

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

**Financial Statements**

**June 30, 2023**

**DRAFT**



**YEO & YEO**

**BUSINESS SUCCESS  
PARTNERS**

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## **Independent Auditors' Report**

Management and The Board  
Public Libraries of Saginaw, Michigan and Component Units  
Saginaw, Michigan

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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 (the Library), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the blended component units and each major fund of the Library as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

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

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

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

## Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the pension and OPEB schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Library's 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. Such information 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 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 basic 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 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 have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Library's basic financial statements for the year ended June 30, 2022, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the blended component units, and each major fund. That audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Library's basic financial statements as a whole. The 2022 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 2022 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, the 2022 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

**DATE**

# Public Libraries of Saginaw, Michigan and Component Units

## Management's Discussion and Analysis

### June 30, 2023

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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, 2023. 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 Supplementary Information  
Other Supplementary 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, 2023**

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 Position**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets	\$ 8,868,003	\$ 8,002,136
Noncurrent assets	14,179,133	15,192,898
Total assets	<u>23,047,136</u>	<u>23,195,034</u>
<b>Deferred outflows</b>	<u>530,417</u>	<u>257,846</u>
<b>Liabilities</b>		
Current liabilities	89,064	164,126
Noncurrent liabilities	577,188	618,763
Total liabilities	<u>666,252</u>	<u>782,889</u>
<b>Deferred inflows</b>	<u>1,054,487</u>	<u>1,724,469</u>
<b>Net Position</b>		
Invested in capital assets	12,645,824	13,100,521
Restricted	2,772,690	2,834,122
Unrestricted	6,438,300	5,010,879
Total net position	<u>\$ 21,856,814</u>	<u>\$ 20,945,522</u>

The net position for the Library were \$21,856,814 at June 30, 2023. Unrestricted net position 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 position are similar but not identical to fund balance. A reconciliation of the difference between the change in net position 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, 2023**

**Statement of Net Position Operating Results**

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Program revenue		
Charge for services	\$ 77,056	\$ 37,378
Operating grants and contributions	808,425	822,783
Capital Grants and Contributions	205,100	60,848
General revenue		
Property tax	2,590,275	2,783,936
Personal property tax reimbursement	114,549	109,249
Penal fines	232,671	80,513
State aid - unrestricted	117,354	131,300
Interest and investment earnings	905,303	46,712
Other	29,904	57,843
Total revenues	<u>5,080,637</u>	<u>4,130,562</u>
<b>Expenses</b>		
Main Library	1,321,427	1,723,342
ZaueI Library	663,098	668,765
Butman-Fish Library	646,184	564,284
Ruth Brady Wickes Library	156,614	132,516
Hoyt Trust	1,162,378	1,134,314
Saginaw Public Library Foundation	219,644	221,073
Total expenses	<u>4,169,345</u>	<u>4,444,294</u>
Change in net position	911,292	(313,732)
Net position, beginning of year	<u>20,945,522</u>	<u>21,259,254</u>
Net position - end of year	<u>\$ 21,856,814</u>	<u>\$ 20,945,522</u>

As shown, the net position for the Library increased by \$911,292 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 \$4.21 million. However, the amount that was ultimately financed by our taxpayers through property taxes was \$2.59 million. Nearly 5% of the Library's revenue is from penal fines and 2% 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**

Fiscal Year	Revenue	% of Revenue	Local Property Taxes
2023	51%	\$	2,590,275
2022	67%		2,783,936
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

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

**Public Libraries of Saginaw, Michigan and Component Units**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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**Budgetary Highlights**

Fund balance was not used to balance the budget in 2022-2023. Revenues (excluding Zael) for the Library increased by approximately 20.31% and the end of year fund balance increased by 4.66%. The increase in fund balance was due to significant increase in expenses due to rising cost throughout the year. 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 decreased from 58.72% in 2022 to 44.17% in 2023. The MERS retirement plan contribution as a percentage of covered payroll was 2.79%.

**Budget Adjustments**

Budget adjustments were made in January and June this year. A \$250,000 increase in Income From Grants was recorded to reflect the Library of Michigan ARPA Grant for the bookmobile project. An increase of \$3,300 was made for the Butman Fish Copy Machines line because they needed to replace their copy machine. An increase of \$3,300 was made for snow removal at Hoyt. A \$4,000 budget adjustment for Butman Fish was made to decrease Building Maintenance & Repair and to increase Heat and Utilities. Zael had a budget adjustment for \$5,000 to decrease Juvenile Books and increase Adult Books. The director can authorize adjustments up to \$3,000 between expenditure line item accounts. All adjustments greater than \$3,000 were Board approved.

**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 \$90,000, while the actual amount was more at \$86,242. 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.

**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, 2023**

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 3,893,674
Investments	4,628,416
Accounts receivable	21,508
Due from other governmental units	320,820
Prepaid expenses	<u>3,585</u>
Total current assets	<u>8,868,003</u>
Noncurrent assets	
Assets held by others	886,927
Capital assets not being depreciated	35,000
Capital assets, net of accumulated depreciation	12,610,824
Net pension asset - MERS	<u>646,382</u>
Total noncurrent assets	<u>14,179,133</u>
Total assets	<u>23,047,136</u>
<b>Deferred Outflows of Resources</b>	
Deferred amount relating to net pension asset - MERS	372,289
Deferred amount relating to net pension liability - MPSERS	134,160
Deferred amount relating to net OPEB liability - MPSERS	<u>23,968</u>
Total deferred outflows of resources	<u>530,417</u>

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**Public Libraries of Saginaw, Michigan and Component Units**  
**Statement of Net Position**  
**June 30, 2023**

**Liabilities**

Current liabilities

Accounts payable	\$	220
Accrued payroll and related liabilities		66,405
Accrued compensated absences		22,439
Total current liabilities		89,064

Long-term liabilities

Net pension liability - MPSERS		557,685
Net OPEB liability - MPSERS		19,503
Total long-term liabilities		577,188

Total liabilities

666,252

**Deferred Inflows of Resources**

Deferred amount relating to net pension asset - MERS		111,013
Deferred amount relating to net pension liability - MPSERS		698,246
Deferred amount relating to net OPEB liability - MPSERS		245,228
Total deferred inflows of resources		1,054,487

**Net position**

Invested in capital assets		12,645,824
Restricted for:		
Saginaw Public Library Foundation		1,588,558
Zauel operations		1,184,132
Net pension asset		907,658
Unrestricted		5,530,642
Total net position		\$ 21,856,814

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**Public Libraries of Saginaw, Michigan and Component Units**  
**Statement of Activities**  
**Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Main Library	\$ 1,321,427	\$ 64,231	\$ 204,017	\$ -	\$ (1,053,179)
Zael	663,098	12,825	597,552	-	(52,721)
Butman Fish	646,184	-	-	-	(646,184)
Ruth Brady Wickes	156,916	-	-	-	(156,916)
Hoyt Trust	1,162,378	-	-	205,100	(957,278)
Saginaw Public Library Foundation	219,644	-	7,158	-	(212,486)
Total governmental activities	<u>\$ 4,169,647</u>	<u>\$ 77,056</u>	<u>\$ 808,727</u>	<u>\$ 205,100</u>	<u>(3,078,764)</u>
General revenues					
Property taxes, levied for general purposes					2,590,275
Personal property tax reimbursement					98,493
Payment in lieu of taxes					16,056
Penal fines					232,671
State aid - unrestricted					117,354
Interest and investment earnings					905,303
Other					29,904
Total general revenues					<u>3,990,056</u>
Change in net position					911,292
Net position - beginning					<u>20,945,522</u>
Net position - ending					<u>\$ 21,856,814</u>

See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Balance Sheet**  
**General Fund**  
**June 30, 2023**

	Blended Component Units				Total
	General Fund	Hoyt Trust	Saginaw Public Libraries Foundation	Eliminating Entries	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 2,934,492	\$ 912,571	\$ 46,611	\$ -	\$ 3,893,674
Investments	1,752,916	1,333,553	1,541,947	-	4,628,416
Accounts receivable	-	21,508	-	-	21,508
Interest receivable	202,987	-	-	(202,987)	-
Due from other governmental units	320,820	-	-	-	320,820
Due from other funds	-	72,056	-	(72,056)	-
Loan receivable, current portion	439,116	-	-	(439,116)	-
Prepaid expenses	2,018	1,567	-	-	3,585
Total current assets	<u>5,652,349</u>	<u>2,341,255</u>	<u>1,588,558</u>	<u>(714,159)</u>	<u>8,868,003</u>
<b>Noncurrent assets</b>					
MERS asset	646,382	-	-	-	646,382
Loan receivable, net of current portion	2,560,884	-	-	(2,560,884)	-
Assets held by others	-	886,927	-	-	886,927
Capital assets, net of accumulated depreciation	-	10,220,131	-	-	10,220,131
Total noncurrent assets	<u>3,207,266</u>	<u>11,107,058</u>	<u>-</u>	<u>(2,560,884)</u>	<u>11,753,440</u>
<b>Total assets</b>	<u>\$ 8,859,615</u>	<u>\$ 13,448,313</u>	<u>\$ 1,588,558</u>	<u>\$ (3,275,043)</u>	<u>\$ 20,621,443</u>

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See Accompanying Notes to the Financial Statements

**Public Libraries of Saginaw, Michigan and Component Units**  
**Balance Sheet**  
**General Fund**  
**June 30, 2023**

	Blended Component Units				Total
	General Fund	Hoyt Trust	Saginaw Public Libraries Foundation	Eliminating Entries	
<b>Liabilities</b>					
Current liabilities					
Accounts payable	\$ 220	\$ 202,987	\$ -	\$ (202,987)	\$ 220
Accrued payroll and related liabilities	66,405	-	-	-	66,405
Due to other funds	72,056	-	-	(72,056)	-
Loan payable, current portion	-	439,116	-	(439,116)	-
Total current liabilities	<u>138,681</u>	<u>642,103</u>	<u>-</u>	<u>(714,159)</u>	<u>66,625</u>
Noncurrent liabilities					
Loan payable, net of current portion	-	2,560,884	-	(2,560,884)	-
Total liabilities	<u>138,681</u>	<u>3,202,987</u>	<u>-</u>	<u>(3,275,043)</u>	<u>66,625</u>
<b>Deferred inflows of resources</b>					
Unavailable revenue					
Property taxes	28,950	-	-	-	28,950
Payment in lieu of taxes	150,000	-	-	-	150,000
Penal fines	82,000	-	-	-	82,000
Total deferred inflows of resources	<u>260,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,950</u>
<b>Fund balances</b>					
Non spendable for					
Prepaid expense	2,018	1,567	-	-	3,585
MERS asset	646,382	-	-	-	646,382
Invested in capital assets	-	10,220,131	-	-	10,220,131
Restricted					
ZaueI operations	1,184,132	-	-	-	1,184,132
Saginaw Public Libraries Foundation	-	-	1,588,558	-	1,588,558
Committed for:					
Technology upgrade	634,960	-	-	-	634,960
Materials	298,763	-	-	-	298,763
Procurements and operations	389,450	-	-	-	389,450
Unassigned	<u>5,304,279</u>	<u>23,628</u>	<u>-</u>	<u>-</u>	<u>5,327,907</u>
Total fund balances	<u>8,459,984</u>	<u>10,245,326</u>	<u>1,588,558</u>	<u>-</u>	<u>20,293,868</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,859,615</u>	<u>\$ 13,448,313</u>	<u>\$ 1,588,558</u>	<u>\$ (3,275,043)</u>	<u>\$ 20,621,443</u>

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, 2023**

Total fund balances	\$ 20,293,868
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	28,950
Payment in lieu of taxes	150,000
Penal fines	82,000
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	885,153
Leasehold improvements	3,722,578
Library books	834,094
Accumulated depreciation	(5,317,247)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Compensated absences payable	(22,439)
Deferred outflows (inflows) or resources.	
Deferred outflow of resources resulting from net pension asset - MERS	372,289
Deferred inflow of resources resulting from net pension asset - MERS	(111,013)
Deferred outflow of resources resulting from net pension liability - MPSERS	134,160
Deferred inflow of resources resulting from net pension liability - MPSERS	(698,246)
Deferred outflow of resources resulting from net OPEB liability - MPSERS	23,968
Deferred inflow of resources resulting from net OPEB liability - MPSERS	(245,228)
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	(557,685)
Net OPEB liability - MPSERS	(19,503)
Net position of governmental activities	\$ 21,856,814

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, 2023**

	Blended Component Units				Total
	General Fund	Hoyt Trust	Saginaw Public Library Foundation	Eliminating Entries	
<b>Revenues</b>					
Current local taxes	\$ 2,652,407	\$ -	\$ -	\$ -	\$ 2,652,407
Interest on delinquent taxes	12,972	-	-	-	12,972
Payments in lieu of taxes	16,056	-	-	-	16,056
Personal property tax reimbursement	98,493	-	-	-	98,493
Delinquent taxes	7,744	-	-	-	7,744
Contract income	707,905	425,595	-	(535,785)	597,715
State aid	117,354	-	-	-	117,354
State aid - Unfunded Actuarial Accrued Liability (UAAL)	29,904	-	-	-	29,904
Grants	41,009	-	-	-	41,009
Federal grants	136,151	-	-	-	136,151
Contributions and gifts	26,694	205,100	7,132	-	238,926
Book fines and fees	6,448	-	-	-	6,448
Penal fines	231,184	-	-	-	231,184
Telefacsimile fees	7,798	-	-	-	7,798
Copy machines	5,095	-	-	-	5,095
Investment income	53,775	52,099	55,606	-	161,480
Loan interest	181,260	-	-	(181,260)	-
Unrealized and realized losses on investments	-	53,816	64,765	-	118,581
Change in value of assets held by others	-	29,741	-	-	29,741
Concessions	20,635	-	-	-	20,635
Processing data entry	37,080	-	-	-	37,080
Miscellaneous	-	-	26	-	26
Total revenues	4,389,964	766,351	127,529	(717,045)	4,566,799

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, 2023**

	<u>Blended Component Units</u>				<u>Total</u>
	<u>General Fund</u>	<u>Hoyt Trust</u>	<u>Saginaw Public Library Foundation</u>	<u>Eliminating Entries</u>	
<b>Expenditures</b>					
Main Library	\$ 2,434,907	\$ -	\$ -	\$ (606,855)	\$ 1,828,052
Zael	894,522	-	-	(110,190)	784,332
Butman Fish	764,599	-	-	-	764,599
Ruth Brady Wickes	160,511	-	-	-	160,511
Hoyt Trust	-	782,540	-	-	782,540
Saginaw Public Libraries Foundation	-	-	3,981	-	3,981
Total expenditures	<u>4,254,539</u>	<u>782,540</u>	<u>3,981</u>	<u>(717,045)</u>	<u>4,324,015</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	135,425	(16,189)	123,548	-	242,784
Fund balances - beginning of year	<u>8,324,559</u>	<u>10,261,515</u>	<u>1,465,010</u>	<u>-</u>	<u>20,051,084</u>
Fund balances - end of year	<u>\$ 8,459,984</u>	<u>\$ 10,245,326</u>	<u>\$ 1,588,558</u>	<u>\$ -</u>	<u>\$ 20,293,868</u>

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**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, 2023**

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Net change in fund balances	\$ 242,784
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	(258,785)
Capital outlay	17,750
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Property taxes	(65,852)
Payment in lieu of taxes	(16,996)
Penal fines	1,487
Expenses are recorded when incurred in the statement of activities	
Change in compensated absences payable	6,776
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	583,108
Net change in the deferrals of resources related to the net pension liability - MPSERS	273,292
Net change in the deferrals of resources related to the net OPEB liability - MPSERS	<u>86,153</u>
Change in net position of governmental activities	<u>\$ 911,292</u>

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2023**

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**Note 1 - Significant Accounting Policies**

The financial statements of the Public Libraries of Saginaw, Michigan and Component Units (the 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 blended component units' columns in the financial statements include the financial data of the Library's two blended component units, Hoyt Trust and Saginaw Public Libraries Foundation. These units have substantially the same board members as the Public Libraries of Saginaw, Michigan. The component units are organized as a not-for-profit corporations in which the Library is the sole corporate member, as identified in the blended component unit's articles of incorporation or bylaws, and the component units are included in the financial reporting entity.

**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.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2023**

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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.

**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 Library. Included are all transactions related to the approved current operating budget.

**Assets, Liabilities and Net Position or Fund Balance**

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.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2023**

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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 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, 2023 for those employees eligible for payout.

Pension - MERS – For purposes of measuring the Net Pension 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

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2023**

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additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. 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.

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 Balance – 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. 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

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2023**

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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.

**Upcoming Accounting and Reporting Changes**

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

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending June 30, 2024.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

The Library is evaluating the impact that the above GASBs pronouncements 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 Library 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, 2023**

**Expenditures in Excess of Appropriations**

	<u>Appropriations</u>	<u>Actual</u>	<u>Budget Variance</u>
General Fund			
Main Library	\$ 2,111,400	\$ 2,434,907	\$ 323,507
ZaueI	879,972	894,522	14,550
Butman Fish	636,550	764,599	128,049
Ruth Brady Wickes	112,900	160,209	47,309

**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:

	<u>Governmental Activities</u>	<u>Component Units</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,934,492	\$ 959,182	\$ 3,893,674
Investments	1,752,916	2,875,500	4,628,416
Assets held by others	-	886,927	886,927
<b>Total</b>	<b>\$ 4,687,408</b>	<b>\$ 4,721,609</b>	<b>\$ 9,409,017</b>

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

	<u>Governmental Activities</u>	<u>Component Units</u>	<u>Total</u>
Deposits in checking, savings, and certificate of deposit accounts	\$ 2,933,882	\$ 959,182	\$ 3,893,064
Investments in securities, mutual funds, and similar vehicles	1,752,916	2,875,500	4,628,416
Petty cash and cash on hand	610	-	610
Assets held by others	-	886,927	886,927
<b>Total</b>	<b>\$ 4,687,408</b>	<b>\$ 4,721,609</b>	<b>\$ 9,409,017</b>

As of June 30, 2023, the Library's investments consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
Assets held by others	\$ 646,948	\$ 886,927

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 year end, \$3,729,094 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2023**

**Note 4 - 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, 2023:

Investment Type	Level 1	Level 2
U.S. treasuries and agencies	\$ -	\$ 1,752,915
Mutual funds - equity	1,657,353	-
Mutual funds - fixed income	993,280	-
Mutual funds - balanced	224,868	-
Assets held by others	-	886,927
	<u>\$ 2,875,501</u>	<u>\$ 2,639,842</u>

Changes in fair values for the years ended June 30, 2023 for items measured on a recurring basis using significant unobservable inputs (Level 3) are as follows:

Beginning balance	\$ 19,438
Less: collections	(20,000)
Change in discount to fair value	562
Ending balance	<u>\$ -</u>

**Note 5 - Capital Assets**

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

	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 35,000	\$ -	\$ -	\$ 35,000
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	1,081,989	17,750	214,586	885,153
Leasehold improvements	3,722,578	-	-	3,722,578
Library books	834,094	-	-	834,094
Total capital assets being depreciated	18,587,840	17,750	214,586	18,391,004
Less: Accumulated depreciation	5,522,319	472,447	214,586	5,780,180
Net capital assets being depreciated	13,065,521	(454,697)	-	12,610,824
Governmental activities capital assets, net	<u>\$ 13,100,521</u>	<u>\$ (454,697)</u>	<u>\$ -</u>	<u>\$ 12,645,824</u>

Depreciation expense was charged to activities of the Library as follows:

Governmental activities	
Main library	\$ 201,852
Zael	12,939
Butman Fish	38,818
Ruth Brady Wickes	5,176
Total governmental activities	<u>\$ 258,785</u>
Component Unit	
Hoyt Trust	<u>\$ 213,662</u>

**Note 6 - 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

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2023**

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, 2023, the Library's property tax revenue was not materially reduced under these programs.

**Note 7 - 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 – 2.25%. 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, 2022 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to, but not yet receiving benefits	11
Active employees	10
	30

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, 2023, employer contributions were \$24,602.

Net pension asset – The employer's net pension asset was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2022 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 7.00%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

**Public Libraries of Saginaw, Michigan and Component Units**  
**Notes to the Financial Statements**  
**June 30, 2023**

Mortality rates used were based on the 2010-Pub mortality tables. 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, 2022 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%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.50%	0.90%	2.50%	0.40%
Private investments	20.00%	9.50%	1.90%	2.50%	1.40%
	<u>100.00%</u>		<u>7.00%</u>		<u>4.50%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.25%. 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.

**Changes in Net Pension Asset**

**Total Pension Liability**

Service cost	\$ 76,461
Interest on the total pension liability	191,383
Benefit payments and refunds	(71,574)
Experience difference	<u>(74,260)</u>
Net change in total pension liability	122,010
Total pension liability - beginning	<u>2,637,325</u>
Total pension liability - ending (a)	<u><u>\$ 2,759,335</u></u>

**Plan Fiduciary Net Position**

Employer contributions	\$ 20,328
Employee contributions	20,328
Pension plan net investment loss	(428,495)
Benefit payments and refunds	(71,574)
Pension plan administrative expense	<u>(7,386)</u>
Net change in plan fiduciary net position	(466,799)
Plan fiduciary net position - beginning	<u>3,872,516</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 3,405,717</u></u>
Net pension asset (a-b)	<u><u>\$ (646,382)</u></u>

Plan fiduciary net position as a percentage of total pension liability	123.43%
Covered payroll	\$ 548,504
Net pension liability (asset) as a percentage of covered payroll	-117.84%

Sensitivity of the net pension asset to changes in the discount rate – The following presents the net pension asset of the employer, calculated using the discount rate of 7.25%, as well as what the employer's net pension asset would be using a discount rate that is 1% point lower (6.25%) or 1% higher (8.25%) than the current rate.

	Current	
	Discount Rate	
1% Increase	Current	1% Decrease
<u>\$ (237,183)</u>	<u>\$ (646,382)</u>	<u>\$ (979,450)</u>

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Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2023, the employer recognized pension expense of \$31,451. 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	\$ -	\$ (111,013)	\$ (111,013)
Differences in assumptions	40,832	-	40,832
Net difference between projected and actual earning on plan investments	319,850	-	319,850
Contributions subsequent to the measurement date	11,607	-	-
<b>Total</b>	<b>\$ 372,289</b>	<b>\$ (111,013)</b>	<b>\$ 249,669</b>

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 asset in subsequent years.

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

Year Ended,	
2024	\$ (41,933)
2025	58,559
2026	91,471
2027	141,572
	<u>\$ 249,669</u>

**Note 8 - 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.

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

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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, 2021 valuation will be amortized over an 17-year period beginning October 1, 2021 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2022.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	20.14%
Member Investment Plan	3.0 - 7.0%	20.14%
Pension Plus	3.0 - 6.4%	17.22%
Pension Plus 2	6.2%	19.93%
Defined Contribution	0.0%	13.73%

Required contributions to the pension plan from the Library were \$50,470 for the year ending September 30, 2022.

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

At June 30, 2023, the Library reported a liability of \$557,685 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2021. The Library's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2022, the Library's proportion was .0015 percent, which was a decrease of .0010 percent from its proportion measured as of September 30, 2021.

For the plan year ending September 30, 2022, the Library recognized pension expense of (\$258,223) for the measurement period. For the reporting period ending June 30, 2023, the Library recognized total pension contribution expense of \$36,199.

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At June 30, 2023, 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	\$ 5,579	\$ (1,247)	\$ 4,332
Changes in assumptions	95,830	-	95,830
Net difference between projected and actual earnings on pension plan investments	1,308	-	1,308
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(677,221)	(677,221)
Employer contributions subsequent to the measurement date	31,443	(19,778)	-
<b>Total</b>	<b>\$ 134,160</b>	<b>\$ (698,246)</b>	<b>\$ (575,751)</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 ending June 30, 2024. The District will offset the contribution expense in the year ended June 30, 2024, with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. 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)	
2023	\$ (275,892)
2024	(208,156)
2025	(96,793)
2026	5,090
	<u>\$ (575,751)</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, 2021

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- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
  - MIP and Basic Plans: 6.00% net of investment expenses
  - Pension Plus Plan: 6.00% 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
- 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: RP-2014 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, 2018 valuation. The total pension liability as of September 30, 2022, is based on the results of an actuarial valuation date of September 30, 2021, 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 4.3922 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2022 MPSERS Annual Comprehensive 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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.1 %
Private Equity Pools	16.0	8.7
International Equity	15.0	6.7
Fixed Income Pools	13.0	(0.2)
Real Estate and Infrastructure Pools	10.0	5.3
Absolute Return Pools	9.0	2.7
Real Return/Opportunistic Pools	10.0	5.8
Short Term Investment Pools	2.0	(0.5)
	100.0%	

\*Long-term rates of return are net of administrative expenses and 2.2% inflation.

**Rate of Return**

For the plan year ended September 30, 2022, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was (4.18)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



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**Discount Rate**

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the 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 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 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. 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 the discount rate of 6.00% (6.00% 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 higher:

1% Decrease *	Current Single Discount Rate Assumption *	1% Increase *
5.00%	6.00%	7.00%
\$ 735,937	\$ 557,685	\$ 410,797

\*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 Annual Comprehensive 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 9 - 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.

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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 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 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, 2021 valuation will be amortized over an 17-year period beginning October 1, 2021 and ending September 30, 2038.

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The schedule below summarizes OPEB contribution rates in effect for plan year 2022.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.09%
Personal Healthcare Fund (PHF)	0.0%	7.23%

Required contributions to the OPEB plan from the Library were \$7,014 for the year ended September 30, 2022.

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

At June 30, 2023, the Library reported a liability of \$19,503 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2021. The Library's proportion of the net OPEB liability was determined by dividing 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, 2022, the Library's proportion was .0009 percent, which was a decrease of .0008 percent from its proportion measured as of September 30, 2021.

For the plan year ending September 30, 2022, the Library recognized OPEB expense of (\$86,293) for the measurement period. For the reporting period ending June 30, 2023, the Library recognized total OPEB contribution expense of \$7,411.

At June 30, 2023, 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	\$ -	\$ (38,199)	\$ (38,199)
Changes in assumptions	17,384	(1,415)	15,969
Net difference between projected and actual earnings on OPEB plan investments	1,524	-	1,524
Changes in proportion and differences between employer contributions and proportionate share of contributions	273	(205,614)	(205,341)
Employer contributions subsequent to the measurement date	4,787	-	-
<b>Total</b>	<b>\$ 23,968</b>	<b>\$ (245,228)</b>	<b>\$ (226,047)</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, 2024. 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)	
2023	\$ (78,127)
2024	(61,603)
2025	(51,168)
2026	(23,287)
2027	(10,112)
Thereafter	(1,750)
	<b>\$ (226,047)</b>

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**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, 2021
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3.0% Year 120
- 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: RP-2014 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 Assumption: 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, 2018 valuation. The total OPEB liability as of September 30, 2022, is based on the results of an actuarial valuation date of September 30, 2021, 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 in years is 6.2250 years.

Recognition period for assets in years is 5.000.

Full actuarial assumptions are available in the 2022 MPSERS Annual Comprehensive Financial Report found on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

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**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, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.1 %
Private Equity Pools	16.0	8.7
International Equity	15.0	6.7
Fixed Income Pools	13.0	(0.2)
Real Estate and Infrastructure Pools	10.0	5.3
Absolute Return Pools	9.0	2.7
Real Return/Opportunistic Pools	10.0	5.8
Short Term Investment Pools	2.0	(0.5)
	<u>100.0%</u>	

\*Long-term rates of return are net of administrative expenses and 2.2% inflation.

**Rate of Return**

For the plan year ended September 30, 2022, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was (4.99)%. 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 6.00% 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 6.00%. 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 6.00%, 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 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
<u>\$ 32,714</u>	<u>\$ 19,503</u>	<u>\$ 8,377</u>

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**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
\$ 8,167	\$ 19,503	\$ 32,228

**OPEB Plan Fiduciary Net Position**

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2022 MPSERS Annual Comprehensive 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 10 - Long-Term Debt**

Other long-term obligations include compensated absences. Long-term obligation activity is summarized as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Current
\$ 29,215	\$ 22,439	\$ 29,215	\$ 22,439	\$ 22,439

**Note 11 - Eliminating Entries**

All significant interfund transactions between the Library and its component unit, Hoyt Trust, have been eliminated in the consolidated statements. These were for contractual payments that the Library owed the Hoyt Trust totaling \$425,595. This results in a total contract income elimination of \$535,785 on the statement of revenues, expenditures and changes in fund balance.

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 of \$202,987 related to the loan that was also eliminated on the balance sheet. There was also a due to other funds and due from other funds eliminated for \$72,056. On the statement of revenues, expenditures and change in fund balance, interest income and interest expense of \$181,260 was eliminated.

**Note 12 - 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, 2023 were \$34,344 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, 2023. 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, 2023**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Current local taxes	\$ 2,500,000	\$ 2,300,000	\$ 2,652,407	\$ 352,407
Interest on delinquent taxes	1,000	1,000	12,972	11,972
Payments in lieu of taxes	30,000	16,000	16,056	56
Personal property tax reimbursement	90,000	87,000	98,493	11,493
Delinquent taxes	4,000	4,000	7,744	3,744
Contract income	145,190	830,000	707,905	(122,095)
State aid	40,000	85,000	117,354	32,354
State aid - Unfunded Actuarial Accrued Liability (UAAL)	45,000	35,000	29,904	(5,096)
Grants	95,000	77,000	41,009	(35,991)
Federal grants	-	-	136,151	136,151
Contributions and gifts	31,400	37,900	26,694	(11,206)
Book fines and fees	4,200	4,200	6,448	2,248
Penal fines	175,000	230,000	231,184	1,184
Telefacsimile fees	5,500	7,000	7,798	798
Copy machines	2,500	5,000	5,095	95
Investment interest	10,000	10,000	53,775	43,775
Loan interest	-	-	181,260	181,260
Universal service fund	9,000	14,500	-	(14,500)
Concessions	10,000	18,500	20,635	2,135
Processing data entry	37,080	37,080	37,080	-
Total revenues	<u>3,234,870</u>	<u>3,799,180</u>	<u>4,389,964</u>	<u>590,784</u>

**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Year Ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
<b>Expenditures</b>				
Main Library	\$ 2,069,300	\$ 2,111,400	\$ 2,434,907	\$ 323,507
Zauel	887,932	879,972	894,522	14,550
Butman Fish	636,625	636,550	764,599	128,049
Ruth Brady Wickes	160,100	112,900	160,511	47,611
Total expenditures	<u>3,753,957</u>	<u>3,740,822</u>	<u>4,254,539</u>	<u>513,717</u>
Excess (deficiency) of revenues over expenditures	(519,087)	58,358	135,425	77,067
Fund balance - beginning of year	<u>8,324,559</u>	<u>8,324,559</u>	<u>8,324,559</u>	<u>-</u>
<b>Fund balance - end of year</b>	<u><u>\$ 7,805,472</u></u>	<u><u>\$ 8,382,917</u></u>	<u><u>\$ 8,459,984</u></u>	<u><u>\$ 77,067</u></u>

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**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**Schedule of Employer Contributions**  
**June 30, 2023**

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	\$ 70,939	\$ 70,939	-	\$ 738,147	9.61%
2016	28,196	28,196	-	750,567	3.76%
2017	-	-	-	569,922	-
2018	12,246	12,246	-	568,693	2.15%
2019	17,924	17,924	-	592,319	3.03%
2020	25,319	25,319	-	645,258	3.92%
2021	24,322	24,322	-	604,266	4.03%
2022	25,090	25,090	-	728,898	3.44%
2023	24,602	24,602	-	602,984	4.08%

Notes: 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.

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

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	10 years
Asset valuation method	5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.00%
Retirement age	60
Mortality	Pub-2010 mortality tables

**Public Libraries of Saginaw, Michigan and Component Units**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**Schedule of Changes in Net Pension Asset and Related Ratios**  
**June 30, 2023**

Fiscal year ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>									
Service cost	\$ 76,461	\$ 81,522	\$ 69,055	\$ 81,898	\$ 48,609	\$ 46,900	\$ 48,087	\$ 61,871	\$ 60,210
Interest on the total pension liability	191,383	192,623	171,333	157,158	139,433	132,752	132,012	115,439	103,705
Benefit payments and refunds	(71,574)	(62,848)	(58,023)	(56,740)	(53,566)	(50,488)	(35,899)	(25,745)	(16,866)
Experience differences	(74,260)	(221,647)	(58,745)	48,306	(24,472)	(44,968)	(127,064)	(8,559)	-
Changes in actuarial assumptions	-	122,496	152,700	66,345	-	-	-	72,516	-
Other changes	-	-	-	-	96,499	-	-	3,608	3,241
Net change in total pension liability	122,010	112,146	276,320	296,967	206,503	84,196	17,136	219,130	150,290
Total pension liability - beginning	2,637,325	2,525,179	2,248,859	1,951,892	1,745,389	1,661,193	1,644,057	1,424,927	1,274,638
Total pension liability - ending (a)	<u>\$ 2,759,335</u>	<u>\$ 2,637,325</u>	<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	\$ 20,328	\$ 24,655	\$ 25,090	\$ 24,391	\$ 17,924	\$ 12,246	\$ -	\$ 28,196	\$ 70,939
Employee contributions	20,328	24,655	25,593	23,889	23,353	21,275	26,059	28,318	33,797
Pension plan net investment income (loss)	(428,495)	507,004	392,475	363,514	(110,570)	329,445	257,170	(35,171)	131,380
Benefit payments and refunds	(71,574)	(62,848)	(58,023)	(56,740)	(53,566)	(50,488)	(35,899)	(25,745)	(16,866)
Pension plan administrative expense	(7,386)	(5,503)	(6,108)	(6,266)	(5,435)	(5,212)	(5,072)	(5,017)	(4,867)
Net change in plan fiduciary net position	(466,799)	487,963	379,027	348,788	(128,294)	307,266	242,258	(9,419)	214,383
Plan fiduciary net position - beginning	3,872,516	3,384,553	3,005,526	2,656,738	2,785,032	2,477,766	2,235,508	2,244,927	2,030,545
Plan fiduciary net position - ending (b)	<u>3,405,717</u>	<u>3,872,516</u>	<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 asset (a-b)	<u>\$ (646,382)</u>	<u>\$ (1,235,191)</u>	<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	123.43%	146.83%	134.03%	133.65%	136.11%	159.57%	149.16%	135.98%	157.55%
Covered payroll	\$ 548,504	\$ 670,415	\$ 627,769	\$ 654,657	\$ 580,752	\$ 559,002	\$ 584,291	\$ 757,301	\$ 736,969
Net pension liability (asset) as a percentage of covered payroll	(117.84%)	(184.24%)	(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)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Library's proportion of net pension liability (%)	0.00150%	0.00250%	0.00408%	0.00588%	0.00655%	0.00664%	0.00731%	0.00766%	0.00935%	
B. Library's proportionate share of net pension liability	\$ 557,685	\$ 592,314	\$ 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	\$ 83,738	\$ 152,594	\$ 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	665.99%	388.16%	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	60.77%	72.60%	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 2022.

Changes in benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2022.

**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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Statutorily required contributions	\$ 36,199	\$ 50,104	\$ 80,095	\$ 116,966	\$ 161,901	\$ 171,289	\$ 113,431	\$ 116,481	\$ 148,561	
B. Contributions in relation to statutorily required contributions	<u>36,199</u>	<u>50,104</u>	<u>80,095</u>	<u>116,966</u>	<u>161,901</u>	<u>171,289</u>	<u>113,431</u>	<u>116,481</u>	<u>148,561</u>	
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
D. Library's covered-employee payroll	\$ 81,960	\$ 85,334	\$ 178,654	\$ 287,477	\$ 415,241	\$ 480,933	\$ 596,730	\$ 580,684	\$ 690,035	
E. Contributions as a percentage of covered-employee payroll	44.17%	58.72%	44.83%	40.69%	38.99%	35.62%	19.01%	20.06%	21.53%	

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**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)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Library's proportion of net OPEB liability (%)	0.00090%	0.00170%	0.00295%	0.00458%	0.00544%	0.00665%				
B. Library's proportionate share of net OPEB liability	\$ 19,503	\$ 26,449	\$ 158,231	\$ 328,953	\$ 432,495	\$ 588,641				
C. Library's covered-employee payroll	\$ 83,738	\$ 152,594	\$ 257,944	\$ 396,808	\$ 460,451	\$ 531,422				
D. Library's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	23.29%	17.33%	61.34%	82.90%	93.93%	110.77%				
E. Plan fiduciary net position as a percentage of total OPEB liability	83.09%	87.33%	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 2022.

Changes in benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2022.

**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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Statutorily required contributions	\$ 7,411	\$ 6,990	\$ 14,889	\$ 22,823	\$ 29,951	\$ 34,120				
B. Contributions in relation to statutorily required contributions	<u>7,411</u>	<u>6,990</u>	<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>	<u>\$ -</u>	<u>\$ -</u>				
D. Library's covered-employee payroll	\$ 81,960	\$ 85,334	\$ 178,654	\$ 287,477	\$ 415,241	\$ 480,933				
E. Contributions as a percentage of covered-employee payroll	9.04%	8.19%	8.33%	7.94%	7.21%	7.09%				

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**Public Libraries of Saginaw, Michigan and Component Units**  
**Other Supplementary Information**  
**Schedule of Expenditures (Before Eliminating Entries)**  
**Year Ended June 30, 2023 (With Summarized Comparative Totals for 2022)**

Year Ended June 30, 2023

	Main	ZaueI	Butman Fish	Ruth Brady Wickes	Hoyt Trust	Saginaw Public Libraries Foundation	Total Actual	Budget	Over (Under) Budget	June 30, 2022 Actual
Salaries - professional and semi-professional	\$ 613,572	\$ 206,758	\$ 234,857	\$ 46,706	\$ -	\$ -	\$ 1,101,893	\$ 1,209,000	\$ (107,107)	\$ 1,148,010
Salaries - secretaries	97,088	83,012	73,724	663	-	-	254,487	272,000	(17,513)	262,562
Salaries - page	50,948	55,749	42,920	-	-	-	149,617	208,000	(58,383)	168,576
Salaries - substitute	28,378	12,978	8,149	1,114	-	-	50,619	35,000	15,619	45,055
Employee Benefits	235,301	46,839	55,209	3,755	-	-	341,104	487,700	(146,596)	434,514
Books and periodicals	109,312	129,613	40,480	8,308	-	-	287,713	335,500	(47,787)	306,545
Utilities and telephone	18,044	8,387	35,953	13,347	104,352	-	180,083	202,000	(21,917)	204,670
Supplies and materials	45,550	13,284	3,130	301	-	-	62,265	77,150	(14,885)	68,817
Repairs and maintenance	-	-	119,957	71,575	276,745	-	468,277	142,100	326,177	126,126
Programs	150,907	15,242	1,646	205	-	-	168,000	86,500	81,500	150,755
Contractual expenses	515,143	143,902	25,698	14,537	9,037	-	708,317	547,032	161,285	647,734
Professional and legal	35,312	10,502	-	-	2,508	2,000	50,322	73,300	(22,978)	37,112
Furniture and equipment	35,299	14,876	11,002	-	-	-	61,177	94,300	(33,123)	76,081
Insurance	-	-	-	-	-	-	-	11,300	(11,300)	10,640
Interest	-	-	-	-	171,844	-	171,844	350,000	(178,156)	249,994
Data processing	78,082	57,309	-	-	-	-	135,391	143,080	(7,689)	101,859
Miscellaneous	39,245	1,862	-	-	4,392	1,981	47,480	138,160	(90,680)	148,416
Depreciation	-	-	-	-	213,662	-	213,662	-	213,662	213,661
Change in MERS asset	382,726	94,209	111,874	-	-	-	588,809	-	588,809	(375,817)
Total expenditures	\$ 2,434,907	\$ 894,522	\$ 764,599	\$ 160,511	\$ 782,540	\$ 3,981	\$ 5,041,060	\$ 4,412,122	\$ 628,938	\$ 4,025,310

**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, 2023 (With Summarized Comparative Totals for 2022)**

	Year Ended June 30, 2023			Year Ended
	Budget	Actual	Over (Under) Budget	June 30, 2022 Actual
<b>Revenues</b>				
Current local taxes	\$ 2,300,000	\$ 2,652,407	\$ 352,407	\$ 2,599,779
Payments in lieu of taxes	16,000	16,056	56	23,007
Delinquent taxes	4,000	7,744	3,744	4,371
Personal property tax reimbursement	87,000	98,493	11,493	86,242
Interest on delinquent taxes	1,000	12,972	11,972	769
Contract income	118,000	110,353	(7,647)	21,856
State aid	50,000	112,429	62,429	94,903
State aid - Unfunded Actuarial Accrued Liability (UAAL)	35,000	29,904	(5,096)	36,243
Grants	77,000	41,009	(35,991)	139,317
Federal grants	-	136,151	136,151	-
Contributions and gifts	23,900	14,629	(9,271)	12,252
Book fines and fees	3,100	4,126	1,026	3,625
Penal fines	150,000	149,009	(991)	-
Telefacsimile fees	5,000	5,938	938	6,478
Copy machines	3,000	3,742	742	3,265
Investment interest	10,000	53,775	43,775	552
Loan interest	-	181,260	181,260	-
Processing data entry	37,080	37,080	-	-
Universal service fund	9,000	-	(9,000)	14,472
Concessions	11,000	13,345	2,345	11,859
<b>Total revenues</b>	<b>2,940,080</b>	<b>3,680,422</b>	<b>740,342</b>	<b>3,058,990</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, 2023 (With Summarized Comparative Totals for 2022)**

	Year Ended June 30, 2023			Year Ended June 30, 2022 Actual
	Budget	Actual	Over (Under) Budget	
<b>Expenditures</b>				
Main Library	\$ 2,111,400	\$ 2,434,907	\$ 323,507	\$ 1,962,499
Butman Fish	636,550	764,599	128,049	536,572
Ruth Brady Wickes	112,900	160,511	47,611	135,411
Total expenditures	2,860,850	3,360,017	499,167	2,634,482
Excess of revenues over expenditures	79,230	320,405	241,175	424,508
Fund balance - beginning of year	6,455,679	6,880,187	(424,508)	6,455,679
<b>Fund balance - end of year</b>	\$ 6,534,909	\$ 7,200,592	\$ (183,333)	\$ 6,880,187

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**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, 2023 (With Summarized Comparative Totals for 2022)**

	Year Ended June 30, 2023			Year Ended
	Budget	Actual	Over (Under) Budget	June 30, 2022 Actual
<b>Revenues</b>				
Saginaw Township	\$ 712,000	\$ 597,552	\$ (114,448)	\$ 635,214
State aid	35,000	4,925	(30,075)	36,397
Book fines and fees	1,100	2,322	1,222	1,419
Penal fines	80,000	82,175	2,175	-
Copy machines	2,000	1,353	(647)	1,761
Concessions	7,500	7,290	(210)	7,234
Telefacsimile fees	2,000	1,860	(140)	1,737
Universal service fund	5,500	-	(5,500)	7,128
Contributions and gifts	14,000	12,065	(1,935)	4,797
Total revenue	<u>859,100</u>	<u>709,542</u>	<u>(149,558)</u>	<u>695,687</u>
<b>Expenditures</b>				
Salaries - professional and semi-professional	230,000	206,758	(23,242)	214,894
Salaries - secretaries	95,000	83,012	(11,988)	90,741
Salaries - page	58,000	55,749	(2,251)	50,841
Salaries - substitute	15,000	12,978	(2,022)	14,474
Employee Benefits	79,250	46,839	(32,411)	64,396
Books and periodicals	134,200	129,613	(4,587)	113,224
Utilities and telephone	14,000	8,387	(5,613)	13,708
Supplies and materials	16,800	13,284	(3,516)	14,461
Programs	10,000	15,242	5,242	8,825
Contractual expenses	138,882	143,902	5,020	24,165

**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, 2023 (With Summarized Comparative Totals for 2022)**

	Year Ended June 30, 2023		Over (Under) Budget	Year Ended June 30, 2022 Actual
	Budget	Actual		
Total brought forward	\$ 791,132	\$ 715,764	(75,368)	\$ 609,729
Professional and legal	8,900	10,502	1,602	8,687
Furniture and equipment	19,800	14,876	(4,924)	29,499
Insurance	1,300	-	(1,300)	1,000
Data processing	56,580	57,309	729	16,198
Miscellaneous	2,260	1,862	(398)	14,685
Change in MERS asset	-	94,209	94,209	(48,856)
Total expenditures	<u>879,972</u>	<u>894,522</u>	<u>14,550</u>	<u>630,942</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (20,872)</u>	<u>\$ (184,980)</u>	<u>\$ (164,108)</u>	<u>\$ 64,745</u>

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