u>2,785,032</u>	<u>2,477,766</u>	<u>2,235,508</u>	<u>2,244,927</u>	<u>2,030,545</u>
Plan fiduciary net position - ending (b)	<u>3,384,553</u>	<u>3,005,526</u>	<u>2,656,738</u>	<u>2,785,032</u>	<u>2,477,766</u>	<u>2,235,508</u>	<u>2,244,928</u>
Net pension liability (asset) (a-b)	<u>\$ (859,374)</u>	<u>\$ (756,667)</u>	<u>\$ (704,846)</u>	<u>\$ (1,039,643)</u>	<u>\$ (816,573)</u>	<u>\$ (591,451)</u>	<u>\$ (820,000)</u>
Plan fiduciary net position as a percentage of total pension liability	134.03%	133.65%	136.11%	159.57%	149.16%	135.98%	157.55%
Covered employee payroll	\$ 627,769	\$ 654,657	\$ 580,752	\$ 559,002	\$ 584,291	\$ 757,301	\$ 736,969
Net pension liability (asset) as a percentage of covered employee payroll	(136.89%)	(115.58%)	(121.37%)	(185.98%)	(139.75%)	(78.10%)	(111.27%)

Note: GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Schedule of the Library's Proportionate Share of the Net Pension Liability**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
A. Library's proportion of net pension liability (%)	0.00408%	0.00588%	0.00655%	0.00664%	0.00731%	0.00766%	0.00935%			
B. Library's proportionate share of net pension liability	\$ 1,402,187	\$ 1,948,146	\$ 1,968,462	\$ 1,721,318	\$ 1,824,556	\$ 1,870,730	\$ 2,058,650			
C. Library's covered-employee payroll	\$ 257,944	\$ 396,808	\$ 460,451	\$ 531,422	\$ 583,558	\$ 640,045	\$ 795,892			
D. Library's proportionate share of net pension liability as a percentage of its covered-employee payroll	543.60%	490.95%	427.51%	323.91%	312.66%	292.28%	258.66%			
E. Plan fiduciary net position as a percentage of total pension liability	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%			

**Note Disclosures**

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2018.

Changes in benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2018.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Schedule of the Library's Pension Contributions**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years**

	For the Years Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
A. Statutorily required contributions	\$ 80,095	\$ 116,966	\$ 161,901	\$ 171,289	\$ 113,431	\$ 116,481	\$ 148,561			
B. Contributions in relation to statutorily required contributions	80,095	116,966	161,901	171,289	113,431	116,481	148,561			
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
D. Library's covered-employee payroll	\$ 178,654	\$ 287,477	\$ 415,241	\$ 480,933	\$ 596,730	\$ 580,684	\$ 690,035			
E. Contributions as a percentage of covered-employee payroll	44.83%	40.69%	38.99%	35.62%	19.01%	20.06%	21.53%			

**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Schedule of the Library's Proportionate Share of the Net OPEB Liability**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
A. Library's proportion of net OPEB liability (%)	0.00295%	0.00458%	0.00544%	0.00665%						
B. Library's proportionate share of net OPEB liability	\$ 158,231	\$ 328,953	\$ 432,495	\$ 588,641						
C. Library's covered-employee payroll	\$ 396,808	\$ 396,808	\$ 460,451	\$ 531,422						
D. Library's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	39.88%	82.90%	93.93%	110.77%						
E. Plan fiduciary net position as a percentage of total OPEB liability	59.44%	48.46%	42.95%	36.39%						

**Note Disclosures**

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2018.

Changes in benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2018.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Schedule of the Library's OPEB Contributions**  
**Michigan Public School Employees Retirement Plan**  
**Last 10 Fiscal Years**

	For the Years Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
A. Statutorily required contributions	\$ 14,889	\$ 22,823	\$ 29,951	\$ 34,120						
B. Contributions in relation to statutorily required contributions	<u>14,889</u>	<u>22,823</u>	<u>29,951</u>	<u>34,120</u>						
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
D. Library's covered-employee payroll	\$ 287,477	\$ 287,477	\$ 415,241	\$ 480,933						
E. Contributions as a percentage of covered-employee payroll	5.18%	7.94%	7.21%	7.09%						



**Public Libraries of Saginaw, Michigan and Component Units**  
**Other Supplementary Information**  
**Schedule of Expenditures**  
**Year Ended June 30, 2021**

	Year Ended June 30, 2021									June 30, 2020 Actual
	Main	Zael	Butman Fish	Ruth Brady Wickes	Hoyt Trust	Saginaw Public Libraries Foundation	Total Actual	Budget	Over (Under) Budget	
Salaries - professional and semi-professional	\$ 619,201	\$ 197,959	\$ 171,926	\$ 47,055	\$ -	\$ -	\$ 1,036,141	\$ 1,195,225	\$ (159,084)	\$ 1,309,179
Salaries - secretaries	91,051	88,540	67,374	596	-	-	247,561	255,600	(8,039)	313,475
Salaries - page	49,899	43,288	39,714	5,955	-	-	138,856	187,400	(48,544)	195,058
Salaries - substitute	8,554	7,540	4,603	631	-	-	21,328	33,000	(11,672)	31,535
Employee Benefits	307,886	59,171	65,479	4,327	-	-	436,863	633,150	(196,287)	566,397
Books and periodicals	92,211	107,516	50,015	6,264	-	-	256,006	343,210	(87,204)	290,982
Utilities and telephone	26,646	11,235	34,596	12,780	85,675	-	170,932	194,500	(23,568)	169,409
Supplies and materials	34,318	10,586	3,110	265	-	-	48,279	70,500	(22,221)	64,150
Repairs and maintenance Programs	- 11,275	- 6,636	11,705	7,956	95,464	-	115,125	99,900	15,225	60,692
Contractual expenses	337,620	147,645	52,191	30,221	6,192	-	573,869	614,452	(40,583)	477,432
Professional and legal	22,993	5,182	-	-	5,758	4,120	38,053	47,200	(9,147)	35,648
Furniture and equipment	34,688	21,768	1,026	-	-	-	57,482	1,572,750	(1,515,268)	83,642
Insurance	-	6,148	-	-	-	-	6,148	10,000	(3,852)	1,000
Interest	-	-	-	-	177,660	-	177,660	65,000	112,660	129,719
Data processing	103,597	55,970	-	-	-	-	159,567	156,330	3,237	126,757
Miscellaneous	53,003	412	84	380	-	-	53,879	129,700	(75,821)	94,259
Bad debt	-	-	-	-	-	-	-	-	-	770,000
Depreciation	-	-	-	-	35,610	-	35,610	-	35,610	-
Change in MERS asset	(70,868)	(15,406)	(16,433)	-	-	-	(102,707)	-	(102,707)	(51,821)
<b>Total expenditures</b>	<b>\$ 1,722,074</b>	<b>\$ 754,190</b>	<b>\$ 485,390</b>	<b>\$ 116,701</b>	<b>\$ 406,359</b>	<b>\$ 4,120</b>	<b>\$ 3,488,834</b>	<b>\$ 5,638,417</b>	<b>\$ (2,149,583)</b>	<b>\$ 4,698,173</b>

**Public Libraries of Saginaw, Michigan and Component Units**  
**Other Supplementary Information**  
**General Fund (Excluding Zael)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2021**

	Year Ended June 30, 2021			Year Ended
	Budget	Actual	Over (Under) Budget	June 30, 2020 Actual
<b>Revenues</b>				
Current local taxes	\$ 2,250,000	\$ 2,507,514	\$ 257,514	\$ 2,484,123
Payments in lieu of taxes	30,000	29,359	(641)	34,962
Delinquent taxes	3,500	1,609	(1,891)	3,270
Personal property tax reimbursement	80,000	98,529	18,529	91,384
Interest on delinquent taxes	7,000	1,009	(5,991)	299
Contract income	136,242	137,558	1,316	121,473
State aid	40,000	72,743	32,743	83,214
State aid - Unfunded Actuarial Accrued Liability (UAAL)	72,000	50,709	(21,291)	72,420
Grants	65,000	28,482	(36,518)	22,000
Contributions and gifts	43,800	5,605	(38,195)	21,347
Book fines and fees	4,750	4,304	(446)	10,795
Penal fines	130,000	161,977	31,977	192,268
Telefacsimile fees	5,000	5,081	81	4,793
Copy machines	3,500	2,356	(1,144)	3,503
Investment interest	15,000	481	(14,519)	20,397
Loan interest	-	86,909	86,909	87,986
Processing data entry	37,080	37,080	-	37,080
Universal service fund	12,000	-	(12,000)	7,344
Concessions	12,000	9,343	(2,657)	11,182
<b>Total revenues</b>	<b>2,946,872</b>	<b>3,240,648</b>	<b>293,776</b>	<b>3,309,840</b>

**Public Libraries of Saginaw, Michigan and Component Units**  
**Other Supplementary Information**  
**General Fund (Excluding Zael)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2021**

	Year Ended June 30, 2021			Year Ended
	Budget	Actual	Over (Under) Budget	June 30, 2020 Actual
<b>Expenditures</b>				
Main Library	2,156,625	1,722,074	\$ (434,551)	2,030,959
Butman Fish	632,525	485,390	(147,135)	678,658
Ruth Brady Wickes	156,535	116,701	(39,834)	149,153
	<u>2,945,685</u>	<u>2,324,165</u>	<u>(621,520)</u>	<u>2,858,770</u>
Total expenditures				
Excess of revenues over expenditures	1,187	916,483	915,296	451,070
Fund balance - beginning of year	<u>5,539,196</u>	<u>5,539,196</u>	<u>-</u>	<u>5,088,126</u>
<b>Fund balance - end of year</b>	<u>\$ 5,540,383</u>	<u>\$ 6,455,679</u>	<u>\$ 915,296</u>	<u>\$ 5,539,196</u>

**Public Libraries of Saginaw, Michigan and Component Units**  
**Other Supplementary Information**  
**Schedule of Zauel Branch Revenues and Expenditures - Budget and Actual**  
**Year Ended June 30, 2021**

	Year Ended June 30, 2021			Year Ended
	Budget	Actual	Over (Under) Budget	June 30, 2020 Actual
<b>Revenues</b>				
Saginaw Township	\$ 709,000	\$ 696,239	\$ (12,761)	\$ 713,115
State aid	21,000	35,402	14,402	16,611
Book fines and fees	3,750	1,395	(2,355)	7,214
Penal fines	60,000	78,893	18,893	93,646
Copy machines	1,800	1,184	(616)	1,181
Concessions	9,000	3,722	(5,278)	6,322
Telefacsimile fees	2,500	1,144	(1,356)	1,877
Universal service fund	4,000	-	(4,000)	3,456
Interest	3,000	-	(3,000)	-
Contributions and gifts	13,000	2,210	(10,790)	12,020
Total revenue	<u>827,050</u>	<u>820,189</u>	<u>(6,861)</u>	<u>855,442</u>
<b>Expenditures</b>				
Salaries - professional and semi-professional	212,500	197,959	(14,541)	221,031
Salaries - secretaries	90,000	88,540	(1,460)	93,778
Salaries - page	65,000	43,288	(21,712)	55,225
Salaries - substitute	14,000	7,540	(6,460)	7,020
Employee Benefits	103,500	59,171	(44,329)	85,514
Books and periodicals	123,560	107,516	(16,044)	108,073
Utilities and telephone	13,000	11,235	(1,765)	8,629
Supplies and materials	16,450	10,586	(5,864)	11,363
Programs	7,000	6,636	(364)	6,037
Contractual expenses	144,242	147,645	3,403	114,900

**Public Libraries of Saginaw, Michigan and Component Units**  
**Other Supplementary Information**  
**Schedule of Zauel Branch Revenues and Expenditures - Budget and Actual**  
**Year Ended June 30, 2021**

	Year Ended June 30, 2021			Year Ended June 30, 2020
	Budget	Actual	Over (Under) Budget	
Total brought forward	\$ 789,252	\$ 680,116	\$ (109,136)	\$ 711,570
Professional and legal	6,500	5,182	(1,318)	4,869
Furniture and equipment	26,450	21,768	(4,682)	15,731
Insurance	1,500	6,148	4,648	1,000
Data processing	61,630	55,970	(5,660)	57,552
Miscellaneous	2,600	412	(2,188)	53
Change in MERS asset	-	(15,406)	(15,406)	(7,255)
Total expenditures	<u>887,932</u>	<u>754,190</u>	<u>(133,742)</u>	<u>783,520</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (60,882)</u>	<u>\$ 65,999</u>	<u>\$ 126,881</u>	<u>\$ 71,922</u>