

# **Flint Public Library**

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**Financial Report  
with Supplemental Information  
June 30, 2015**

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## Independent Auditor's Report

To the Board of Directors  
Flint Public Library

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the discretely presented component unit of the Flint Public Library (the "Library") as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Flint Public Library's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

To the Board of Directors  
Flint Public Library

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the discretely presented component unit of the Flint Public Library as of June 30, 2015, and the respective changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 12 to the basic financial statements, in 2015, the Library adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of governmental employers through pension plans. Our opinion is not modified with respect to this matter.

**Required Supplemental Information**

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

*Plante & Moran, PLLC*

October 27, 2015

# Flint Public Library

## Management's Discussion and Analysis

This section of the Flint Public Library's (the "Library") annual financial report presents our discussion and analysis of the Library's financial performance during the fiscal year ended June 30, 2015. Please read it in conjunction with the Library's financial statements, which follow this section.

### Financial Highlights

The highlights of the financial statements as presented are as follows:

- The Library's primary source of revenue is from property taxes. For 2015, total tax collections were \$2,356,348. This represents approximately 69 percent of total revenue.
- The Library received two grants for operations in 2015. A grant of \$300,000 was received from the C. S. Mott Foundation for general operations and a grant of \$240,000 was received from the Ruth Mott Foundation for general operations and the African/African Disapora Writers Series. The grants represent approximately 16 percent of total revenue.
- Personnel costs are the largest overall expenditure of the Library. For 2015, salaries, benefits, and taxes totaled \$2,068,121 after full accrual basis adjustments, representing approximately 62 percent of the Library's total expenditures.
- Library materials (e.g., books, CDs, DVDs, electronic databases, etc.) of \$225,542 are one of the largest overall expenditures of the Library. This represents approximately 7 percent of the Library's total expenditures.
- Total expenditures for the entire year before depreciation were \$3,340,025.
- The Library's net position decreased by \$197,925 during the year ended June 30, 2015. Depreciation expense was \$276,351. The decrease in net position includes both a prior year adjustment and current year recording of pension liability expenses as required by the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions (GASB 68)*.

# Flint Public Library

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## Management's Discussion and Analysis (Continued)

### Government-wide Statements

The government-wide statements report information about the Library as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Library's net position and how it has changed. Net position - the difference between the Library's assets and liabilities - is one way to measure the Library's financial health or position.

- Over time, increases or decreases in the Library's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Library, you need to consider additional nonfinancial factors such as changes in the Library's property tax base.

The implementation of GASB 68 is accounted for in the government-wide statements. The net effect to the government-wide statements was a net pension liability of \$1,536,978. This figure includes deferred outflows of \$148,887, deferred inflows of \$(139,046), net pension asset of \$341,040, and net pension liability of \$(1,887,859).

### Overview of the Financial Statements

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplemental information that presents a schedule of the operating budget as originally adopted, the amended budget, and compares the amended budget with actual results. The budget presented does not include the development revenue or expenses. This information will be utilized by the Library's administration to help forecast future budgetary revenue and expenditures.

# Flint Public Library

## Management's Discussion and Analysis (Continued)

### Governmental Activities

#### Financial Analysis of the Library as a Whole

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Library, assets exceeded liabilities by approximately \$2.8 million at the close of the most recent fiscal year (see table below).

	Governmental Activities				Percent
	2013	2014	2015	Change	Change
<b>Assets</b>					
Other assets	\$ 1,872,045	\$ 2,314,183	\$ 2,676,293	\$ 362,110	16%
Capital assets	<u>3,078,119</u>	<u>2,842,400</u>	<u>2,638,744</u>	<u>(203,656)</u>	-7%
Total assets	4,950,164	5,156,583	5,315,037	158,454	3%
<b>Deferred Outflows of Resources</b>	-	-	218,545	218,545	100%
<b>Liabilities</b>					
Current liabilities	240,229	252,966	259,517	6,551	3%
Long-term liabilities	<u>321,717</u>	<u>325,881</u>	<u>2,225,152</u>	<u>1,899,271</u>	583%
Total liabilities	561,946	578,847	2,484,669	1,905,822	329%
<b>Deferred Inflows of Resources</b>	-	-	208,704	208,704	100%
<b>Net Position</b>					
Net investment in capital assets	3,078,119	2,842,400	2,638,744	(203,656)	-7%
Restricted	272,530	278,703	237,154	(41,549)	-15%
Unrestricted	<u>1,037,569</u>	<u>1,456,633</u>	<u>(35,689)</u>	<u>(1,492,322)</u>	-102%
Total net position	<u>\$ 4,388,218</u>	<u>\$ 4,577,736</u>	<u>\$ 2,840,209</u>	<u>\$ (1,737,527)</u>	-38%

	Governmental Activities				Percent
	2013	2014	2015	Change	Change
<b>Revenue</b>					
Property taxes	\$ 2,657,004	\$ 2,332,702	\$ 2,356,348	\$ 23,646	1%
Other revenue	<u>605,336</u>	<u>1,372,022</u>	<u>998,196</u>	<u>(373,826)</u>	-27%
Total revenue	3,262,340	3,704,724	3,354,544	(350,180)	-9%
<b>Program Expenses - General government</b>	<u>3,741,469</u>	<u>3,514,506</u>	<u>3,611,419</u>	<u>96,913</u>	3%
<b>Change in Net Position</b>	<u>\$ (479,129)</u>	<u>\$ 190,218</u>	<u>\$ (256,875)</u>	<u>\$ (447,093)</u>	-235%

# Flint Public Library

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## Management's Discussion and Analysis (Continued)

Total net position for the Library decreased \$197,925 during the year ended June 30, 2015.

Total revenue decreased by \$350,180 or 9 percent, while expenses increased \$37,263 or 1 percent.

The decrease in other revenue is attributable to the use of assigned fund balance from grants received in FY 14 funding programs in both FY 14 and FY 15. The grant revenue was recognized for accounting purposes in the fiscal year ended June 30, 2014. A total of \$187,896 was used from assigned fund balance in FY 15.

For the first time in several years, property tax revenue increased slightly by 1 percent. The Library has maintained an allowance of \$138,880 for potential chargebacks on the tax roll to mitigate the effect on current year revenue.

The increase in expenses was the result of utilizing assigned fund balance and current year grants received for programming. Operating expenditures, not attributable to grants, decreased \$112,826 due to continued conservative use of resources during the year.

### **The Library's Fund**

Our analysis of the Library's major fund begins on page 15, following the government-wide financial statements. The fund financial statements provide detail information about the General Fund, the Library's major fund for 2015, not the Library as a whole.

The General Fund pays for the Library's services. The most significant expenditures are salaries and wages and employee benefits and taxes. Maintenance and utilities for the building owned by the Library are the next most significant, followed by materials expenses and supplies or program expenses. Property taxes levied on the property owners in the city of Flint comprise the most significant revenue source for the General Fund.



# Flint Public Library

## Management's Discussion and Analysis (Continued)

The following table shows the total governmental fund activity on a modified accrual basis:

	Governmental Fund - General Fund				Percent
	2013	2014	2015	Change	Change
<b>Revenue</b>					
Property taxes	\$ 2,657,004	\$ 2,271,769	\$ 2,356,348	\$ 84,579	4%
Universal service fund rebates (E rate)	17,573	96,077	55,287	(40,790)	-42%
Charges for services	74,363	82,971	57,512	(25,459)	-31%
Penal fines	87,564	91,187	70,000	(21,187)	-23%
Grants and memorials	157,046	857,560	671,650	(185,910)	-22%
State aid	118,894	203,275	159,218	(44,057)	-22%
Investment income	2,913	3,897	11,119	7,222	185%
Gifts	132,162	34,800	25,564	(9,236)	-27%
Miscellaneous	6,821	1,555	6,796	5,241	337%
<b>Total revenue</b>	<b>3,254,340</b>	<b>3,643,091</b>	<b>3,413,494</b>	<b>(229,597)</b>	<b>-6%</b>
<b>Expenditures</b>					
Current:					
Salaries and wages	1,793,739	1,567,337	1,406,116	(161,221)	-10%
Employee benefits and taxes	729,830	772,168	662,005	(110,163)	-14%
Materials	283,216	175,276	225,542	50,266	29%
Supplies	149,130	113,304	151,841	38,537	34%
Maintenance and utilities	271,364	254,692	265,593	10,901	4%
Professional services	70,841	71,041	64,290	(6,751)	-10%
Rent	2,374	2,372	2,342	(30)	-1%
Communications	74,086	90,292	91,822	1,530	2%
Dues and memberships	4,590	4,494	2,745	(1,749)	-39%
Printing and publishing	39,341	29,456	26,707	(2,749)	-9%
Library cards and other fees	28,527	26,123	25,579	(544)	-2%
Insurance	41,000	36,207	31,408	(4,799)	-13%
Grant and memorial expenditures	96,252	64,179	281,395	217,216	338%
Transportation/Staff development	8,611	7,167	11,062	3,895	54%
Capital outlay	27,167	61,215	91,578	30,363	50%
<b>Total expenditures</b>	<b>3,620,068</b>	<b>3,275,323</b>	<b>3,340,025</b>	<b>64,702</b>	<b>2%</b>
<b>Net Change in Fund Balance</b>	<b>(365,728)</b>	<b>367,768</b>	<b>73,469</b>	<b>(294,299)</b>	<b>80%</b>
<b>Fund Balance - Beginning of year</b>	<b>1,989,544</b>	<b>1,623,816</b>	<b>1,991,584</b>	<b>367,768</b>	<b>23%</b>
<b>Fund Balance - End of year</b>	<b>\$ 1,623,816</b>	<b>\$ 1,991,584</b>	<b>\$ 2,065,053</b>	<b>\$ 73,469</b>	<b>4%</b>

# Flint Public Library

## Management's Discussion and Analysis (Continued)

### Capital Assets

At the end of 2015, the Library had capital assets of \$2,638,744 net of accumulated depreciation. The largest portion represents donated building and land of the main branch of \$2,650,000 at fair market value at the date of donation; the current book value net of accumulated depreciation is \$1,043,688. This net amount complies with methods established by Governmental Accounting Standards Board (GASB) Statement No. 34.

### Long-term Debt

At year end, the Library had \$175,975 owed to employees for compensated absences and \$161,318 for terminal leave payments.

### Budgets

The significant changes to the total overall budget between the original and final amended budget were due to the following items:

### Revenue

- Property tax revenue stabilized after four years of declines in property tax values in the city of Flint. The Library proactively maintained an allowance for estimated chargebacks of \$138,880.
- Universal service fund rebates (E rate) decreased compared to fiscal year 2014. The decrease is the result of a change in accounting estimate whereas the rebates are recorded when actually received, unlike previous years when a receivable was recorded for amounts not received by the end of the fiscal year.
- Charges for services include for budgetary purposes the 20 percent paid by employees for healthcare insurance. The amount for fiscal year 2015 decreased as a result of a change in health plans and a reduction in staff.
- Actual penal fine receipts increased to \$102,384, reversing a downward trend that began in fiscal year 2011. Of the amount received, \$70,000 was planned and accounted for in FY 15, and the balance was accounted for in FY 16.
- Grants and memorials increased in fiscal year 2015 as a result of meeting the objectives of the strategic plan to find other revenue sources to fund programs due to the decline in property tax revenue. The Library also received operating grants of \$300,000 from the C. S. Mott Foundation and \$240,000 from the Ruth Mott Foundation to offset the decline in property tax revenue.

# Flint Public Library

## Management's Discussion and Analysis (Continued)

- State aid revenue was decreased by \$44,057. State aid revenue is comprised of two components, state aid as appropriated for libraries and the Michigan Public School Employees' Retirement System (MPSERS) unfunded actuarial accrued liability (UAAL) rate stabilization payment as required by PA 60 of 2013. State aid revenue as appropriated for libraries as per PA 89 of 1977 was \$60,317 for fiscal year 2015. The MPSERS stabilization payment for fiscal year 2015 was \$98,901, a decrease of \$44,001. The payments were stopped in March 2015 by governor order due to the estimated declining revenue to the State of Michigan.

### Expenditures

- There was an overall decrease in salaries and wages in fiscal year 2015. Positions vacated by retirements were permanently eliminated. Other positions became part time for the fiscal year through a collaboration with the Genesee Intermediate School District (GISD). This collaboration ended in September 2015.
- The increase in employee benefits and taxes is a result of additional costs for the MPSERS stabilization payments adjusted at the end of the fiscal year. Prior to this adjustment, there was a decrease in employee benefits and taxes which was the result of attrition in staff, the collaboration with GISD, and a reduction in health insurance costs due to the implementation of a new healthcare plan.
- There was a decrease in amounts spent for library materials and materials support resulting from the receipt of grants and gifts specifically for those purposes.

### Economic Factors and Next Year's Budget

Property values are projected to increase by 1 percent in fiscal year 2016 for the first time in five years; however, foreclosures and abandoned property will continue to reduce revenue in the upcoming fiscal year. The management of the Library continues to be committed to operating the Library within the revenue provided. Libraries in Michigan are funded almost completely at the local level through property tax revenue. The decline in the tax base in the city of Flint has led the Library to seek out other funding mechanisms as well as private fundraising and the development of a base of donors committed to the Library and its mission and vision.

The declining property values and the continued poor economy in the city of Flint have led to an unprecedented level of home foreclosures as well tax foreclosures. In Michigan, a property that has delinquent taxes may be foreclosed upon after two years; after three years, the property is sold at a tax auction. County treasurers set up a delinquent tax revolving fund in which taxing entities are paid in full for delinquent taxes in the year they are levied. As adjustments are made to the delinquent tax roll due to collections and foreclosures, the adjustments are charged back to the taxing entities. When property values are rising, the adjustments often result in additional revenue for the entities; in years of declining values, the adjustments result in revenue being reduced from the current year tax roll.

# Flint Public Library

## Management's Discussion and Analysis (Continued)

The Library has proactively maintained a liability for chargebacks of \$138,880 for fiscal year 2016 and reduced anticipated collections by 8 percent based on a methodology for determining reductions for past property tax chargebacks and budgets to reduce property tax revenue as a result of the methodology.

Flint Public Library's adopted operating budget for the fiscal year ending June 30, 2016 as adopted in June 2015 is as follows:

Estimated revenue	\$ 2,747,839
Estimated use of fund balance	532,395
Estimated expenditures	<u>3,280,234</u>
Net	<u>\$ -</u>

The budget, as adopted by the board of trustees, assigned net funds of \$17,128, and unassigned, uncommitted, and unrestricted funds of \$515,267. The FY16 budget as presented was based on the assumption that tax revenue will remain essentially flat, and is stated without additional millage revenue. Expenditures as presented preserved the Library's current days and hours of operation.

The Library undertook a planning process, with nationally recognized library experts from Library Strategies International, between July 2014 and February 2015. The goal of the planning was to develop a new model of library service that aligns library services with community needs as expressed in the City of Flint Master Plan and the Flint and Genesee Literacy Network's Plan for Improving Community Literacy and that can be made financially sustainable over time.

The planning process led to two significant decisions to stabilize the budget and ensure future viability:

First, the board placed a millage proposal on the November 2015 ballot. The additional .6 mills would bring the Library to its maximum millage rate allowed by state law, and would generate approximately \$447,000 in new revenue beginning in December 2015. This will effectively close the current revenue gap.

Second, the board and Library leadership have established a new model of library service that will result in a transformation plan for the Flint Public Library.

*Our vision is to become Flint's "go to" place for learning across the lifespan.*

We plan to transform this Library into a future-focused, sustainable resource that not only supports, but also leads, Flint's vision for the future. This plan will accomplish several critical things over the next year:

# Flint Public Library

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## Management's Discussion and Analysis (Continued)

Channel Library resources (money and staff) into three key service priority areas to:

- Inspire creativity through digital literacy;
- Support family literacy; and
- Encourage interaction in a community space.

Additionally, the Library intends to initiate a conceptual building program with a library-specialist architect to identify options for a renovation that will dramatically reduce operating costs.

If both the millage and building renovation occur over the next several years, the Flint Public Library will be positioned to achieve long-term financial sustainability. The Flint Public Library is going to be very intentional about adapting our services and spaces to re-focus on digital literacy, family literacy, and community use of the building.

### Requests for Information

This financial report is designed to provide our citizens and taxpayers with a general overview of the Library's finances and to demonstrate the Library's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance at Flint Public Library, 1026 E. Kearsley, Flint, Michigan 48503.

# Flint Public Library

## Statement of Net Position June 30, 2015

	Primary Governmental Activities	Friends of the Library
<b>Assets</b>		
Cash and cash equivalents (Note 2)	\$ 1,552,945	\$ 57,547
Investments	251,420	-
Receivables:		
Accrued interest receivable	1,589	-
Other receivables	309,093	-
Due from other governmental units	104,286	-
Inventory	8,236	-
Prepaid expenses	107,684	-
Net pension asset (Note 8)	341,040	-
Capital assets (Note 3):		
Assets not subject to depreciation	730,000	-
Assets subject to depreciation	1,908,744	-
Total assets	5,315,037	57,547
<b>Deferred Outflows of Resources (Notes 8 and 9)</b>		
Changes in assumptions	69,658	-
Contributions to the plan subsequent to the measurement date	128,003	-
Net difference between projected and actual earnings on pension plan investments	20,884	-
Total deferred outflows of resources	218,545	-
<b>Liabilities</b>		
Accounts payable	47,224	-
Due to other governmental units	138,880	-
Accrued liabilities and other	73,413	-
Noncurrent liabilities (Note 4):		
Due within one year - Compensated absences and terminal leave	39,073	-
Due in more than one year:		
Compensated absences and terminal leave	298,220	-
Net pension liability (Note 9)	1,887,859	-
Total liabilities	2,484,669	-
<b>Deferred Inflows of Resources (Note 9)</b>		
	208,704	-
<b>Net Position</b>		
Net investment in capital assets	2,638,744	-
Restricted for (Note 7):		
Expendable endowment	193,817	-
Nonexpendable endowment	20,000	-
Donor-restricted contributions	8,402	-
Programming	14,935	-
Unrestricted	(35,689)	57,547
Total net position	\$ 2,840,209	\$ 57,547

The Notes to Financial Statements are an  
Integral Part of this Statement.

# Flint Public Library

Functions/Programs	Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government - Governmental activities - Library operations	\$ 3,611,419	\$ 57,512	\$ 697,214
Component unit - Friends of the Library	\$ 21,858	\$ -	\$ -

General revenue:

- Property taxes
- Universal service fund rebates (E rate)
- State aid
- Investment income
- Penal fines
- Other miscellaneous income

Total general revenue

**Change in Net Position**

**Net Position** - Beginning of year - As restated  
(Note 12)

**Net Position** - End of year

**Statement of Activities  
Year Ended June 30, 2015**

Net (Expense) Revenue and Changes in Net Position	
<u>Primary Government</u>	
<u>Governmental Activities</u>	<u>Friends of the FPL</u>
<b>\$ (2,856,693)</b>	<b>\$ -</b>
\$ -	\$ (21,858)
2,356,348	-
55,287	-
159,218	-
11,119	-
70,000	-
6,796	23,181
<u>2,658,768</u>	<u>23,181</u>
(197,925)	1,323
<u>3,038,134</u>	<u>56,224</u>
<b><u>\$ 2,840,209</u></b>	<b><u>\$ 57,547</u></b>



# Flint Public Library

## Governmental Fund Balance Sheet June 30, 2015

	<u>General Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,552,945
Investments	251,420
Receivables:	
Accrued interest receivable	1,589
Other receivables	309,093
Due from other governmental units	104,286
Inventory	8,236
Prepaid expenses	<u>107,684</u>
Total assets	<u><b>\$ 2,335,253</b></u>
<b>Liabilities</b>	
Accounts payable	\$ 47,224
Due to other governmental units	138,880
Accrued liabilities and other	<u>73,413</u>
Total liabilities	259,517
<b>Deferred Inflows of Resources</b> - Unavailable pledge revenue	10,683
<b>Fund Balances</b>	
Nonspendable:	
Inventory	8,236
Prepays	107,684
Nonexpendable endowment	20,000
Restricted:	
Expendable endowment	193,817
Programming	14,935
Donor-restricted contributions	8,402
Assigned:	
Subsequent year's budget	531,049
Capital improvements	11,910
Programs and grants	108,251
Unassigned	<u>1,060,769</u>
Total fund balances	<u>2,065,053</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><b>\$ 2,335,253</b></u>

# Flint Public Library

## Governmental Fund Reconciliation of the Balance Sheet to the Statement of Net Position June 30, 2015

<b>Fund Balance Reported in Governmental Fund</b>	\$ 2,065,053
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	2,638,744
Receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	10,683
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(175,975)
Terminal leave payments are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(161,318)
Deferred outflows of resources - pension difference between projected and actual investment earnings as well as contributions made to the plan after the measurement date (MERS)	148,887
Deferred inflows of resources - pension difference between projected and actual investment earnings as well as contributions made to the plan after the measurement date (MPSERS)	(139,046)
Net pension asset is not due as a receivable in the current period and is not reported in the funds	341,040
Net pension liability is not due and payable in the current period and is not reported in the funds	<u>(1,887,859)</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 2,840,209</u></b>

# Flint Public Library

## Governmental Fund Statement of Revenue, Expenditures, and Changes in Fund Balance Year Ended June 30, 2015

	<u>General Fund</u>
<b>Revenue</b>	
Property taxes	\$ 2,356,348
Universal service fund rebates (E rate)	55,287
Penal fines	70,000
Grants and memorials	671,650
Charges for services	57,512
State aid	159,218
Investment income	11,119
Gifts	25,564
Miscellaneous revenue	<u>6,796</u>
Total revenue	3,413,494
<b>Expenditures</b>	
Current - Library operations:	
Salaries and wages	1,406,116
Employee benefits and taxes	662,005
Materials	225,542
Supplies and program expenses	151,841
Maintenance and utilities	265,593
Professional services	64,290
Rent	2,342
Communications	91,822
Dues and memberships	2,745
Printing and publishing	26,707
Library cards and other fees	25,579
Insurance	31,408
Grant and memorial expenditures	281,395
Transportation/Staff development	11,062
Capital outlay	<u>91,578</u>
Total expenditures	<u>3,340,025</u>
<b>Net Change in Fund Balance</b>	73,469
<b>Fund Balance - Beginning of year</b>	<u>1,991,584</u>
<b>Fund Balance - End of year</b>	<u><u>\$ 2,065,053</u></u>

# Flint Public Library

## **Governmental Fund Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities Year Ended June 30, 2015**

**Net Change in Fund Balance - Total Governmental Fund** \$ 73,469

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capital outlay	134,375
Depreciation expense	(276,351)
Net book value of assets disposed of	(61,680)

Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end (58,950)

Increase in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment (11,412)

The change in the net pension asset is recorded when incurred in the statement of activities 8,612

The change in the net pension liability is recorded when incurred in the statement of activities (5,988)

**Change in Net Position of Governmental Activities** **\$ (197,925)**

### **Note I - Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies used by the Flint Public Library (the "Library"):

#### **Reporting Entity**

Pursuant to Proposal A, effective July 1, 1996, school districts in Michigan are not allowed to levy a millage for public libraries. The Library was, therefore, spun off from Flint Community Schools to operate as an independent body with its own board of trustees and its own tax levy. The Library has received voter approval to levy 3.4 mills. The Library became a separate entity as of July 1, 2000. Transfer of certain assets and liabilities was completed on June 16, 2004 between the Library and Flint Community Schools. The Library is governed by a board of trustees (the "Library Board"), which consists of seven members. The mayor appoints three members and the Flint Board of Education appoints four members.

The Library's district borders encompass the city of Flint (the "City").

The accompanying financial statements present the Library and its component unit, an entity for which the Library is considered to be financially accountable. The component unit discussed below is included in the Library's reporting entity because of the significance of its operational or financial relationship with the Library. The component unit is discretely presented via a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the Library.

**Discretely Presented Component Units** - Friends of the Flint Public Library (FFPL) (a not-for-profit organization) is a separate legal entity formed solely to support the Flint Public Library. The Flint Public Library does not appoint the voting majority of the FFPL's board. There is no fiscal dependency or financial benefit or burden on the Library. The FFPL distributes investment earnings annually to the Library. Requests for financial statements of FFPL can be made to the officers of FFPL.

#### **Accounting and Reporting Principles**

The Library follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

### **Note I - Summary of Significant Accounting Policies (Continued)**

#### **Report Presentation**

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Library and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to patrons for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Property taxes and other items not properly included among program revenue are reported instead as general revenue.

#### **Basis of Accounting**

The Library is budgeted and accounted for using the current financial resources measurement focus and the modified accrual basis of accounting.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The prepaid expenses reported on the balance sheet represent payments made in advance for 2016 expenditures.

Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenue to be available if it is collected within 60 days of the end of the current fiscal period.

### Note I - Summary of Significant Accounting Policies (Continued)

In addition to presenting information for the General Fund on a financial resources and modified accrual basis, the financial statements also present information for the Library using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

#### Fund Accounting

The Library has one fund, the General Fund, which is the Library's primary operating fund.

#### Specific Balances and Transactions

**Bank Deposits and Investments** - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Investments held by others include certificates of deposit with a maturity of greater than 90 days from issuance.

**Receivables** - All trade and property tax receivables are shown as net of an allowance for uncollectible amounts. The amount of reserve for uncollectible personal property taxes was \$138,880 at June 30, 2015.

**Prepaid Expenses** - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid expenses on the balance sheet.

**Capital Assets** - Capital assets are defined by the Library as assets with an initial individual cost of more than \$5,000 and a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the Library are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Works of art	N/A
Computers, software, and accessories	5
Books	10
Vehicles	6
Equipment and furniture	7-20
Buildings and building improvements	20

### Note I - Summary of Significant Accounting Policies (Continued)

**Compensated Absences (Vacation, Sick Leave, and Terminal Leave)** - In accordance with contracts negotiated with the employees of the Library, individual employees have a vested right upon termination of employment to receive payment for unused vacation, sick leave, and terminal leave under formulas and conditions specified in the contracts. All vacation, sick leave, and terminal leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. These liabilities are liquidated by the General Fund.

**Long-term Obligations** - Long-term debt and other long-term obligations are reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Long-term obligations are paid with monies from the General Fund.

**Pension** - The Library offers a defined benefit pension plan to its employees through the Municipal Employees' Retirement System of Michigan (MERS). The Library records a net pension asset for the difference between the total pension asset calculated by the actuary and the pension plan's fiduciary net position. 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 of the Library's pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.



### **Note I - Summary of Significant Accounting Policies (Continued)**

**Other Postemployment Benefit Costs** - The Library offers retiree healthcare benefits to retirees. The Library receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, OPEB costs are recognized as contributions are made. For the government-wide statements, the Library reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any. These liabilities are liquidated by the General Fund.

**Grants and Memorials and Unearned Revenue** - Grant revenue is recorded as it is earned, according to the provisions of the grant. The provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred for a grant-related obligation. Some immaterial variances may occur between grant revenue and expense due to timing differences. Any grant funds received in advance are recorded as unearned revenue until the eligibility requirements have been met.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Due to the implementation of GASB 68, the Library has deferred outflows of resources related to the defined benefit pension plan, made up of employer contributions made subsequent to the measurement date, as well as the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Library has two items that qualify for reporting in this category. The deferred inflows of resources related to unavailable revenue from pledges is reported only in the governmental fund balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The Library also has deferred outflows of resources related to the defined benefit pension plan for MPERS.

### Note I - Summary of Significant Accounting Policies (Continued)

#### Net Position Flow Assumption

Sometimes the Library will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### Fund Balance Flow Assumption

Sometimes the Library will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Library's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### Fund Balance Policies

In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed:** Amounts that have been formally set aside by the board for use for specific purposes. Commitments are made and can be rescinded only via resolution of the board.
- **Assigned:** Intent to spend resources on specific purposes expressed by the governing body, director, or manager of finance, who are authorized by resolution approved by the governing body to make assignments

### Note I - Summary of Significant Accounting Policies (Continued)

- Unassigned: Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

The Flint Public Library Board has adopted a fund balance policy (III.4.1) that requires the establishment and maintenance of a three-month operating reserve. The current budget stabilization is approximately equivalent to a three-month operating reserve at \$900,000.

#### **Property Tax Revenue**

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31, at which time the enforceable lien is attached. Taxes are considered delinquent on September 30, at which time penalties and interest are assessed.

The taxable valuation of the Library totaled approximately \$738 million, on which ad valorem taxes levied consisted of 3.4 mills for the Library's operating purposes. The ad valorem taxes levied raised approximately \$2.35 million for operations, which is recognized in the General Fund financial statements as property tax revenue.

The Library is levying 2.0 mills that will be levied in perpetuity. In August 2010, the citizens of the city of Flint passed a renewal of the 0.9 mills along with an increase of .5 mills that took effect in the beginning of fiscal year 2013.

The Library levies its property taxes on July 1 and the City of Flint collects its property taxes and remits them to the Library through February. Genesee County (the "County") purchases the delinquent real property taxes of the Library, and delinquent personal property taxes continue to be collected by the City and recorded as revenue as they are collected. The County sells tax notes, the proceeds of which have been used to pay the Library for these delinquent real property taxes. These delinquent real property taxes have been recorded as revenue in the current year.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Federal Deposit Insurance Corporation (FDIC) provides protection of the Library's deposits. The board authorized FirstMerit Bank, Bank of America, Talmer Bank, Comerica Bank, and JPMorgan Chase for the deposit of the Library's funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997, as amended, had authorized investment in all of the above-mentioned investment vehicles. The Library's deposit and investment policies are in accordance with statutory authority.

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library has a deposit policy for custodial credit risk. At year end, the Library had \$222,285 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Library evaluates the financial institutions with which it deposits funds and assesses their level of risk; only those institutions with an acceptable estimated risk level are used as depositories.

**Deposits and Investments of Component Unit** - All of the deposits of FFPL were fully insured at June 30, 2015.

# Flint Public Library

## Notes to Financial Statements June 30, 2015

### Note 3 - Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

<b>Governmental Activities</b>	Balance July 1, 2014	Reclassifications	Additions	Disposals	Balance June 30, 2015
Capital assets not being depreciated:					
Land	\$ 530,000	\$ -	\$ -	\$ -	\$ 530,000
Construction in progress	13,414	(13,414)	-	-	-
Other nondepreciable assets	200,000	-	-	-	200,000
Subtotal	743,414	(13,414)	-	-	730,000
Capital assets being depreciated:					
Buildings and improvements	2,537,812	13,414	19,594	-	2,570,820
Machinery and equipment	473,455	-	-	-	473,455
Books	1,963,221	-	114,781	(320,307)	1,757,695
Subtotal	4,974,488	13,414	134,375	(320,307)	4,801,970
Accumulated depreciation:					
Buildings and improvements	1,174,531	-	126,237	-	1,300,768
Machinery and equipment	352,912	-	44,758	-	397,670
Books	1,348,059	-	105,356	(258,627)	1,194,788
Subtotal	2,875,502	-	276,351	(258,627)	2,893,226
Net capital assets being depreciated	2,098,986	13,414	(141,976)	(61,680)	1,908,744
Net capital assets	<u>\$ 2,842,400</u>	<u>\$ -</u>	<u>\$ (141,976)</u>	<u>\$ (61,680)</u>	<u>\$ 2,638,744</u>

As part of the transaction to "spin off" from Flint Community Schools, the deed to the building and land of the main branch was given to the Library on the condition that the property be used for public library purposes and with free public library usage for residents of the city of Flint. Should the property cease to be used for public library purposes with free public library usage for residents of the city of Flint, the property ownership would revert back to Flint Community Schools. The deed to the property was transferred on June 15, 2004 at a fair value of \$2,650,000.

### Note 4 - Long-term Debt

#### Governmental Activities

#### General Obligations

The compensated absences represent the estimated liability to be paid to employees under the Library's vacation pay and terminal leave policy. Under the Library's various contracts, employees can earn vacation and sick time based on time of service with the Library. A payment ranging from \$110 to \$250 per year of service at the Library is paid to employees who meet the age and years of service requirements at retirement. The Library estimates that vacation and sick pay of \$32,962 and terminal leave pay of \$6,111 will be paid within the next year.

Long-term liability activity for the year ended June 30, 2015 can be summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Accumulated compensated absences	\$ 172,885	\$ 13,529	\$ (10,439)	\$ 175,975	\$ 32,962
Terminal leave	<u>152,996</u>	<u>19,039</u>	<u>(10,717)</u>	<u>161,318</u>	<u>6,111</u>
Total governmental activities	<u>\$ 325,881</u>	<u>\$ 32,568</u>	<u>\$ (21,156)</u>	<u>\$ 337,293</u>	<u>\$ 39,073</u>

### Note 5 - Budget Information

The Library employs the following procedures in establishing the budgetary data reflected in the financial statements:

- Prior to June 30, the director submits to the board a proposed operating budget for the fiscal year commencing on July 1.
- A public hearing is conducted in June to obtain taxpayer comments.
- Prior to June 30, the budget is legally enacted through passage of a resolution by the board of trustees on a departmental basis.
- For purposes of meeting emergency needs of the Library, transfer of appropriations may be made by the authorization of the director. Such transfers of appropriations must be approved by the board at its next regularly scheduled meeting.
- The director is charged with general supervision of the budget and shall hold the department heads responsible for performance of their responsibilities.
- During the year, the budget is monitored and amendments to the budget resolution are made when deemed necessary. Unexpended appropriations lapse at year end, and, as a result, the amount of encumbrances outstanding at June 30, 2015 has not been calculated. Encumbrances are not included as expenditures.

# Flint Public Library

## Notes to Financial Statements June 30, 2015

### Note 5 - Budget Information (Continued)

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America, except that grants are budgeted on a grant-length basis and employee insurance co-pays are recorded as revenue for budget purposes.

A comparison of the actual results of operations to the General Fund budget as adopted by the Library board is included in the required supplemental information.

### Note 6 - Risk Management

The Library is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Library has purchased commercial insurance for these risks. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage.

### Note 7 - Restricted Net Position - Endowment

The expendable and nonexpendable portions of endowment at June 30, 2015 are comprised of the following:

#### Primary Government

	Restricted - Expendable	Restricted - Nonexpendable	Total
Library Building Fund	\$ 4,497	\$ -	\$ 4,497
Scott Memorial Fund	40,773	20,000	60,773
Library Special Fund (Curtis)	148,547	-	148,547
Total restricted net position	<u>\$ 193,817</u>	<u>\$ 20,000</u>	<u>\$ 213,817</u>

### Note 8 - Agent Defined Benefit Pension Plan Description

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

### Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

**Benefits Provided** - The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The Library has no fiduciary responsibility for the plan. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers all union and nonunion employees hired after July 2000.

Employees are eligible for full retirement benefits upon completion of 25 years of service or at age 50, age 60 with 10 years of service, or upon completion of 30 years of service. Straight-life pension is calculated as follows: credited service at time of termination multiplied by 1.5 percent of the member's final average compensation (five highest consecutive years within the last 10 years of employment), with no maximum percent of final average compensation.

**Employees Covered by Benefit Terms** - At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	<u>16</u>
Total employees covered by MERS	<u><u>27</u></u>

**Contributions** - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

The plan provides that the employer contributes the amount necessary to fund the actuarially determined benefits. The Library makes employer contributions in accordance with funding requirements determined by the system's actuary. The Library's current rate is 4.93 percent of annual covered payroll.

#### **Net Pension Asset**

The net pension asset reported at June 30, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.



### Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

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

Changes in Net Pension Asset	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Asset
<b>Balance at December 31, 2013</b>	\$ 1,019,897	\$ 1,369,604	\$ (349,707)
Service cost	43,096	-	43,096
Interest	85,263	-	85,263
Contributions - Employer	-	35,367	(35,367)
Net investment income	-	87,556	(87,556)
Benefit payments, including refunds	(15,920)	(15,920)	-
Administrative expenses	-	(3,232)	3,231
Net changes	112,439	103,771	8,667
<b>Balance at December 31, 2014</b>	<b>\$ 1,132,336</b>	<b>\$ 1,473,375</b>	<b>\$ (341,040)</b>

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

For the year ended June 30, 2015, the Library recognized pension expense of \$(8,612). At June 30, 2015, the Library reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 20,884
Employer contributions to the plan subsequent to the measurement date	15,957
Total	<u>\$ 36,841</u>

### Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$15,957), which will impact the net pension asset in fiscal year 2016, rather than pension expense.

Years Ending June 30	Amount
2016	\$ 5,221
2017	5,221
2018	5,221
2019	5,221

**Actuarial Assumptions** - The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3% - 4%	
Salary increases	4%	In the long term, 1 percent, 2 percent, and 3 percent for calendar years 2014, 2015, and 2016, respectively, including inflation
Investment rate of return	8.25%	Gross of pension plan investment expense

Mortality rates were based on the 1994 Group Mortality Table of a 50 percent male and 50 female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of the most recent actuarial experience study in 2008. The MERS retirement board is currently conducting an actuarial experience study covering the period from January 1, 2009 through December 31, 2013.

**Discount Rate** - The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employee 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 employee rate.

### Note 8 - Agent Defined Benefit Pension Plan Description (Continued)

#### Projected Cash Flows

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

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Global equity	58 %	5.0 %
Global fixed income	20	2.2
Real assets	12	4.2
Diversifying strategies	10	6.6

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Library, calculated using the discount rate of 8.25 percent, as well as what the Library's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.25 percent) or 1 percentage point higher (9.25 percent) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net pension liability of the Library	\$ (155,963)	\$ (341,040)	\$ (492,275)

### **Note 8 - Agent Defined Benefit Pension Plan Description (Continued)**

**Pension Plan Fiduciary Net Position** - Detailed information about the Plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the Plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are reported by the Plan. The Plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

### **Note 9 - Michigan Public School Employees' Retirement System**

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

The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment healthcare plans. That report is available on the web at <http://www.michigan.gov/orsschools>, or by writing to the Office of Retirement System (ORS) at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

**Contributions** - Public Act 300 of 1980, as amended, required the Library to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state legislature. Under these provisions, each entity's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

The Library's contributions are determined based on employee elections. There are seven different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS.

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

The range of rates is as follows:

#### School District

July 1, 2013 - September 30, 2013	12.78% - 16.25%
October 1, 2013 - September 30, 2014	15.44% - 18.34%
October 1, 2014 - June 30, 2015	18.76% - 23.07%

Depending on the plan selected, plan member contributions range from 0 percent up to 7.0 percent of gross wages. Plan members electing into the defined contribution plan are not required to make additional contributions.

The Library's required and actual contributions to the plan for the years ended June 30, 2015 and 2014 were \$217,708 and \$274,169, respectively. Contributions include \$98,327 and \$143,476 of revenue received from the State of Michigan, and remitted to the System, to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) stabilization rate for the year ended June 30, 2015.

**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 calculated as final average compensation times years of service times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension, but is permanently reduced 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

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

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

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

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. For some members who do not receive an annual increase, they are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

**Net Pension Liability, Deferrals, and Pension Expense** - At June 30, 2015, the Library reported a liability of \$1,887,859 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2013, which used update procedures to roll forward the estimated liability to September 30, 2014. The Library's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2014, the Library's proportion was 0.00857 percent, which, in the year of adoption, is unchanged from the proportion measured as of September 30, 2013.

For the year ended June 30, 2015, the Library recognized pension expense of \$139,098, exclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2015, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Subsequent to Measurement Date	Net Deferred Inflows (Outflows) of Resources as of the Measurement Date
Changes of assumptions	\$ -	\$ (69,658)
Net difference between projected and actual earnings on pension plan assets	-	208,704
Library's contributions subsequent to the measurement date	<u>112,046</u>	<u>-</u>
Total	<u>\$ 112,046</u>	<u>\$ 139,046</u>

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

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

Years Ending June 30	Amount
2016	\$ 33,631
2017	33,631
2018	33,631
2019	38,153
2020	-
Thereafter	-
Total	<u>\$ 139,046</u>

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

**Actuarial Assumptions** - The total pension liability as of September 30, 2014 is based on the results of an actuarial valuation date of September 30, 2013 and rolled forward:

Actuarial cost method	Entry age normal cost actuarial cost method
Assumed rate of return	7.00 to 8.00 percent, net of investment and administrative expenses based on the groups
Rate of pay increases	3.50 percent
Mortality basis	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2025 using projection scale BB

The actuarial assumptions used for the September 30, 2013 valuation were based on the results of an actuarial experience study for the period from October 1, 2007 to September 30, 2012. As a result of this study, the actuarial assumptions were adjusted to more closely reflect actual experience.

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00-8.00 percent depending on the plan option. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for 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.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	28 %	4.8 %
Private equity pools	18	8.5
International equity pools	16	6.1
Fixed-income pools	10	1.5
Real estate and infrastructure pools	10	5.3
Real return, opportunistic, and absolute pool	16	6.3
Short-term investment pools	2	(0.2)
Total	100 %	



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

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Library calculated using the discount rate of 7.00-8.00 percent, depending on the plan option. The following also reflects what the Library's net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower (7.00 percent) or 1.00 percentage point higher (9.00 percent) than the current rate:

1.00 Percent Decrease (7.00 Percent)	Current Discount Rate (8.00 Percent)	1.00 Percent Increase (9.00 Percent)
\$ 2,488,977	\$ 1,887,859	\$ 1,381,407

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS financial report.

**Postemployment Benefits Other Than Pensions (OPEB)** - Under the MPSERS act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits on a pay-as-you-go basis. Participating employers are required to contribute at that rate. The employer contribution rate was 6.45 percent of covered payroll for the period from July 1, 2014 to September 30, 2014 and 2.71 percent of covered payroll for the period from October 1, 2014 through June 30, 2015 dependent upon the employee's date of hire and plan election as noted above. Members can choose to contribute 3 percent of their covered payroll to the Retiree Healthcare Fund and keep this premium subsidy benefit or they can elect not to pay the 3 percent contribution and instead choose the Personal Healthcare Fund, which can be used to pay healthcare expenses in retirement. Members electing the Personal Healthcare Fund will be automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date and create a 2 percent employer match into the employee's 403(b) account.

The Library's required and actual contributions to the plan for retiree healthcare benefits for the years ended June 30, 2015, 2014, and 2013 were \$64,775, \$52,590, and \$70,403, respectively.

### **Note 10 - Component Unit - Friends of the Flint Public Library**

During 1992, the Friends of the Flint Public Library (FFPL), a component unit of the Flint Public Library, created a "designated endowment fund" (the "Fund") at the Community Foundation of Greater Flint (the "Foundation"). The Foundation has variance power over the Fund and, as a result, the assets are not reported on the FFPL's balance sheet. The Foundation must distribute to the Flint Public Library investment earnings annually. The total market value of the Fund held by the Foundation at June 30, 2015 was \$183,270. During the year ended June 30, 2015, new gifts in the amount of \$700 were made to the Fund and the net investment loss amounted to \$(437).

### **Note 11 - Upcoming Accounting Pronouncements**

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Library is currently evaluating the impact this standard will have on the financial statements when adopted, during the Library's 2016 fiscal year.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Library to recognize on the face of the financial statements its proportionate share of the OPEB liability related to its participation in the MPSERS plan. The Statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Library is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Library's financial statements for the year ending June 30, 2018.

### Note 12 - Change in Accounting

During the current year, the Library adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, the government-wide statements now include an asset/liability for our overfunded/unfunded legacy costs. Some of the changes in this net pension asset/liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension footnotes for further details. This change does not impact the General Fund.

The financial statements for the year ended June 30, 2015 have been restated in order to reflect this change in accounting. Under GASB Statement No. 68, the Library is now reflecting an asset/liability for the difference between the total pension asset/liability and the value of assets to offset the asset/liability.

The effect of this change is as follows:

	<u>Governmental Activities</u>
Net position - June 30, 2014 - As previously reported	\$ 4,577,736
Adjustment to record beginning net pension asset related to MERS	369,269
Adjustment to record beginning net pension liability related to MPSERS	<u>(1,908,871)</u>
Net position - June 30, 2014 - As restated	<u>\$ 3,038,134</u>

## **Required Supplemental Information**

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# Flint Public Library

## Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 2,441,468	\$ 2,356,348	\$ 2,356,348	\$ -
Universal service fund rebates (E rate)	63,900	50,642	55,287	4,645
Penal fines	70,000	70,000	70,000	-
Grants and memorials	166,542	678,842	671,650	(7,192)
Charges for services	60,000	57,617	57,512	(105)
State aid	198,065	158,642	159,218	576
Investment income	2,600	9,450	11,119	1,669
Gifts	48,500	25,564	25,564	-
Miscellaneous revenue	1,000	1,396	6,796	5,400
Total revenue	3,052,075	3,408,501	3,413,494	4,993
<b>Expenditures - Current</b>				
Library operations:				
Salaries and wages	1,473,976	1,451,102	1,406,116	44,986
Employee benefits and taxes	793,850	643,607	662,005	(18,398)
Materials	323,000	339,744	225,542	114,202
Supplies and program expenses	217,054	195,714	151,841	43,873
Maintenance and utilities	320,085	284,754	265,593	19,161
Professional services	91,152	72,345	64,290	8,055
Rent	3,100	2,523	2,342	181
Communications	99,000	96,000	91,822	4,178
Dues and memberships	7,015	3,215	2,745	470
Printing and publishing	42,731	28,000	26,707	1,293
Library cards and other fees	36,941	26,183	25,579	604
Insurance	41,000	32,000	31,408	592
Grant and memorial expenditures	192,535	282,811	281,395	1,416
Transportation/Staff development	22,503	19,735	11,062	8,673
Total library operations	3,663,942	3,477,733	3,248,447	229,286
Capital outlay	73,500	100,438	91,578	8,860
Total expenditures	3,737,442	3,578,171	3,340,025	238,146
<b>Net Change in Fund Balance</b>	(685,367)	(169,670)	73,469	243,139
<b>Fund Balance - Beginning of year</b>	1,991,584	1,991,584	1,991,584	-
<b>Fund Balance - End of year</b>	<u>\$ 1,306,217</u>	<u>\$ 1,821,914</u>	<u>\$ 2,065,053</u>	<u>\$ 243,139</u>

# Flint Public Library

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## Note to Required Supplemental Information Year Ended June 30, 2015

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Employee benefits and taxes	\$ 643,607	\$ 662,005	\$ (18,398)

This variance was due to unanticipated expenditures in which the budget was not amended.

# Flint Public Library

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

	<u>2015</u>
<b>Total Pension Asset</b>	
Service cost	\$ 43,096
Interest	85,263
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	<u>(15,920)</u>
<b>Net Change in Total Pension Asset</b>	112,439
<b>Total Pension Asset - Beginning of year</b>	<u>1,019,897</u>
<b>Total Pension Asset - End of year</b>	<u><b>\$ 1,132,336</b></u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 35,367
Contributions - Member	-
Net investment income	87,556
Administrative expenses	(3,231)
Benefit payments, including refunds	(15,920)
Other	<u>-</u>
<b>Net Change in Plan Fiduciary Net Position</b>	103,772
<b>Plan Fiduciary Net Position - Beginning of year</b>	<u>1,369,604</u>
<b>Plan Fiduciary Net Position - End of year</b>	<u><b>\$ 1,473,376</b></u>
<b>Library's Net Pension Asset - Ending</b>	<u><b>\$ (341,040)</b></u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Asset</b>	130.12 %
<b>Covered Employee Payroll</b>	\$ 644,267
<b>Library's Net Pension Asset as a Percentage of Covered Employee Payroll</b>	(52.9)%

# Flint Public Library

## Required Supplemental Information Schedule of Library Contributions Michigan Employees' Retirement System Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 31,762	\$ 40,433	\$ 55,329	\$ 73,025	\$ 85,737	\$ 92,123	\$ 96,268	\$ 90,246	\$ 81,596	\$ 79,267
Contributions in relation to the actuarially determined contribution	31,762	40,433	55,329	73,025	85,737	92,123	96,268	90,246	81,596	79,267
<b>Contribution Deficiency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Employee Payroll</b>	<b>\$ 625,490</b>	<b>\$ 732,486</b>	<b>\$ 700,167</b>	<b>\$ 953,261</b>	<b>\$ 1,040,228</b>	<b>\$ 1,088,733</b>	<b>\$ 1,204,062</b>	<b>\$ 1,175,089</b>	<b>\$ 1,104,821</b>	<b>\$ 1,401,963</b>
<b>Contributions as a Percentage of Covered Employee Payroll</b>	<b>5.1 %</b>	<b>5.5 %</b>	<b>7.9 %</b>	<b>7.7 %</b>	<b>8.2 %</b>	<b>8.5 %</b>	<b>8.0 %</b>	<b>7.7 %</b>	<b>7.4 %</b>	<b>5.7 %</b>

### Notes to Schedule of Library Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported. Contributions for the Library's fiscal year ended June 30, 2015 were determined based on the actuarial valuation as of December 31, 2012. The most recent valuation is as of December 31, 2014.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	24 years
Asset valuation method	10-year smoothed market
Inflation	4.5%
Salary increases	4.5%
Investment rate of return	8.0%
Retirement age	Experience-based table of rates is specific to the type of eligibility condition
Mortality	1994 Group Annuity Mortality Table of a 50 percent male and 50 percent female blend
Other information	None



## Flint Public Library

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### Required Supplemental Information Schedule of the Library's Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System Determined as of the Plan Year Ended September 30

	<u>2014</u>
Library's proportion of the net pension liability	- %
Library's proportionate share of the net pension liability	0.00857 %
Library's covered employee payroll	\$ 744,021
Library's proportionate share of the net pension liability as a percentage of its covered employee payroll	- %
Plan fiduciary net position as a percentage of total pension liability	66.2 %

# Flint Public Library

## Required Supplemental Information Schedule of Library Contributions Michigan Public School Employees' Retirement System Determined as of the Year Ended June 30, 2015

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	\$ 133,110	\$ 274,169	\$ 186,289	\$ 121,662	\$ 164,311	\$ 186,733	\$ 200,778	\$ 212,038	\$ 265,559	\$ 231,319
Contributions in relation to the statutorily required contribution	<u>133,110</u>	<u>274,169</u>	<u>186,289</u>	<u>121,662</u>	<u>164,311</u>	<u>186,733</u>	<u>200,778</u>	<u>212,038</u>	<u>265,559</u>	<u>231,319</u>
<b>Contribution Deficiency (Excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Library's Covered Employee Payroll</b>	\$ 714,294	\$ 742,123	\$ 769,441	\$ 828,268	\$ 830,947	\$ 1,111,955	\$ 1,224,283	\$ 1,288,464	\$ 1,413,417	\$ -
<b>Contributions as a Percentage of Covered Employee Payroll</b>	18.6 %	36.9 %	24.2 %	14.7 %	19.8 %	16.8 %	16.4 %	16.5 %	18.8 %	- %