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FINANCIAL STATEMENTS
December 31, 2020

**Van Buren District Library
Decatur, Michigan
Financial Statements
December 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Van Buren District Library
Decatur, Michigan

We have audited the accompanying financial statements of the governmental activities and each major fund of the Van Buren District Library (the "Library") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Van Buren District Library, as of December 31, 2020, 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.

INDEPENDENT AUDITOR'S REPORT, CONCLUDED

Other Matters

Required Supplementary Information

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

Respectfully submitted,



Certified Public Accountants

St. Joseph, Michigan
March 21, 2021

As management of the Van Buren District Library (the "Library"), we offer readers of the Library's financial statements this narrative overview and analysis of the financial activities of the Library for the year ended December 31, 2020.

FINANCIAL HIGHLIGHTS

- ✓ The assets and deferred outflows of resources of the library exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$3,416,850, and of this amount, \$2,168,452 is unrestricted and may be used to meet the Library's ongoing obligations to citizens and creditors.
- ✓ The Library's total net position increased by \$486,323 for 2020.
- ✓ As of the close of the current year, the Library's governmental funds reported an ending fund balance of \$2,345,784. For this year, revenues exceeded expenditures by \$121,341.
- ✓ Unassigned fund balance for the General Fund was \$1,076,002 or 50% of the total General Fund expenditures for 2020.

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 supplementary information*. The basic financial statements include information that presents two different views of the library:

- The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide financial statements by providing information about the Library's most significant funds.
- The adjustment column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full-accrual method.
- The *library as a whole financial statement* column provides both *long-term* and *short-term* information about the Library's overall financial status. The Statement of Net Position and the Statement of Activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

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

Fund Financial Statements

The fund level financial statements are reported on a modified accrual basis. Only those assets and deferred outflows of resources that are “measurable” and “currently available” are reported. Liabilities and deferred inflows of resources are recognized to the extent they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Treasury’s “Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan”. In the State of Michigan, the Library’s major activities are reported in the General Fund. Additional activities are reported in the Endowment Fund.

In the fund financial statements, capital assets purchased by cash are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year’s payments of principal and interest on long-term obligations are recorded as expenditures. Future year’s debt obligations are not recorded.

Government-wide Financial Statements

The government-wide financial statements are full accrual basis statements. They report all of the Library’s assets, deferred outflows of resources, deferred inflows of resources and liabilities, both short and long-term, regardless if they are “currently available” or not. Capital assets and long-term obligations of the Library are reported in the Statement of Net Position of the government-wide financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the Library, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,416,850 at the close of the most recent year. A portion of the Library's net position, \$1,044,261, is reflected in its net investment in capital assets and \$204,137 is restricted for endowment. These are *not* available for future spending. The following table compares key financial information in a condensed format:

	2020	2019
Current assets	\$ 2,794,123	\$ 2,227,536
Noncurrent assets	2,689,794	2,940,733
Total Assets	\$ 5,483,917	\$ 5,168,269
Deferred Outflows of Resources	\$ 385,503	\$ 325,723
Current liabilities	\$ 1,782	\$ -
Noncurrent liabilities	344,792	506,814
Total Liabilities	\$ 346,574	\$ 506,814
Deferred Inflows of Resources	\$ 2,105,996	\$ 2,056,651
Net Position		
Net investment in capital assets	\$ 1,044,261	\$ 892,626
Restricted for endowment	204,137	200,389
Unrestricted	2,168,452	1,837,512
Total Net Position	\$ 3,416,850	\$ 2,930,527
Revenues		
Taxes	\$ 1,893,754	\$ 1,879,381
Other	389,597	395,369
Total Revenues	\$ 2,283,351	\$ 2,274,750
Expenses-Library Services	1,797,028	2,045,743
Change in Net Position	\$ 486,323	\$ 229,007

The unrestricted net position of \$2,168,452 may be used to meet the Library's ongoing obligations to citizens and creditors. The Library's net position shows an increase of \$486,323 from the prior year.

The Library's governmental activities revenues increased by \$8,601 and expenses decreased by \$248,715. Revenues increased due to an increase in property taxes levied and received. Expenses decreased due to an decrease in salaries, purchase of books, and an increase in utilities.

GOVERNMENTAL FUND ANALYSIS

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance - related legal requirements.

Governmental Funds. The focus of the Library's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Library's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the Library's governmental funds reported ending fund balance of \$2,224,443 an increase of \$121,341. Of the fund balance, \$1,076,002 constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

LIBRARY BUDGETARY HIGHLIGHTS

The following significant differences between the original budget and the final amended budget in the general fund are as follows:

Final budgeted revenues were slightly lower than what was originally budgeted. The property taxes were budgeted slightly higher in the amended final budget to approximate what was actually collected. Final amended salaries were lower than originally budgeted due to the changes in staff during the year.

Actual revenues and other financing sources came in higher than expected by approximately \$34,581 more than the final amended budget. This can be explained by the Webster trust contributions and book fines being higher than what was budgeted. Final expenditures were approximately \$328,012 lower than expected. This can be explained by actual expenditures incurred were lower in the budgeted salaries, insurance, pension, and professional fee categories.

CAPITAL ASSETS AND DEBT ADMINISTRATION

During the current year, the Library acquired capital assets for its governmental activities totaling \$350,686. This investment includes capital assets, including library books and new furnishings. The Library expects that additions for 2021 will be higher than 2020.

At December 31, 2020, outstanding debt consisted of \$131,098 of compensated absences.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Library's goal is to maintain and enhance the services that are provided to the public utilizing the most efficient and effective methods. The Library has a conservative and financially prudent budget for the 2021 fiscal year that will promote several of the Library's activities and programs.

CONTACTING THE LIBRARY'S MANAGEMENT

This financial report is designed to provide a general overview of the Library's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Van Buren District Library, 200 N. Phelps Street; Decatur, MI 49045.

GOVERNMENTAL FUNDS BALANCE SHEETS/STATEMENT OF NET POSITION
December 31, 2020

	Individual Library Major Funds				Library as a Whole Statement of Net Position - Full Accrual Basis
	General Fund	Endowment Fund	Total- Modified Accrual Basis	GASB No. 34 Adjustments	
Assets and Deferred Outflows of Resources					
Assets					
Current Assets					
Cash	\$ 682,306	\$ 21,137	\$ 703,443	\$ -	\$ 703,443
Taxes receivable	2,090,680	-	2,090,680	-	2,090,680
Total Current Assets	\$ 2,772,986	\$ 21,137	\$ 2,794,123	\$ -	\$ 2,794,123
Noncurrent Assets					
Investments	\$ 1,462,533	\$ 183,000	\$ 1,645,533	\$ -	\$ 1,645,533
Capital assets, net	-	-	-	1,044,261	1,044,261
Total Noncurrent Assets	\$ 1,462,533	\$ 183,000	\$ 1,645,533	\$ 1,044,261	\$ 2,689,794
Total Assets	\$ 4,235,519	\$ 204,137	\$ 4,439,656	\$ 1,044,261	\$ 5,483,917
Deferred Outflows of Resources					
Deferred pension amounts	\$ -	\$ -	\$ -	\$ 385,503	\$ 385,503
Total Assets and Deferred Outflows of Resources	\$ 4,235,519	\$ 204,137	\$ 4,439,656	\$ 1,429,764	\$ 5,869,420
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Current Liabilities					
Accounts payable	\$ 1,782	\$ -	\$ 1,782	\$ -	\$ 1,782
Noncurrent Liabilities					
Net pension liability	\$ -	\$ -	\$ -	\$ 213,694	\$ 213,694
Compensated absences	-	-	-	131,098	131,098
Total Noncurrent Liabilities	\$ -	\$ -	\$ -	\$ 344,792	\$ 344,792
Total Liabilities	\$ 1,782	\$ -	\$ 1,782	\$ 344,792	\$ 346,574
Deferred Inflows of Resources					
Taxes levied but intended for subsequent period	\$ 2,092,090	\$ -	\$ 2,092,090	\$ -	\$ 2,092,090
Deferred pension amounts	-	-	-	13,906	13,906
	\$ 2,092,090	\$ -	\$ 2,092,090	\$ 13,906	\$ 2,105,996
Fund Balances					
Restricted:					
Endowment	\$ -	\$ 204,137	\$ 204,137	\$ (204,137)	\$ -
Assigned:					
Capital improvements	1,065,645	-	1,065,645	(1,065,645)	-
Unassigned	1,076,002	-	1,076,002	(1,076,002)	-
Total Fund Balances	\$ 2,141,647	\$ 204,137	\$ 2,345,784	\$ (2,345,784)	\$ -
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,235,519	\$ 204,137	\$ 4,439,656		
Contingency - See Note 12					
Net Position					
Net investment in capital assets				\$ 1,044,261	\$ 1,044,261
Restricted for endowment				204,137	204,137
Unrestricted				2,168,452	2,168,452
Total Net Position				\$ 3,416,850	\$ 3,416,850

The Notes to Financial Statements are an integral part of this statement.

VAN BUREN DISTRICT LIBRARY

GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE/STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	<u>Individual Library Major Funds</u>		Total- Modified Accrual Basis	GASB No. 34 Adjustments	Library as a Whole Statement of Activities-Full Accrual Basis
	General Fund	Endowment Fund			
Revenues:					
Taxes	\$ 1,893,754	\$ -	\$ 1,893,754	\$ -	\$ 1,893,754
State sources	35,025	-	35,025	-	35,025
Penal fines	139,133	-	139,133	-	139,133
Fees and book fines	10,409	-	10,409	-	10,409
Investment income	32,720	-	32,720	-	32,720
Local contributions and other	172,540	3,748	176,288	(3,978)	172,310
Total revenues	<u>\$ 2,283,581</u>	<u>\$ 3,748</u>	<u>\$ 2,287,329</u>	<u>\$ (3,978)</u>	<u>\$ 2,283,351</u>
Expenditures/Expenses:					
Salaries	\$ 1,098,407	\$ -	\$ 1,098,407	\$ 1,315	\$ 1,099,722
Payroll taxes	82,253	-	82,253	-	82,253
Insurance (health, life, disability, w/c)	74,256	-	74,256	-	74,256
Pension	188,168	-	188,168	(214,662)	(26,494)
Office and library supplies	9,809	-	9,809	-	9,809
Postage, printing, copying	6,422	-	6,422	-	6,422
Gas and oil	1,725	-	1,725	-	1,725
Janitor supplies	8,976	-	8,976	-	8,976
Professional fees	58,165	-	58,165	-	58,165
Contractual services	30,731	-	30,731	-	30,731
Utilities	50,422	-	50,422	-	50,422
Telephone	15,298	-	15,298	-	15,298
Travel	4,215	-	4,215	-	4,215
Promotional and reading programs	20,089	-	20,089	-	20,089
General and vehicle insurance	6,106	-	6,106	-	6,106
Maintenance	42,545	-	42,545	-	42,545
Continuing education	3,230	-	3,230	-	3,230
Capital outlay	219,872	-	219,872	(184,737)	35,135
Audiovisual , books, and periodicals	234,053	-	234,053	(165,949)	68,104
Internet fees	10,753	-	10,753	-	10,753
Miscellaneous	493	-	493	-	493
Depreciation	-	-	-	195,073	195,073
Total expenditures/expenses	<u>\$ 2,165,988</u>	<u>\$ -</u>	<u>\$ 2,165,988</u>	<u>\$ (368,960)</u>	<u>\$ 1,797,028</u>
Excess of revenues over expenditures/expenses	\$ 117,593	\$ 3,748	\$ 121,341	\$ 364,982	\$ 486,323
Other Financing Sources(Uses)					
Operating transfers in (out)	-	-	-	-	-
Net Change In Fund Balances/Net Position	\$ 117,593	\$ 3,748	\$ 121,341	\$ 364,982	\$ 486,323
Fund Balance/Net Position-Beginning of Year	<u>2,024,054</u>	<u>200,389</u>	<u>2,224,443</u>	<u>706,084</u>	<u>2,930,527</u>
Fund Balance/Net Position-End of Year	<u><u>\$ 2,141,647</u></u>	<u><u>\$ 204,137</u></u>	<u><u>\$ 2,345,784</u></u>	<u><u>\$ 1,071,066</u></u>	<u><u>\$ 3,416,850</u></u>

The Notes to Financial Statements are an integral part of this statement.

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Van Buren District Library (the “Library”) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity

The Library is located in the Village of Decatur, Michigan and is governed by an eight (8) member board. The Library is primarily funded through a tax levy, fines, fees, and charitable donations. Revenue is used to operate and staff the Library. The accompanying basic financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (“GASB”) for determining the various governmental organizations to be included in the reporting entity. These criteria include oversight responsibility, scope of public service and special financing relationships. The Library is a District Library formed pursuant to “The District Library Establishment Act (1989 Public Act 24)” by an agreement between the Townships of Decatur, Antwerp, Covert, Lawrence, the Cities of Gobles and Bangor, the Village of Bloomingdale and the County of Van Buren. Based on the significance of any operational or financial relations with the Library, there are no component units to be included in these financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Library’s basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library’s major funds).

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Statement of Net Position includes and recognizes all long-term assets and receivables and deferred outflows of resources as well as deferred inflows of resources and long-term debt and obligations. The Library’s net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position.

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

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**Fund Financial Statements**

The Library's individual 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, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual – that is, when they become both measurable and available to finance expenditures of the fiscal period. All other revenue items are considered to be available only when cash is received by the Library.

The Library reports the following major governmental funds:

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

Permanent Fund - The Endowment Fund is used to account for the Library's non-expendable endowment where only the earnings are used to fund current operations.

Comparative Data - Comparative data is not included in the Library's financial statements.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows of resources 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 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**Assets, Deferred Outflows of Resources, Deferred Inflows of Resources, Liabilities, and Net Position or Equity**

Capital Assets - Capital assets are defined by the Library as assets with an estimated useful life in excess of one year and cost of \$2,000 or more. 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.

Building improvements, furniture and fixtures, equipment, and library books, periodicals, etc. are depreciated using the straight-line method over the following useful lives:

Buildings	20 – 50 years
Building improvement	10 – 20 years
Furniture and fixtures	5 – 10 years
Library books, periodicals, etc.	10 years
Equipment	5 – 10 years
Computer hardware	5 years
Computer software	5 years

Deferred Outflows of Resources — In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. As of December 31, 2020, the Library had \$385,503 classified as deferred outflows of resources related to the pension plan.

Deferred Inflows of Resources — In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of sources (revenue) until that time. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting, for long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available. As of December 31, 2020, the Library had \$2,092,090 classified as deferred inflows of resources for taxes levied but intended for the subsequent period and \$13,906 for pension deferrals.

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**Assets, Deferred Outflows of Resources, Deferred Inflows of Resources, Liabilities, and Net Position or Equity, Continued**

Compensated Absences (Vacation and Sick Leave) – It is the Library’s policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation and sick pay are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the fund balance sheet only if there were employee terminations as of year-end.

Property Taxes – Properties are assessed as of December 31. The related property taxes are billed and become a lien on December 1 of the following year, at which time the Library recognizes the levy. These taxes are due on February 15 with the final collection date of February 28. Starting March 1, they are added to the county tax rolls.

The 2019 taxable valuation of the Library’s District totaled approximately \$1.92 billion, on which taxes levied consisted of 1.0831 mills for the Library’s operations. This resulted in approximately \$1.894 million for operations. The amount is recognized in the respective General Fund financial statements as tax revenue. The levy for 2020 was 1.0831 mills and has been valued at \$2,092,090 and recorded as taxes receivable and a deferred inflow of resources.

Fund Balances – The Library follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The following are definitions for the Library’s fund balance classifications:

Non-spendable fund balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – includes amounts that can be spent only for specific purposes stipulated by what the external resource provides (for example grant providers, constitutionally, or through enabling legislation). Effectively restrictions may be changed or lifted only with the consent of resource providers.

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONCLUDED**Assets, Deferred Outflows of Resources, Deferred Inflows of Resources, Liabilities, and Net Position or Equity, Concluded**

Committed fund balance – includes amounts that can be used only for specific purposes determined by a formal action of the government’s highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance – includes amounts that are constrained by the government’s intent to be used for a specific purpose, but are neither restricted nor committed.

Unassigned fund balance – is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Fund Equity Flow Assumptions – 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 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.

Net Position Flow Assumption – Sometimes the Library will fund outlays for particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and net pension expense, information about the fiduciary net position of 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 by 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 acquisition value.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The annual budget is prepared by the Library Director and adopted by the Library Board of Trustees; subsequent amendments are approved by the Library Board of Trustees. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. There were no encumbrances outstanding at December 31, 2020. During the current year, the budget was amended in a legally permissible manner. The budget statement (Budgetary Comparison Schedule – General Fund) is presented on the same basis of accounting used in preparing the adopted budget. The budget has been adopted on a line-item basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of the actual results of operations of the General Fund is available for inspection.

Excess of Expenditures Over Appropriations in Major Budgeted Funds- During the year, General Fund maintenance expenditures exceeded budgeted expenditures by \$545. See RSI - Budgetary Comparison Schedule – General Fund for more detail.

Funds Deficits – The Library has no accumulated fund balance deficits in their reported funds.

NOTE 3. RECEIVABLE AND PAYABLES

Receivables as of December 31, 2020 for the Library's General Fund consisted of \$2,090,680 of taxes receivable for taxes levied in the current year, but not yet received.

The Library had \$1,782 of payables as of December 31, 2020.

NOTE 4. DEPOSITS AND INVESTMENTS

Michigan Compiled Law 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 Library 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 mature 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.

NOTE 4. DEPOSITS AND INVESTMENTS, CONTINUED

The Library has designated multiple banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority. The Library's deposits and investment policies are in accordance with statutory authority.

The Library's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank 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 to it. Accounts at each financial institution are insured by the Federal Deposit Insurance Company ("FDIC") up to \$250,000. As of December 31, 2020, \$407,531 of the Library's bank balance was exposed to custodial risk because it was uninsured or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Library's name. The Library does not have a deposit policy for custodial credit risk.

Credit Risk

State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and external investment pools as identified in the list of authorized investments in summary of significant accounting policies. The Library has no investment policy that would further limit its investment choices. The investments as of December 31, 2020 are as follows:

Investment	Fund	Fair Value	Interest Rate	Maturity Date
CD - PNC Bank	General Fund	250,000	0.10%	8/29/2021
CD - TCF	General Fund	250,000	0.22%	8/1/2021
CD - Kellogg Community Credit Union	General Fund	200,018	0.65%	3/25/2021
CD - Lake Michigan Credit Union	General Fund	250,000	1.24%	6/24/2021
CD - Honor Credit Union	General Fund	261,924	2.77%	8/2/2022
CD - Arbor Community Credit Union	General Fund	250,591	0.90%	9/27/2021
CD - First State Bank	Endowment Fund	183,000	1.25%	9/25/2021
	Total	<u>\$ 1,645,533</u>		

NOTE 4. DEPOSITS AND INVESTMENTS, CONCLUDED**Fair value Measurement**

The Library categorizes its fair value measurements within the 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; Level 3 inputs are significant unobservable inputs. The Library has the following recurring fair value measurements as of December 31, 2020:

- Certificates of deposits with a balance of \$1,645,533 valued using significant other observable inputs (Level 2).

NOTE 5. CAPITAL ASSETS

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

	Balance Beg. of Year	Additions	Disposals and Adjustments	Balance End of Year
<u>Nondepreciable capital assets:</u>				
Construction in process	\$ -	\$ 150,864	\$ -	\$ 150,864
Subtotal	\$ -	\$ 150,864	\$ -	\$ 150,864
<u>Depreciable capital assets:</u>				
Vehicles	\$ 45,581	\$ -	\$ -	\$ 45,581
Furniture and fixtures	398,834	5,776	-	404,610
Equipment	253,949	28,097	(15,279)	266,767
Books, audiovisual, periodicals	1,661,811	165,949	(352,425)	1,475,335
Subtotal	\$ 2,360,175	\$ 199,822	\$ (367,704)	\$ 2,192,293
Less: Accumulated Depreciation				
Vehicles	\$ (33,472)	\$ (4,843)	\$ -	\$ (38,315)
Furniture and fixtures	(346,321)	(17,168)	-	(363,489)
Equipment	(199,511)	(15,974)	11,301	(204,184)
Books, audiovisual, periodicals	(888,245)	(157,088)	352,425	(692,908)
Subtotal	\$ (1,467,549)	\$ (195,073)	\$ 363,726	\$ (1,298,896)
Net depreciable capital assets	\$ 892,626			\$ 893,397
Net capital assets	\$ 892,626			\$ 1,044,261

Capital assets, including library books, are recorded at cost. Depreciation expense was \$195,073 for the year ended December 31, 2020.

NOTE 6. COMPENSATED ABSENCES

Compensated absences for the year ended December 31, 2020 are as follows:

	Beginning Balance	Net Change	Ending Balance
Compensated Absences	\$ 129,783	\$ 1,315	\$ 131,098
	<u>\$ 129,783</u>	<u>\$ 1,315</u>	<u>\$ 131,098</u>

NOTE 7. RISK MANAGEMENT

The Library is exposed to various risks of loss related to property loss, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Library obtains general liability insurance to cover those risks at a cost it considers to be economically justifiable.

NOTE 8. EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS**Defined benefit pension plan****General Information about the Pension Plan**

Plan description - The Library's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The Library participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits provided – Benefits provided include a plan with a multiplier of 1.50%. Vesting periods are seven years. Normal retirement age is 60 with early retirement at 50 with 25 years of service or 55 with 15 years of service. Final average compensation is calculated based on 5 years. Member contributions are zero percent.

Employees covered by benefit terms – At the December 31, 2019 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to, but not yet receiving benefits	5
Active employees	10
	<u>22</u>

NOTE 8. EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS, CONTINUED

Contributions – The Library 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. Employer contributions were based on annual payroll for open-divisions.

Net pension liability/asset – The employers' net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2019 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include:

- Inflation 2.5%
- Salary increases 3.75% in the long-term
- Investment rate of return of 7.75%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

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 of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return
Global equity	60.0%	3.70%
Global fixed income	20.0%	0.30%
Real assets	20.0%	1.30%

NOTE 8. EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS, CONTINUED

Discount rate – The discount rate used to measure the total pension liability is 7.60%. 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.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance at 12-31-18	\$ 2,151,822	\$ 1,774,791	\$ 377,031
Changes for the Year			
Service cost	25,951	-	25,951
Interest on the total pension liability	168,430	-	168,430
Changes in benefits	-	-	-
Difference between expected and actual experience	(15,162)	-	(15,162)
Changes in assumptions	66,019	-	66,019
Employer contributions	-	171,592	(171,592)
Employee contributions	-	-	-
Net investment income	-	241,129	(241,129)
Benefit payments, including employee refunds	(118,846)	(118,846)	-
Administrative expense	-	(4,147)	4,147
Other changes	(1)	-	(1)
Net changes	\$ 126,391	\$ 289,728	\$ (163,337)
Ending Balance at 12-31-19	\$ 2,278,213	\$ 2,064,519	\$ 213,694

NOTE 8. EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS, CONTINUED

Sensitivity of the net pension liability/asset to changes in the discount rate – The following presents the net pension liability/asset of the Library, calculated using the discount rate of 7.60%, as well as what the employer's net pension liability/asset would be using a discount rate that is 1% point lower (6.60%) or 1% higher (8.60%) than the current rate.

	1% decrease (6.60%)	Current discount rate (7.60%)	1% increase (8.60%)
Net Pension Liability at 12-31-2019		\$ 213,694	
Calculated NPL	231,929		(198,452)
Change in Net Pension Liability	\$ 445,623	\$ 213,694	\$ 15,242

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended December 31, 2020, the employer recognized pension expense of \$156,699. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences in experience	\$ -	\$ 13,906
Differences in assumptions	44,013	-
Excess (Deficit) Investment		
Returns	164,534	-
Contributions subsequent to the measurement date*	176,956	-
Total	\$ 385,503	\$ 13,906

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability for the year ending 2020.

NOTE 8. EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS, CONCLUDED

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

Year Ended		
2021	\$	54,083
2022		58,528
2023		62,590
2024		19,440
	\$	194,641

Defined Contribution Retirement Plan – The Library’s defined benefit retirement plan closed to new employees on March 1, 2017. Following the closure of the defined benefit plan, the Library established the MERS Defined Contribution Plan as authorized by 1996 P.A. 220 in accordance with the MERS plan document. All employees hired after March 1, 2017 are immediately eligible. The Library will match 100% of an employee’s contribution of up to 3% for a total Library contribution of 6%. The Library contributed \$11,212 to plan in the year ended December 31, 2020.

NOTE 9. WEBSTER MEMORIAL LIBRARY AGREEMENT

The Webster Memorial Library (“WML”) was created from the Webster Memorial Library Trust in 1960 for the purpose of establishing a free public library in the Village of Decatur. In an agreement dated December 15, 1999, the Library is to receive an annual distribution in the amount of 4% of the fair market value of assets held by the WML as of the preceding June 30th, and to be used for the Decatur library operations. The total amount received for 2020 was \$89,415, and is included in “local contributions and other”. The agreement was amended on December 23, 2010 and stated that commencing in the year 2012 and each year thereafter, the WML will distribute funds quarterly to the Library in the amount of .75% of the fair market value of assets held by WML as of the last day of the preceding quarter, however, if the fair market value of the assets held by the WML as of the last day of the preceding quarter is less than \$2,000,000, the distribution for that quarter will be in the amount of .625% of the FMV of the assets held by WML.

NOTE 10. VILLAGE OF LAWTON PUBLIC LIBRARY AGREEMENT

Effective July 1, 1990, the Library entered into an agreement with the Village of Lawton Public Library ("Lawton") to contract with Lawton to provide library services for Porter Township. The agreement calls for the Library to pay 75% of the penal fines and any direct state aid received (based on Porter Township population) and 75% of Porter Township property tax collection to Lawton. The agreement was for 5-years and renews for successive 5-years, so long as both parties continue to receive their respective special millage. The amount paid to Lawton for 2020 was \$121,257 (\$115,158 taxes; \$6,099 penal fines).

NOTE 11. HARTFORD DISTRICT LIBRARY AGREEMENT

Effective July 1, 1990, the Library entered into an agreement with the Hartford District Library ("Hartford") to contract with Hartford to provide library services for Bangor Township. The agreement calls for the Library to pay 10% of the penal fines and any direct state aid received (based on Bangor Township population) and 10% of Bangor Township property tax collections to Hartford. The agreement was for 5-years and renews for successive 5-years, so long as both parties continue to receive their respective special millage. The amount paid to Hartford for 2020 was \$7,867 (\$7,158 in taxes; \$709 penal fines).

NOTE 12. CONTINGENCY

A major taxpayer has appealed to the Michigan Tax Tribunal regarding current and prior taxable values and classifications for certain property within the Library's taxable area. Based on the results of the proceedings, there was a reduction of the taxable values for this taxpayer covering certain years up through the 2016 tax year. This reduction resulted in a chargeback for previous tax revenue received for a portion of the tax years in question. The tax years 2017 forward are still in under appeal, however, the future outcome of this appeal is not presently determinable and the possible range of potential loss cannot be predicted. No accrual has been made in the financial statements.

NOTE 13. TAX ABATEMENTS

The Library receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by various municipalities within the Library's authority. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities. For the fiscal year ended December 31, 2020, the Library's property tax revenues were reduced by \$7,327 under these programs.

NOTE 14. RECONCILIATION OF THE LIBRARY AS A WHOLE AND THE INDIVIDUAL FUND FINANCIAL STATEMENTS

Total fund balances and the net change in fund balances of the Library's individual funds differ from net position and change in net position of the Library as a whole reported in the Statement of Net Position and Statement of Activities. This difference results primarily from the long-term economic focus of the Statement of Net Position and Statement of Activities versus the current focus of the statement of the individual governmental funds' balance sheets and statements of revenue, expenditures, and changes in fund balance. The following is a reconciliation of fund balance to net position and the net change in fund balance to the net change in net position:

Adjustments for Balance Sheet to Statement of Net Position:

Total Fund Balances - Governmental Funds	\$ 2,345,784
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets (net of depreciation) are not financial resources, and are not reported in the funds	1,044,261
Net pension liability	(213,694)
Deferred inflows of resources related to pension plan	385,503
Deferred outflows of resources related to pension plan	(13,906)
Compensated absences are not included as a liability in the funds.	(131,098)
Total Net Position - Governmental Activities	<u><u>\$ 3,416,850</u></u>

Adjustments for Statement of Revenues and Expenditures and Changes in Fund Balance to Statement of Activities:

Net Change in Fund Balances - Modified Accrual Basis	\$ 121,341
Amounts reported in the Statement of Activities are different because:	
Capital outlay is not an expense of the current period.	350,686
Loss on disposal of assets is reported on the Statement of Activities, but not in the fund's statements.	(3,978)
Capital costs are allocated over their estimated useful lives as depreciation.	(195,073)
Change in the accrual for long-term compensated absences reported as an expense in the Statement of Activities, but not in the fund's statements.	(1,315)
Change in net pension liability and related deferred amounts	214,662
Change in Net Position of Governmental Activities	<u><u>\$ 486,323</u></u>

NOTE 15. SUBSEQUENT EVENTS

The Library has evaluated subsequent events through March 21, 2021 the date the financial statements were available to be issued. No events or transactions occurred during this period which require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
For the Year Ended December 31, 2020

	Originally Adopted Budget	Amended Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes				
(Less \$115,158 to Lawton, \$7,158 to Hartford)	\$ 1,879,000	\$ 1,889,000	\$ 1,893,754	\$ 4,754
State sources	30,000	30,000	35,025	5,025
Penal fines				
(Less \$6,099 to Lawton, \$709 to Hartford)	173,000	141,000	139,133	(1,867)
Fees and book fines	17,000	4,000	10,409	6,409
Investment income	10,000	27,000	32,720	5,720
Webster trust contributions	80,000	80,000	89,415	9,415
Local contributions and other	15,000	78,000	83,125	5,125
Total revenues	<u>\$ 2,204,000</u>	<u>\$ 2,249,000</u>	<u>\$ 2,283,581</u>	<u>\$ 34,581</u>
Expenditures:				
Salaries	\$ 1,147,000	\$ 1,145,000	\$ 1,098,407	\$ 46,593
Payroll taxes	88,000	88,000	82,253	5,747
Insurance (health, life, disability, w/c)	101,500	86,500	74,256	12,244
Pension	93,000	193,000	188,168	4,832
Office and library supplies	12,500	12,500	9,809	2,691
Postage, printing, copying	30,000	25,000	6,422	18,578
Gas and oil	4,000	4,000	1,725	2,275
Janitor supplies	4,500	11,500	8,976	2,524
Professional fees	64,000	64,000	58,165	5,835
Contractual services	30,000	35,000	30,731	4,269
Utilities	58,000	60,000	50,422	9,578
Telephone	14,000	18,000	15,298	2,702
Travel	13,000	8,000	4,215	3,785
Promotional and reading programs	38,000	23,000	20,089	2,911
General and vehicle insurance	10,000	10,000	6,106	3,894
Maintenance	41,000	42,000	42,545	(545)
Continuing education	7,500	5,500	3,230	2,270
Capital outlay	90,000	380,000	219,872	160,128
Audiovisual , books, and periodicals	262,000	267,000	234,053	32,947
Internet fees	15,000	15,000	10,753	4,247
Miscellaneous	1,000	1,000	493	507
Tax repayment	80,000	-	-	-
Total expenditures	<u>\$ 2,204,000</u>	<u>\$ 2,494,000</u>	<u>\$ 2,165,988</u>	<u>\$ 328,012</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (245,000)	\$ 117,593	\$ 362,593
Other Financing Sources(Uses)				
Operating transfers in (out)	-	-	-	-
Net Change In Fund Balances	\$ -	\$ (245,000)	\$ 117,593	\$ 362,593
Fund Balance-Beginning of Year	2,024,054	2,024,054	2,024,054	-
Fund Balance-End of Year	<u>\$ 2,024,054</u>	<u>\$ 1,779,054</u>	<u>\$ 2,141,647</u>	<u>\$ -</u>

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

	For the Years Ended December 31st					
	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 25,951	\$ 26,701	\$ 24,725	\$ 36,681	\$ 30,857	\$ 31,731
Interest	168,430	164,106	157,663	149,548	139,276	162,630
Changes of benefit terms	-	-	6,456	-	-	-
Difference between expected and actual experience	(15,162)	(17,533)	3,816	20,084	(11,209)	-
Changes of assumptions	66,019	-	-	-	107,646	-
Benefit payments including employee refunds	(118,846)	(118,846)	(107,394)	(90,386)	(86,262)	(80,488)
Other	(1)	-	-	-	-	-
Net Change in Total Pension Liability	\$ 126,391	\$ 54,428	\$ 85,266	\$ 115,927	\$ 180,308	\$ 83,873
Total Pension Liability beginning	\$ 2,151,822	\$ 2,097,394	\$ 2,012,128	\$ 1,896,201	\$ 1,715,893	\$ 1,632,020
Total Pension Liability ending	\$ 2,278,213	\$ 2,151,822	\$ 2,097,394	\$ 2,012,128	\$ 1,896,201	\$ 1,715,893
Plan Fiduciary Net Position						
Contributions - employer	\$ 171,592	\$ 167,188	\$ 108,156	\$ 98,663	\$ 42,490	\$ 44,134
Contributions - employee	-	-	-	-	-	-
Net Investment income	241,129	(69,964)	210,416	161,330	(22,244)	90,859
Benefit payments including employee refunds	(118,846)	(118,846)	(107,394)	(90,386)	(86,262)	(80,488)
Administrative expense	(4,147)	(3,475)	(3,329)	(3,185)	(3,260)	(3,334)
Net Change in Plan Fiduciary Net Position	\$ 289,728	\$ (25,097)	\$ 207,849	\$ 166,422	\$ (69,276)	\$ 51,171
Plan Fiduciary Net Position beginning	\$ 1,774,791	\$ 1,799,888	\$ 1,592,039	\$ 1,425,617	\$ 1,494,893	\$ 1,443,722
Plan Fiduciary Net Position ending	\$ 2,064,519	\$ 1,774,791	\$ 1,799,888	\$ 1,592,039	\$ 1,425,617	\$ 1,494,893
Employer Net Pension Liability (Asset)	\$ 213,694	\$ 377,031	\$ 297,506	\$ 420,089	\$ 470,584	\$ 221,000
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	91%	82%	86%	79%	75%	87%
Covered Employee Payroll	\$ 413,227	\$ 429,972	\$ 414,855	\$ 615,447	\$ 534,783	\$ 549,926
Employer's Net Pension Liability as a percentage of covered employee payroll	52%	88%	72%	68%	88%	40%

Notes to Schedule:

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Employer's Contributions

	For the Years Ended December 31st					
	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 48,672	\$ 67,188	\$ 52,269	\$ 48,663	\$ 41,990	\$ 41,134
Contributions in relation to the actuarially determined contribution	171,592	167,188	108,156	98,663	42,490	44,134
Contribution deficiency (excess)	(122,920)	\$ (100,000)	\$ (55,887)	\$ (50,000)	\$ (500)	\$ 3,000
Covered employee payroll	\$ 413,227	\$ 429,972	\$ 414,855	\$ 615,447	\$ 534,783	\$ 549,926
Contributions as a percentage of covered employee payroll	42%	39%	26%	16%	8%	8%

Notes to Schedule

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	21 years
Asset valuation method	5 year smoothed
Inflation	2.5%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	Varies depending on plan adoption
Mortality	50% Female/50% Male 1994 Group Annuity Mortality Table

Notes to Schedule:

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.